

**NARRAGANSETT BAY COMMISSION
RHODE ISLAND**



**ANNUAL
COMPREHENSIVE
FINANCIAL REPORT**
FISCAL YEAR ENDED JUNE 30, 2026

**LAURIE HORRIDGE
EXECUTIVE DIRECTOR**

**VINCENT J. MESOLELLA
CHAIRMAN**

Narragansett Bay Commission

Rhode Island

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2026

Prepared By:

The Finance Division of Narragansett Bay Commission

Mission Statement

"The mission of the Narragansett Bay Commission is to protect and enhance water quality in Narragansett Bay by providing safe, cost-effective, and reliable wastewater services."

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

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Vincent J. Mesolella
Chairman

Laurie A. Horridge
Executive Director

September 17, 2026

To the Chairman, the Commissioners of the Narragansett Bay Commission and Ratepayers:

We are pleased to transmit the Annual Comprehensive Financial Report (ACFR) of the Narragansett Bay Commission (NBC) for the fiscal year ended June 30, 2026. NBC staff prepared this ACFR following the guidelines set forth by the Governmental Accounting Standards Board (GASB). 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. Due to 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.

NBC is subject to independent audit per Section 35-6-37 of the Rhode Island General Laws (RIGL) and is required to submit audited financial statements to the state controller no later than ninety (90) days after the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended June 30, 2026.

Hague, Sahady & Co., CPA's, P.C., NBC's Independent Auditor, has issued an unmodified ("clean") opinion on the NBC's financial statements for the fiscal year ended June 30, 2026 (see page 11). Management's Discussion and Analysis (MD&A) follows the Independent Auditor's Report and provides an introduction, overview, and analysis of the financial statements in a narrative format. The MD&A complements and should be read in conjunction with this letter of transmittal.

Profile of the Narragansett Bay Commission

NBC is a Rhode Island public corporation incorporated in 1980 pursuant to RIGL Chapter 46-25 to provide wastewater treatment and collection service to the greater Providence metropolitan area. On January 1, 1992, the former Blackstone Valley District Commission was merged into NBC, expanding the service area to include the greater Pawtucket metropolitan area.

Wastewater Treatment

NBC owns, operates, and maintains Rhode Island's two largest wastewater treatment facilities. The Field's Point Wastewater Treatment Facility (WWTF), located in Providence, provides advanced wastewater treatment for dry weather flows of up to 65 million gallons per day (MGD) and primary treatment and disinfection for flows up to 200 MGD. The Bucklin Point WWTF, located in East Providence, provides secondary treatment and nitrogen removal for flows of up to 46 MGD and primary treatment and disinfection for flows up to 116 MGD. In addition, NBC owns, operates, and maintains 110 miles of interceptors, six outlying pump stations, 38 tide-gates, and 65 Combined Sewer Overflows (CSOs). The Tunnel Pump Station, adjacent to the Ernest Street Pump Station at Field's Point, pumps stored combined sewage flow from the CSO tunnel to the Field's Point WWTF for treatment. NBC also owns and operates a septage receiving facility in Lincoln.

Energy Conservation and Sustainable Energy

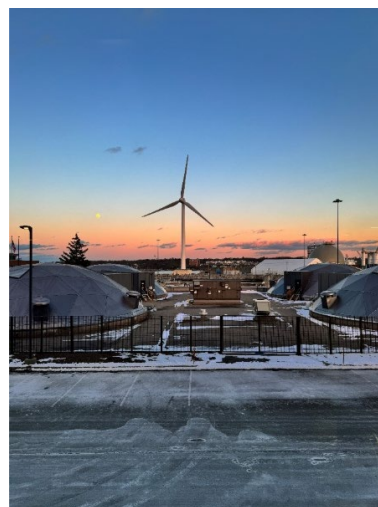
NBC uses more than 35 million kWh of electricity annually, which has presented NBC with the opportunity to maximize energy efficiency and employ sustainable resources through its Sustainable Energy program. This involves the identification and implementation of conservation methods, and the use of sustainable energy resources to mitigate environmental impact.

Field's Point Wind Turbines

In October 2012, NBC began the operation of three 1.5 MW wind turbines located at the Field's Point WWTF. The turbines convert wind energy into electricity which NBC uses on-site to support facility operations. Any excess electricity is net metered to the electric grid to offset billable usage.

Bucklin Point Biogas Facility

NBC's Biogas Facility at Bucklin Point is designed to convert biogas, which is a mixture of different gases produced by the anerobic breakdown of organic matter in wastewater sludge, into heat and electricity. The energy is to be used to support facility operations on-site and will require compliance with strict emission permit requirements.



Field's Point Wind Turbine
Photo by Krystine De Leon Severino

NBC's Wind Turbines in Coventry

In 2016, NBC purchased three 1.5 MW wind turbines at a remote site located in Coventry, Rhode Island. Two of the turbines, Coventry 3 and 4 were purchased in July 2016 and a third turbine, Coventry 1 was purchased in October 2016. The Coventry turbines generate clean wind energy which is net metered to the electric grid to offset NBC's electricity bills.

Power Purchase Agreement

NBC has two Power Purchase Agreements (PPA) for renewable energy projects. The electricity generated is net-metered on NBC's electric accounts. NBC compensates the contractor based on 75% of kWh generated multiplied by the prevailing net metering rate and retains the remaining 25% of the net metering credits.

Governance

NBC is governed by a nineteen-member Board of Commissioners (Board). Ten public members are appointed by the Governor, two by the Mayor of the City of Providence, one each by the Mayors of the Towns of North Providence, Johnston, and Cumberland, one each by the Mayors of the Cities of East Providence, Central Falls and Pawtucket and one by the Town Administrator of Lincoln. Board member appointments are for three years, after which appointed members stay in office until they are either re-appointed or replaced by a new member. The Board's Chairperson, Vice-Chairperson and Treasurer are elected annually by the Board and the Chairperson is NBC's Chief Executive Officer. The Board-appointed Executive Director, who also serves as Secretary to the Board, administers, manages, and directs the affairs and business of NBC subject to the policies, control, and direction of the Board. The Board, through the Executive Director, may appoint other employees.

NBC operates under the regulatory oversight of the Rhode Island Public Utilities Commission (PUC). As such, any adjustments to sewer user rates require approval from both the Board and the PUC. Additionally, the Division of Public Utilities and Carriers (Division) must approve any debt obligations entered into by NBC with a term exceeding one year.

NBC's financial statements are not included in the State of Rhode Island's annual financial report since NBC is a related organization rather than a component unit of the State for financial reporting purposes.

NBC's Board approves the annual budget which includes both the operating and capital budgets. The operating budget is prepared on a modified cash basis. A line-item operating budget is maintained for the cost centers in each Division. The appropriate Division Director must approve budget transfers prior to approval by the Chief Financial Officer (CFO). The CFO authorizes adjustments (transfers) between operating budget line items within categories and adjustments between cost centers as well as changes to the operating capital budget. Budget transfers and financial statements are included as part of the monthly financial report presented to the Board at regularly scheduled Board meetings.

Local Economy

NBC services approximately 36.0% of the total population of Rhode Island. Of the eight major communities serviced by NBC, Providence, Pawtucket, Cumberland, and North Providence account for the majority or 79.3% of NBC's accounts. NBC's user fee revenue is relatively stable with NBC's ten largest users responsible for 7.91% of the billed user fee revenue in Fiscal Year (FY) 2026. NBC's largest customers include government, education, and healthcare providers.

According to the Rhode Island Department of Economic Development, the economic base of Rhode Island has continued to shift over the last decade from manufacturing to service industries. It is important to note that one of the primary service industries in Rhode Island is tourism, which is largely focused on recreational activities in and around Narragansett Bay. Employment in Rhode Island reflects the national trend towards higher employment in the services sector.

Based on the Rhode Island Department of Labor and Training data, the Rhode Island unemployment rate increased from 4.4% in June 2025 to 4.6% in June 2026. The Rhode Island median household income has exceeded the national median household income in the last ten years.

Major Initiatives

NBC continues to make investments in its infrastructure, and the Capital Improvement Program (CIP) identifies 47 projects that are in progress, being initiated or to be completed during FY 2027-2032 at an estimated cost of \$454.7 million. Programmed expenditures on the Wastewater Treatment Facility Improvements at 30.0% of the total, or \$136.7 million. Other significant capital initiatives include the CSO Phase III A Facilities at \$106.5 million and Field's Point Resiliency Improvements at \$101.1 million.

NBC has funded its CIP primarily through low-interest loans from Rhode Island Infrastructure Bank (RIIB) and through the Water Infrastructure Finance and Innovation Act (WIFIA) program administered by the United States Environmental Protection Agency (EPA). On February 25, 2026, NBC executed a loan with RIIB:

- 2026 Series A Loan: A \$75.0 million loan which includes \$8.8 million in principal forgiveness based on disadvantaged and green infrastructure criteria.

Long-term Financial Planning

NBC uses a long-term financial model to assess the impacts of current and future operating and capital requirements. The model is used to develop and support financing strategies that will provide stability, continuity, and minimize ratepayer impact. Since the CIP is financed primarily through the issuance of long-term debt, the capital program's primary impact on the operating budget is debt service. NBC also identifies the impact of capital improvements on the operating budget such as increased revenue, increased expense, or savings. A five-year operating capital plan is prepared and incorporates needs identified primarily through NBC's asset management plan.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to NBC for its Annual Report for the FY ended June 30, 2025. This was the twenty-fourth consecutive year that NBC has received this prestigious award. To be awarded a Certificate of Achievement, NBC issued an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. NBC believes that the current ACFR meets the high standards of the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine eligibility for a Certificate of Achievement.

In addition, NBC received the GFOA's Distinguished Budget Presentation Award for the twenty-fifth consecutive year for its annual budget document for the FY 2027 Budget with special recognition for the strategic goals and strategies. This award is valid for a period of one year only.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of NBC's Division of Finance. Special recognition is also extended to the Chairman and the Board of Commissioners for their steadfast support and commitment to maintaining the highest standards of professionalism in the management of NBC's finances.

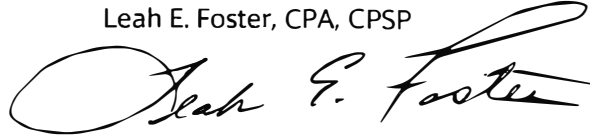
Respectfully Submitted,

Kevin McDonald

Handwritten signature of Kevin B. McDonald in black ink.

Chief Financial Officer

Leah E. Foster, CPA, CPSP

Handwritten signature of Leah E. Foster in black ink.

Controller

GFOA Certificate of Achievement

Government Finance Officers Association of the United States and Canada (GFOA) presented a Certificate of Achievement for Excellence in Financial Reporting to Narragansett Bay Commission, Rhode Island, for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025.



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Narragansett Bay Commission
Rhode Island**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025

Christopher P. Morill

Executive Director/CEO

Narragansett Bay Commission

Board of Commissioners

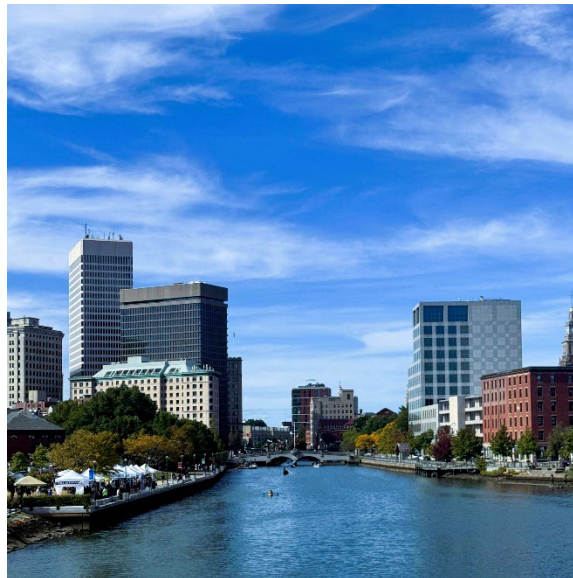
Narragansett Bay Commission (NBC) is governed by a Board of Commissioners (Board). The Board represents the municipalities in the service area, as well as ten gubernatorial appointments. Empowered with responsibilities ranging from ensuring that NBC operates a balanced budget to approving contracts for improving and sustaining the treatment facilities and wastewater collection system, the Board meets monthly to guide the direction of NBC.

Vincent J. Mesolella, Chairman
Angelo S. Rotella, Esq., Vice Chairman
Robert P. Andrade, Treasurer

Ernest Almonte, CPA
Lisa M. Andoscia
James S. Bennett
Michele L. Brais
Mario G. Carlino
David A. Corsetti
Richard J. DeFino Jr.
Michelle R. DeRoche

Christine DiBiase, Esq.
Leonard L. Lopes, Esq.
John MacQueen
Michael J. Marcello, Esq.
Alessandro Montanari
Anthony Napolitano
Jina N. Petrarca, Esq.
Gary Rebelo

Laurie Horridge, Executive Director, and Secretary of the Board

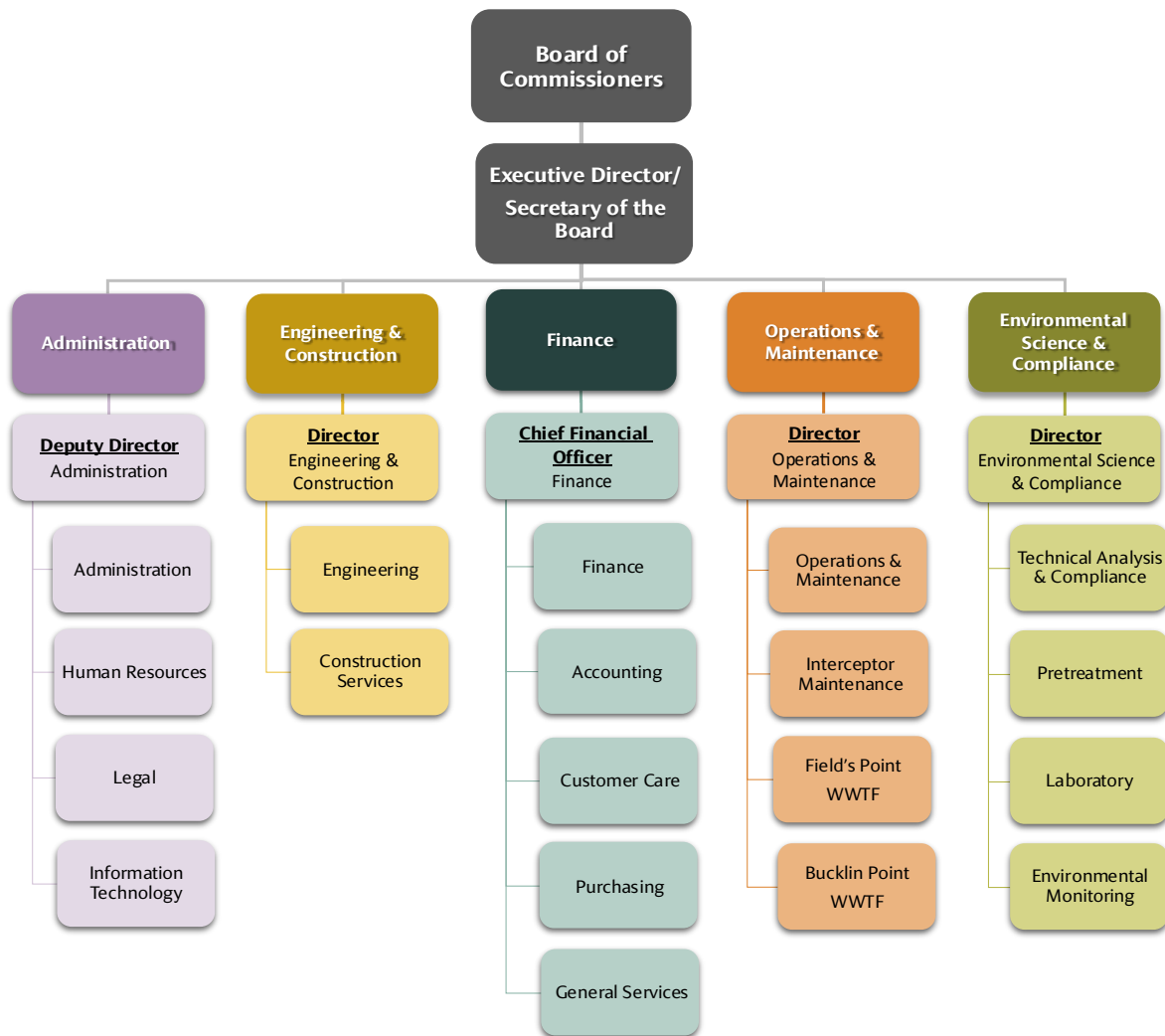


Providence Skyline
Photo by Krystine De Leon Severino

Narragansett Bay Commission

Organization Chart

NBC's organized structure is a centralized model, consisting of five divisions. Each division is led by a Division Director who reports directly to the Executive Director. Within these divisions, there are Cost Centers, headed by Cost Center Managers who report to the Division Director. Below is NBC's organization chart.

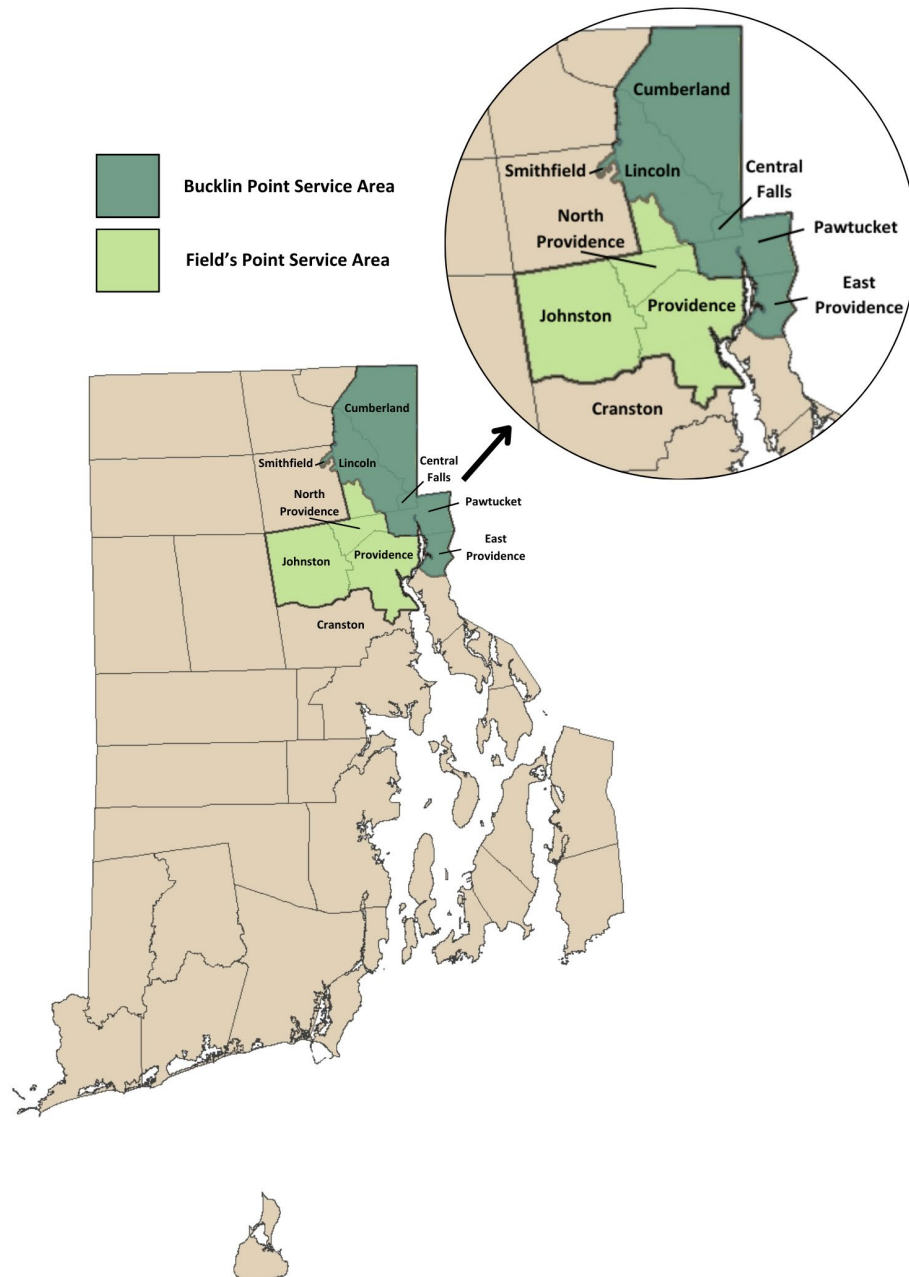


Narragansett Bay Commission

Service Area

NBC provides reliable, cost-effective wastewater collection and treatment services to over 403,100 residents and approximately 7,441 businesses in the metropolitan Providence and Blackstone Valley areas. These communities include Providence, North Providence, Johnston, Pawtucket, Central Falls, Cumberland, Lincoln, the northern portion of East Providence and small sections of Cranston and Smithfield.

The State of Rhode Island is 1,214.0 square miles and NBC's service area is 70.8 square miles or 5.8%. The map below shows NBC's service area.





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Independent Auditor's Report

To the Board of Commissioners
Narragansett Bay Commission
Providence, Rhode Island

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Narragansett Bay Commission ("NBC") as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise NBC's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of NBC, as of June 30, 2026, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NBC 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.

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 NBC's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted 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 NBC'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 NBC'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 and certain pension and other post-employment information 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 auditing standards generally accepted in the United States of America, 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 NBC's basic financial statements. The Schedule of Operating Budget Revenue, Schedule of Operating Budget Expense, Combining Schedule of Net Position, Combining Schedule of Revenue, Expense, and Changes in Net Position, and Schedule of Long-Distance Travel, 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

Narragansett Bay Commission
FY26 Independent Auditor's Report

accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Operating Budget Revenue, Schedule of Operating Budget Expense, Combining Schedule of Net Position, Combining Schedule of Revenue, Expense, and Changes in Net Position, and Schedule of Long-Distance Travel 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 and statistical sections but does not include the basic financial statements and our auditor's 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2026, on our consideration of NBC'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 NBC'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 NBC's internal control over financial reporting and compliance.

Hague, Sahady & Co., CPAs, P.C.

Hague, Sahady & Co., CPA's, P.C.

Fall River, Massachusetts

September 17, 2026

Narragansett Bay Commission
Management's Discussion and Analysis (Unaudited)
June 30, 2026

NBC's Management offers readers of the basic financial statements this narrative overview and analysis of NBC for the fiscal year ended June 30, 2026 (FY 2026). Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal.

Overview of the Financial Statements

Management's Discussion and Analysis is intended as an introduction to NBC's basic financial statements, which consist of the financial statements and notes to financial statements. In addition to the basic financial statements, this report also provides other required and supplementary information.

The financial statements of NBC are based upon an accrual accounting method similar to those used by private sector companies. The basic financial statements include a Statement of Net Position, Statement of Revenue, Expense and Changes in Net Position, Statement of Cash Flows and Notes to Financial Statements.

The Statement of Net Position presents information about NBC's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of NBC is improving or deteriorating.

All the current year's revenue and expense are accounted for in the Statement of Revenue, Expense and Changes in Net Position. This statement measures the success of NBC's operations over the past year and can be used to determine whether NBC has recovered all its costs through its user fees and other charges.

The last required financial statement is the Statement of Cash Flows. The purpose of this statement is to provide information about the changes in cash and cash equivalents resulting from operating, capital and related financing, non-capital financing and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, when an obligation arises, or depreciation of assets.

The notes to financial statements provide additional information that is essential for a full understanding of the data provided in the statements.

Financial Summary

The financial results for FY 2026 reflect a strong year for NBC. The following key highlights illustrate the organization's performance and financial position:

- NBC's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$726,646,821. Of this amount, (\$9,817,368) is unrestricted net position.
- NBC's total net position increased by \$35.8 million or 5.2% over the prior year.

- NBC finished FY 2026 under budget for operating expense by \$4.0 million. The majority of the favorable variance is from personnel services and operating supplies/expense.
- Receivables from loans through the Rhode Island Infrastructure Bank (RIIB) and Water Infrastructure Finance and Innovation Act (WIFIA) program administered by the United States Environmental Protection Agency (USEPA) decreased from \$187.7 million to \$89.7 million, reflecting disbursement of loan proceeds to fund continued investment in capital improvements.
- Loans and revenue bonds payable increased by \$43.1 million, from \$1,254.2 million in FY 2025 to \$1,297.3 million in FY 2026. This increase reflects a loan executed with the Rhode Island Infrastructure Bank (RIIB) on February 25, 2026, totaling \$75.0 million. The loan included principal forgiveness of \$8.8 million. Additionally, \$7.2 million in WIFIA loans capitalized interest, partially offset by principal repayments made during the fiscal year.
- Debt service coverage calculated as gross revenue, minus operating expense exclusive of depreciation and amortization, divided by total debt service was 1.60 in FY 2026, exceeding the 1.25 debt service coverage required by bond covenants.
- The Narragansett Bay Commission Non-Union Defined Benefit Plan is funded at 141.8%, which results in a net pension asset of \$13.1 million on the Statement of Net Position. The Employees' Retirement System of the State of Rhode Island (ERSRI) Defined Benefit Plan is funded at 66.5% which results in a net pension liability – ERSRI Pension Plan of \$12.3 million on the Statement of Net Position.

Detail Analysis

Net position over time may serve as a useful indicator of a government's financial position. In the case of NBC, assets plus deferred outflows of resources exceeded the liabilities plus deferred inflows of resources by \$726,646,821 as of June 30, 2026.

Condensed Statement of Net Position

	FY 2026	FY 2025
Assets		
Current assets	\$ 115,619,645	\$ 214,614,458
Noncurrent assets		
Restricted assets	152,075,403	78,787,199
Net capital assets	1,811,920,163	1,707,304,422
Other assets	13,097,211	8,626,800
Total assets	<u>2,092,712,422</u>	<u>2,009,332,879</u>
Deferred outflows of resources		
Deferred outflows of resources	9,269,791	9,454,568
Total deferred outflows resources	<u>9,269,791</u>	<u>9,454,568</u>
Liabilities		
Current liabilities	81,063,942	73,166,361
Noncurrent liabilities	1,285,138,060	1,248,126,886
Total liabilities	<u>1,366,202,002</u>	<u>1,321,293,247</u>
Deferred inflows of resources		
Deferred inflows of resources	9,133,389	6,631,780
Total deferred inflows resources	<u>9,133,389</u>	<u>6,631,780</u>
Net position		
Net investment in capital assets	571,370,176	609,794,986
Restricted environmental enforcement fund	67,027	59,272
Restricted for bond covenants	131,622,292	52,875,949
Restricted operating reserve for revenue stability fund	4,505,659	4,515,519
Restricted operation and maintenance reserve fund	797,936	1,506,537
Restricted for operating capital	15,003,888	11,095,486
Restricted for net pension asset	13,097,211	8,626,800
Unrestricted	(9,817,368)	2,387,870
Total net position	<u>\$ 726,646,821</u>	<u>\$ 690,862,419</u>

The Condensed Statement of Net Position above reflects a decrease in current assets of \$99.0 million from FY 2025 to FY 2026, primarily due to a \$98.1 million reduction in WIFIA and RIIB loan receivables, along with an \$832 thousand decrease in other receivables.

In FY 2026, NBC's restricted assets of \$152,075,403 consisted of the following:

Cash and cash equivalents, environmental enforcement fund	\$ 67,027
Cash and cash equivalents, bond covenants	131,700,892
Cash and cash equivalents, operating reserve for revenue stability fund	4,505,659
Cash and cash equivalents, operation and maintenance reserve fund	797,936
Cash and cash equivalents, operating capital	15,003,888
	\$ 152,075,403

The Condensed Statement of Net Position shows an increase in net capital assets of \$104.6 million from FY 2025 to FY 2026. This increase reflects FY 2026 investments in capital improvements, accumulated depreciation, and amortization. Construction in progress increased \$115.5 million reflecting progress with construction of the Combined Sewer Overflow (CSO) Phase III A facilities and other capital improvements. This increase is due to additions of \$123.6 million and the reclassification of \$8.1 million from construction in progress to completed projects.

Other assets on the Condensed Statement of Net Position increased by \$4.5 million which is a result of an increase in the net pension asset of the Narragansett Bay Commission Non-Union Defined Benefit Plan.

From FY 2025 to FY 2026, total deferred outflows of resources decreased by \$185 thousand and total deferred inflows of resources increased by \$2.5 million. The decrease in deferred outflows is a result of the **GASB 68** pension entries, **GASB 75** Other Post-Employment Benefits (OPEB) entries, and **GASB 83** asset retirement obligations. The increase in deferred inflows is the result of the **GASB 68** pension entries, **GASB 75** OPEB entries. The pension entries and OPEB entry are based on the actuary's reports.



Current liabilities increased \$7.9 million from FY 2025 to FY 2026 primarily due to increase in accounts and contracts payable and the current portion of the RIIB loans and revenue bonds. The non-current liabilities increased by \$37.0 million due to the new RIIB loan totaling \$75.0 million and capitalized interest on the WIFIA loans. This increase was partially offset by a reduction in ERSRI Pension Plan liability and principal debt service payments.

Total net position increased by \$35.8 million to \$726.6 million in FY 2026, which demonstrates NBC's improving financial position. The largest portion of NBC's net position, 78.6%, reflects net investment in capital assets. NBC uses these capital assets to provide wastewater treatment and collection services to its customers.

Condensed Statement of Revenue, Expense and Changes in Net Position

	FY 2026	FY 2025
Operating revenue		
User fees	\$ 125,245,500	\$ 112,917,671
Pretreatment fees	80,100	70,360
Connection fees/capacity charges	467,460	438,855
Septage income	313,920	331,248
Renewable energy credits	902,040	903,813
Other operating revenue	1,013,848	880,764
Non-operating revenue		
Interest income	4,614,011	3,255,614
Gain on disposal of asset	21,000	-
Capital contribution ¹	10,643,847	13,900,150
Miscellaneous revenue	215,354	375,038
Total revenue	<u>143,517,080</u>	<u>133,073,513</u>
Operating expense		
Personnel services	28,303,007	27,590,153
Operating supplies/expense	25,896,790	22,923,858
Professional services	2,082,283	2,255,509
Depreciation and amortization	25,192,299	23,985,033
Non-operating expense		
Interest expense	25,263,224	22,516,861
Projected related expense	-	500,000
Bond and loan fees	995,075	1,369,485
Total expense	<u>107,732,678</u>	<u>101,140,899</u>
Change in net position	35,784,402	31,932,614
Total net position - beginning of year	<u>690,862,419</u>	<u>658,929,805</u>
Total net position - end of year	<u><u>\$ 726,646,821</u></u>	<u><u>\$ 690,862,419</u></u>

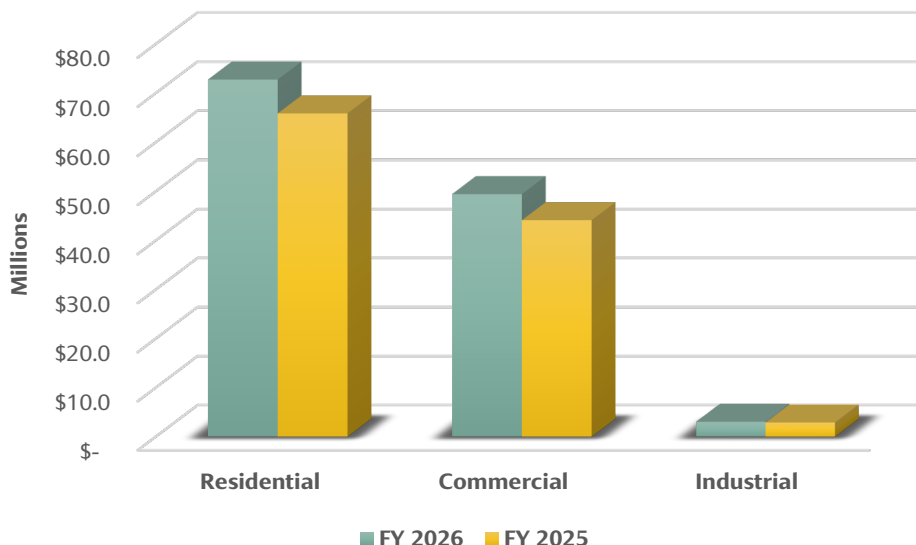
¹ Historical capital contribution amounts have been reclassified to conform with GASB 103.

Revenue

User fees are NBC's primary source of revenue, at approximately 87.3% of total revenue. FY 2026 user fee revenue was \$125.2 million which is \$12.3 million higher than the prior year. This reflects a 9.65% across-the-board increase in sewer user fee rates effective July 1, 2025 along with higher consumption billing. Other operating revenue increased by \$133 thousand from the prior year due to higher late fee revenue related to higher accounts receivable during the year.



User Fee Revenue by Customer Type for FY 2026 and FY 2025



Non-operating revenue decreased by \$2.0 million, primarily due to an increase in interest income and a decrease in capital contribution. Capital contributions decreased by \$3.3 million from FY 2025 to FY 2026 due to a decrease of \$1.7 million in RIIB loan principal forgiveness and capital grant of \$1.6 million.

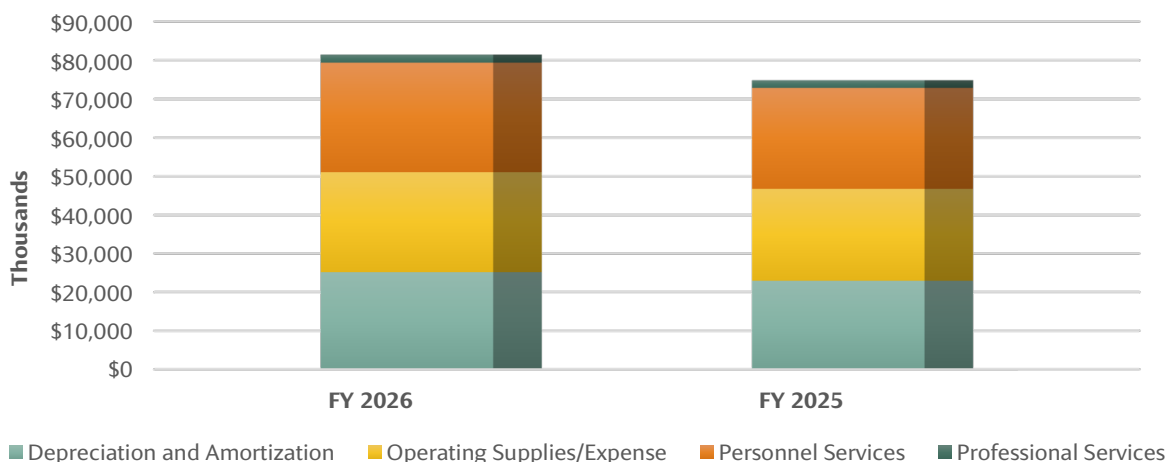
Expense

Total expense in FY 2026 increased by \$6.6 million from the prior year. Operating expense increased by \$4.7 million. FY 2026 personnel services expense was \$713 thousand higher than the prior year, reflecting increases in union and non-union wages, fringe benefits and the number of filled positions. Personnel expense also reflects the **GASB 68** entries relating to pensions and **GASB 75** entries related to OPEB.

Operating supplies/expense increased by \$3.0 million or 13.0% over the prior year due to a number of factors. Electricity expense was lower than the prior year due to a reduced supply rate as a result of a bid. In addition, chemical expense was lower due to less usage. Biosolid expense was higher due to a new agreement. The FY 2026 professional services expense was \$173 thousand or 7.7% lower than the prior year due to lower legal services and management and audit services.



Operating Expense for FY 2026 and FY 2025



Significant Capital Assets and Long-Term Financing Activity

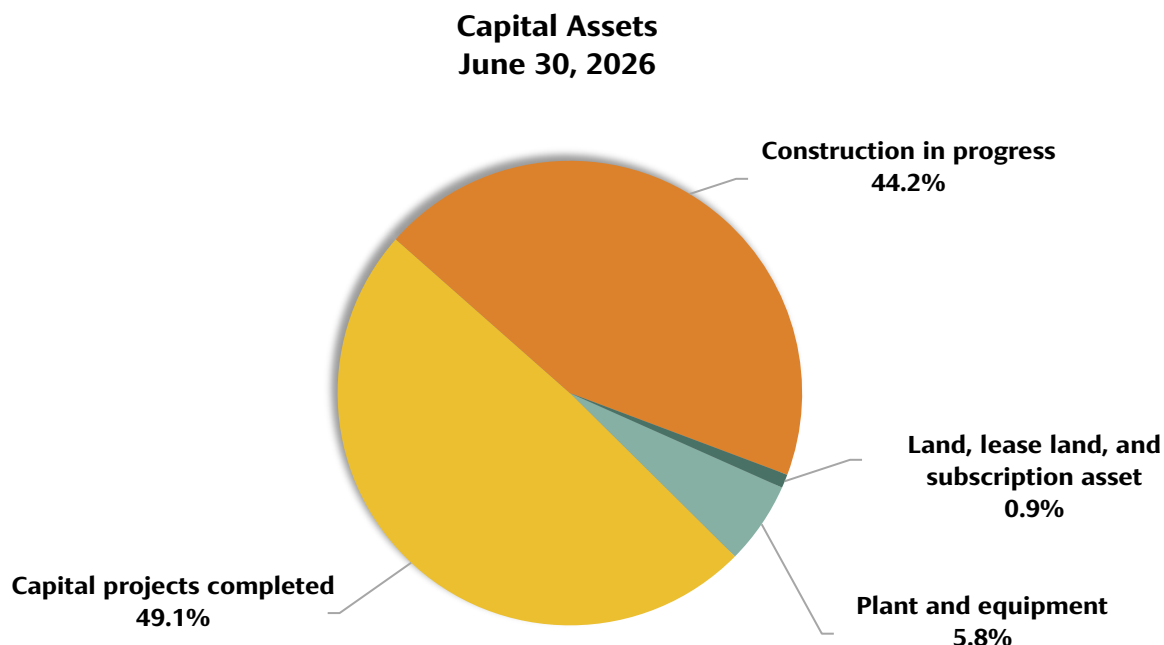
Significant Capital Assets

At the end of FY 2026, NBC had \$1.8 billion invested in net capital assets. Total net capital assets increased more than \$104.6 million, or 6.13% over prior year. The majority of this increase relates to NBC's investment in capital projects and is reflected in construction in progress that is \$115.5 million higher than the prior year. In FY 2026, capital projects completed increased \$8.0 million due to a reclassification from construction in progress to capital projects completed as shown in the notes to the financial statements. The following table summarizes NBC's capital assets as of June 30, 2026 and 2025.

Net Capital Assets

	FY 2026	FY 2025
Capital assets		
Land	\$ 16,502,168	\$ 16,502,168
Plant and equipment	126,468,260	121,918,857
Capital projects completed	1,079,172,732	1,071,213,525
Lease land	2,344,137	2,344,137
Subscription assets	1,862,829	936,953
Construction in progress	970,605,912	855,109,920
	2,196,956,038	2,068,025,560
Less accumulated depreciation and amortization		
	385,035,875	360,721,138
Net capital assets	\$ 1,811,920,163	\$ 1,707,304,422

The following graph shows that capital projects completed are 49.1% of capital assets, followed by construction in progress at 44.2%.



Long-Term Financing Activity

Total outstanding long-term debt increased by \$43.1 million due to an increase in RIIB loans payable, an increase in the WIFIA loan payable for capitalized interest on the WIFIA loans, and net of principal payments on loans and bonds payable. Additional information relating to long-term debt is provided in notes 5 through 7 to the financial statements.

NBC's long-term debt issuance is subject to regulatory approval and other tax and reporting requirements. The table below shows NBC's most recent long-term credit ratings.

Rating Agency	Date	Long-Term Rating	Issues	WIFIA III	Type
S&P Global Rating	May 30, 2025	AA-/Stable	All Outstanding Parity Debt	AA-/Stable	New
Kroll Bond Rating Agency	September 29, 2025	AA/Stable	WIFIA I and WIFIA II	N/A	N/A

Currently Known Facts, Conditions, or Decisions

FY 2027 Budget

The FY 2027 Budget, which includes the operating and capital budgets, totals \$260.8 million and is \$41.0 million or 13.6% lower than the prior year. This is driven by a \$52.5 million reduction in the capital budget related to the Capital Improvement Program (CIP) and a \$11.5 million increase in the operating budget.

Operating Budget

The FY 2027 budget is \$141.9 million, which is approximately \$11.5 million or 8.8% greater than the FY 2026 budget. The PUC approved the Compliance Filing for NBC's application for general rate relief, which resulted in an across-the-board user fee increase of 8.33%. New rates were implemented on July 1, 2026.



NBC's budgeted operating expense for FY 2027 is \$69.4 million which is \$5.5 million or 8.5% more than the prior year. This is due to an increase in personnel and biosolids expenses. FY 2027 budgeted debt service is \$3.1 million or 6.3% higher than the prior year.

Capital Budget

The FY 2027 Capital Budget is \$118.9 million and includes the Operating Capital Program (OCP) and the CIP. This is \$52.5 million or 30.6% lower than prior year and is primarily driven by the CIP. The most significant project in the CIP is the construction of the CSO Phase III A Facilities with \$61.6 million programmed in FY 2027. The FY 2027 budget for OCP is \$929 thousand higher than the prior year. The programmed funding of the FY 2027 capital budget is \$22.9 million from WIFIA proceeds, \$72.5 million from RIIB proceeds, and \$23.5 million from assets in the Project Fund.

Rate Increases

NBC is currently contemplating a debt compliance filing to support additional debt issuance as well as a general rate case in the fall of 2026.

Requests for Information

This financial report is designed to provide the Board, NBC's ratepayers, bond investors and other interested parties with a general overview of NBC's finances. If there are any questions concerning this report or a need for additional financial information, please contact the Chief Financial Officer at One Service Road, Providence, RI 02905. This report is available online at www.narrabay.com.

NARRAGANSETT BAY COMMISSION*Statement of Net Position**June 30, 2026***Assets****Current assets**

Accounts receivable	
Sewer use (net of allowance)	\$ 13,134,244
Sewer use unbilled	9,507,357
Receivables, RIIB	47,009,465
Receivables, WIFIA	42,664,033
Receivables, other	1,196,855
Prepaid expenses	2,107,691

Total current assets	115,619,645
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Non-current assets**Restricted assets**

Cash and cash equivalents, restricted	152,075,403
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Total restricted assets	152,075,403
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Capital assets

Land	16,502,168
Plant and equipment	126,468,260
Capital projects completed	1,079,172,732
Lease land	2,344,137
Subscription assets	1,862,829
Construction in progress	970,605,912

Subtotal	2,196,956,038
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Less: Accumulated depreciation and amortization	385,035,875
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Total net capital assets	1,811,920,163
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Other assets

Net pension asset - Non-Union Defined Benefit Plan	13,097,211
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Total non-current assets	1,977,092,777
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Total assets	2,092,712,422
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Deferred outflows of resources

Loss on refunding of debt, net	4,000,496
Pension related outflows, net	4,516,147
OPEB related outflows, net	415,648
Asset retirement obligation, net	337,500

Total deferred outflows of resources	9,269,791
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(Continued)

Notes to the financial statements are an integral part of this statement.

NARRAGANSETT BAY COMMISSION*Statement of Net Position (Continued)**June 30, 2026***Liabilities****Current liabilities**

Accounts payable	\$ 3,918,438
Capital payable	32,213,934
Accrued interest payable	6,267,707
Accrued expense	1,530,466
Current portion of compensated absences	2,155,829
Current portion of loans payable RIIB	20,651,595
Current portion of revenue bonds	13,570,000
Current portion of subscription liability	644,114
Current portion of lease liability	111,859

Total current liabilities

81,063,942

Non-current liabilities

Compensated absences, net	6,440,901
Net ERSRI Pension Plan liability	12,282,738
Net OPEB liability	616,456
Loans payable WIFIA	539,138,503
Loans payable RIIB, net	512,854,915
Revenue bonds, net	211,114,620
Lease liability, net	1,704,941
Subscription liability, net	534,986
Asset retirement obligation	450,000

Total non-current liabilities

1,285,138,060

Total liabilities

1,366,202,002

Deferred inflows of resources

Gain on refunding debt, net	1,684,658
Pension related inflows, net	6,172,389
OPEB related inflows, net	1,246,949
Deferred inflow of resources	29,393

Total deferred inflows of resources

9,133,389

Net position

Net investment in capital assets	571,370,176
Restricted - environmental enforcement fund	67,027
Restricted - bond covenants	131,622,292
Restricted - operating reserve for revenue stability fund	4,505,659
Restricted - operation and maintenance reserve fund	797,936
Restricted - operating capital	15,003,888
Restricted - net pension asset	13,097,211
Unrestricted	(9,817,368)

Total net position

\$ 726,646,821

Notes to the financial statements are an integral part of this statement.

NARRAGANSETT BAY COMMISSION*Statement of Revenue, Expense and Changes in Net Position
For the Year Ended June 30, 2026*

Operating revenue	
User fees, residential	\$ 72,758,026
User fees, commercial and industrial	52,487,474
Connection fees/capacity charges	467,460
Pretreatment fees	80,100
Environmental enforcement revenue	17,415
Septage income	313,920
Late fees	860,687
Renewable energy credits	902,040
Miscellaneous revenue	135,746
Total operating revenue	<u>128,022,868</u>
Operating expense	
Personnel services	28,303,007
Operating supplies/expense	25,896,790
Professional services	2,082,283
Depreciation and amortization	25,192,299
Total operating expense	<u>81,474,379</u>
Operating income	<u>46,548,489</u>
Non-operating revenue (expense)	
Interest expense	(25,263,224)
Interest income	4,614,011
Bond and loan fees	(995,075)
Gain (loss) on disposal of asset	21,000
Capital contribution	10,643,847
Miscellaneous revenue	215,354
Total non-operating revenue (expense)	<u>(10,764,087)</u>
Change in net position	<u>35,784,402</u>
Total net position, beginning of year, as previously reported	<u>690,862,419</u>
Total net position, end of year	<u><u>\$ 726,646,821</u></u>

Notes to the financial statements are an integral part of this statement.

NARRAGANSETT BAY COMMISSION

Statement of Cash Flows
For the Year Ended June 30, 2026

Cash flows from operating activities	
Cash received from customers	\$ 128,038,306
Cash paid to suppliers for goods and services	(26,338,983)
Cash paid to employees for services	(32,494,573)
Other non-operating revenue	215,354
Other non-operating expense	-
Net cash provided by operating activities	<u>69,420,104</u>
Cash flows from capital and related financing activities	
Capital grant proceeds	2,508,879
WIFIA loan receipts	68,667,751
Acquisitions and construction of capital assets	(24,680,720)
Principal paid on long-term debt, lease, and subscription	(29,454,434)
Interest paid on long-term debt, lease, and subscription	(17,133,635)
Bond and loan fees paid	(245,075)
Net cash used for capital and related financing activities	<u>(337,234)</u>
Cash flows from investing activities	
Interest income	<u>4,205,335</u>
Net cash provided by investing activities	<u>4,205,335</u>
Net increase in cash and cash equivalents	73,288,205
Cash and cash equivalents, beginning of year	<u>78,787,199</u>
Cash and cash equivalents, end of year	<u><u>\$ 152,075,404</u></u>

(Continued)

Notes to the financial statements are an integral part of this statement.

NARRAGANSETT BAY COMMISSION

Statement of Cash Flows (Continued)

For the Year Ended June 30, 2026

Reconciliation of operating income to net cash provided by operating activities

Operating Income	\$	46,548,489
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Adjustments to reconcile operating income to net cash provided by operating activities

Depreciation and amortization		25,192,299
Changes in assets, deferred outflows, liabilities, and deferred inflows		
Decrease in accounts receivable sewer user fees		1,814,067
Increase in sewer user fees unbilled revenue		(1,828,022)
Decrease in other receivables		692
Decrease in prepaid expense		109,499
Increase in pension related deferred outflows of resources, net		(199,693)
Decrease in OPEB related deferred outflows of resources, net		102,631
Increase in net pension asset		(4,470,411)
Increase in pension related deferred inflows of resources, net		2,781,329
Decrease in OPEB related deferred inflows of resources, net		(170,411)
Decrease in net pension liability		(1,886,439)
Decrease in net OPEB liability		(390,243)
Increase in accounts payable		1,323,400
Increase in accrued expense		248,170
Increase in unearned revenue		29,393
Non-operating revenue reported as operating revenue received		215,354
Non-operating expense reported as operating expense paid		-

Total adjustments

22,871,615

Net cash provided by operating activities

\$ 69,420,104

Non-cash capital and related financing activities

NBC participates in the State Revolving Loan Fund program as described in Note 5 to the financial statements. Project costs are paid directly by the RIIB on behalf of NBC. Certain RIIB loans are structured with principal forgiveness, which is reported as contributed capital and is reported in the financial statements.

The State Revolving Loan Fund activity during the year was as follows:

Increase in loan payable RIIB	\$	(66,159,041)
Capital contribution		(9,375,288)
Decrease in amount due from RIIB		(29,399,182)
RIIB costs of issuance		750,000
Acquisitions and construction of capital assets		104,183,511

The WIFIA Loan program activity during the year was as follows:

Increase in loan payable WIFIA	\$	(7,248,211)
Capitalized interest WIFIA		7,248,211

Notes to the financial statements are an integral part of this statement.

NARRAGANSETT BAY COMMISSION*Statement of Fiduciary Net Position**June 30, 2026*

	Non-Union Defined Benefit Pension Fund
Assets	
Investments, at fair value:	
Separate Account Guaranteed Interest Contract (SAGIC)	\$ 3,942,654
Pooled separate account investments:	
Large Cap US Equity	13,103,417
Small/Mid Cap US Equity	5,183,907
International Equity	6,932,062
Intermediate to Long-Term Bonds	15,266,803
Total investments	44,428,843
Total assets	44,428,843
Net position restricted for pension benefits	\$ 44,428,843

Notes to the financial statements are an integral part of this statement.

NARRAGANSETT BAY COMMISSION
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2026

	Non-Union Defined Benefit Pension Fund
Additions	
Contributions	
Employer	\$ 1,719,776
Employee	686,913
Total contributions	<u>2,406,689</u>
Investment Income	
Net appreciation (depreciation) in fair value of investments	1,514,712
Interest and dividends	3,757,503
Less investment expense	(207,555)
Net investment income	<u>5,064,660</u>
Total additions	<u>7,471,349</u>
Deductions	
Benefit payments, including refunds of member contributions	1,241,274
Administrative expenses	26,879
Total deductions	<u>1,268,153</u>
Net increase in fiduciary net position	6,203,196
Net position restricted for pension benefits, beginning of year	<u>38,225,647</u>
Net position restricted for pension benefits, end of year	<u><u>\$ 44,428,843</u></u>

Notes to the financial statements are an integral part of this statement.

Narragansett Bay Commission

Notes to Financial Statements

June 30, 2026

1 – Summary of Significant Accounting Policies

Basis of presentation - The financial statements of NBC have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following Notes to the Financial Statements are an integral part of NBC's financial statements.

Reporting entity - NBC is a public corporation established in 1980 by an Act of the Rhode Island Legislature. NBC was created for the purposes of acquiring, planning, constructing, extending, improving, operating, and maintaining publicly owned wastewater treatment facility (Field's Point Facility) in the district. NBC took over operational control on May 1, 1982. The Field's Point service area includes the City of Providence and the Towns of North Providence and Johnston and portions of the Town of Lincoln and the City of Cranston.

On June 27, 1991, the Governor of the State of Rhode Island signed into law legislation mandating the merger of NBC and the Blackstone Valley District Commission (BVDC). The merger became effective January 1, 1992. The Bucklin Point service area includes the City of Pawtucket, the City of Central Falls, Rumford area of the City of East Providence and portions of the Towns of Lincoln, Cumberland, and Smithfield.

NBC is considered a related organization of the State of Rhode Island for financial reporting purposes. NBC is reported as a related organization of the State of Rhode Island, and not as a component unit, based on the criteria of **GASB 14 Financial Reporting Entity**, as amended by **GASB 39 Determining Whether Certain Organizations are Component Units** and as amended by **GASB 61 Financial Reporting Entity - Omnibus**.

The State of Rhode Island is accountable for NBC since the Governor appoints the voting majority of NBC's Board of Commissioners. The State of Rhode Island, however, is not financially accountable for the following reasons: it is unable to impose its will on NBC, NBC provides no specific financial benefit to or imposes no specific financial burden on the State of Rhode Island, and NBC is not fiscally dependent on the State of Rhode Island.

In evaluating the inclusion of potential component units within its financial reporting entity, NBC applied the criteria prescribed by **GASB 14, Financial Reporting Entity** as amended by **GASB 39, Determining Whether Certain Organizations are Component Units** and **GASB 61 Financial Reporting Entity - Omnibus**. A component unit is a legally separate organization for which the officials of the primary government are financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. Through the application of **GASB 14, 39, and 61** criteria, the Non-Union Defined Benefit Pension Fund has been presented as a fiduciary component unit in the NBC Fiduciary Fund Financial Statements.

The Non-Union Defined Benefit Pension fund is a pension fund discussed in Note 12 of the financial statements. The plan year of the Non-Union Defined Benefit Pension fund ends on December 31.

Measurement focus and basis of accounting - The accounting policies of NBC's Business-Type Activities conform to generally accepted accounting principles as applicable to governmental proprietary fund types (enterprise funds). For enterprise funds, the intent of the governing body is that costs of providing goods or services to the general public on a continuing basis be financed or recovered through user charges.

The basic financial statements of NBC, which include the Business-Type Activities and the Fiduciary Activity financial statements are accounted for using the "economic resources" measurement focus and have been prepared on the accrual basis of accounting except for fines and monitoring fees, which are recorded on a cash basis and are immaterial. Under the accrual basis of accounting, all assets, deferred outflows, liabilities, and deferred inflows associated with operations are included on the Statement of Net Position, and revenue is recorded when earned and expense is recognized at the time liabilities are incurred.

Cash equivalents - For purposes of the statement of cash flows, all cash equivalents are considered to be highly liquid investments (including restricted assets) with a maturity of three months or less from the date of acquisition.

Cash and cash equivalents restricted accounts - Based upon a report and order issued by the Rhode Island Public Utilities Commission (PUC), along with the Trust Indenture and thirty-seven Supplemental Indentures (collectively "the Indenture"), NBC established accounts for operating capital assets, debt service, debt service coverage, an operation and maintenance reserve fund, and an operating reserve for revenue stability fund. NBC is required to set aside a certain percentage of its monthly receipts from all revenue into the restricted cash accounts. Funds from the accounts may only be used for those expenses outlined above and any other use so ordered by the PUC and in conformance with the Trust Indenture. Cash and cash equivalents are also restricted for acquisition and construction of capital assets and bond covenants as set forth in the Trust Indenture. The restricted cash for environmental enforcement fund activities is in accordance with RIGL 46-25-38.1.

Investments - Investments are valued at fair value, except for money market funds and investment pool accounts, which are reported at net asset value per share (which approximates fair value).

Receivables - Fixed sewer usage fees are billed monthly to most of our customers in advance. Consumption based fees are billed monthly in arrears, based on estimated and actual water consumption meter readings.

The allowance for doubtful accounts for June 30, 2026 was \$66,018.

Capital assets - Capital assets are recorded at cost. Plant and equipment and capital projects completed are depreciated using the straight-line method over the estimated useful lives of the respective assets. Construction in progress and land are not depreciated. NBC's asset capitalization threshold is \$5,000. Depreciation expense is recognized over the following useful lives:

Capital Asset Classes	Lives
Plant and equipment	3-50
Capital projects completed	5-100

Construction in progress - Construction in progress consists of the planning, design, and construction costs. Upon completing the project and finalizing the financial transaction, the construction in progress is transferred into the completed project capital asset account. Once transferred, NBC starts to depreciate the completed capital project assets.

Deferred Outflows of Resources and Deferred Inflows of Resources - Deferred outflows of resources represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. Deferred inflow of resources represents 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. NBC deferred outflows of resources and deferred inflows of resources relate to its pension plans, other post-employment benefit plan, gains/losses on refunding debt and asset retirement obligation and will be amortized as a component of pension, post-employment benefit expense, debt service and amortization in future years.

Compensated Absences - NBC's employees are granted vacation and sick leave in varying amounts based on years of service with NBC. Leave that has not been used is recognized as a liability if it (a) is attributable to services already rendered, (b) accumulates, and (c) is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. NBC has measured the liability based on the employee's current rate of pay, on June 30, 2026 to be \$8,596,730. The accrued vacation and sick leave liability is reported on the Statement of Net Position as compensated absences.

Long-term debt - Long-term debt is reported as a liability in the Statement of Net Position. Bond premiums are deferred and amortized over the life of the bonds. Bond premiums are presented in addition to the face amount of the bonds payable.

The total unamortized bond premiums as of June 30, 2026 were \$74,620.

The total bond and loan fees for the year ending June 30, 2026 were \$995,075.

Pensions - For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employees' Retirement System Plan Rhode Island (ERSRI) and the Non-Union Defined Benefit Pension Plan and the additions to/deductions from each respective plan's fiduciary net position have been determined on the same basis as they are reported by plan. For further information on both the ERSRI plan and Non-Union Defined Benefit Plan, please refer to Notes to Financial Statements, Notes 11 and 12.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The ERSRI plan has a measurement date of June 30, 2025, while the NBC's Non-Union Defined Benefit Plan has a measurement date of June 30, 2026.

OPEB - For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the State Employees' and Electing Teachers OPEB System and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the State Employees' and Electing Teachers OPEB system. For this purpose, the State Employees' and Electing Teachers OPEB System recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Capital contributions - Capital contributions represent financial assistance from Federal governments, State governments and other organizations for the construction and upgrade of wastewater treatment facilities and related capital projects.

Operating revenue and expense - Operating revenue and expense for NBC are those that result from providing wastewater treatment and collection services and related activities. They also include all revenue and expense not related to capital and related financing, non-capital financing or investing activities. All revenue and expense not meeting this definition are reported as non-operating revenue and expense.

Contributions - In the Pension Trust Fund, member contributions are recognized in the period in which compensation subject to required contributions are earned. NBC contributions are recognized when due and the NBC has made a formal commitment to provide contributions.

Payment of Benefits - In the Pension Trust, benefit payments to participants and refund of contributions are recorded upon distribution in accordance with the terms of the Plan.

Income taxes - NBC is exempt from Federal and State income taxes.

Regulatory - NBC is a regulated utility, and its rates are set by the PUC. For rate-making purposes, depreciation expense is excluded while principal payments and operating capital are included in the total expenses to arrive at a regulatory net income (loss). For this reason, the net income (loss) on a regulatory basis differs from the change in net position in the audited financial statements, which are prepared in conformance with generally accepted accounting principles.

Estimates - The preparation of financial statements in conformity with the generally accepted accounting principles 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 revenue and expense during the reporting period. Actual results could differ from those estimates.

Recently Issued Accounting Standards - NBC has implemented the following new accounting pronouncements:

GASB Statement No. 103, Financial Reporting Model Improvements, effective for NBC's fiscal year ending June 30, 2026.

GASB Statement No. 104, Disclosure of Certain Capital Assets, effective for NBC's fiscal year ending June 30, 2026.

NBC will adopt the following new accounting pronouncements in future years:

GASB Statement No. 105, Subsequent Events for NBC's fiscal year ending June 30, 2027.

The impact of these pronouncements on NBC's financial statements have not been determined.

2 – Cash, Cash Equivalents and Investments

Cash, Cash Equivalents and Investments – Business - Type Activity

Deposits - NBC's cash deposits on June 30, 2026 were \$3,528,555, with corresponding bank balances of \$3,476,693. All NBC's cash equivalents are restricted assets and considered to be highly liquid investments with a maturity of three months or less from the date of acquisition.

In accordance with Rhode Island 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 one hundred percent of time deposits with maturities greater than sixty days. Any of these institutions, which do not meet minimum capital standards prescribed by federal regulators, shall insure, or pledge eligible collateral equal to one hundred percent of deposits, regardless of maturity.

	<i>Bank Balance</i>
Insured (Federal depository insurance funds)	\$ 250,000
Collateralized with securities held by pledging financial institution's or its agent, in NBC's name	<u>3,226,693</u>
Total Bank Balance	<u>\$ 3,476,693</u>

Investment policy - The investment policy applies to all funds of the NBC, except those funds covered by any separate NBC Board approved agreements, or pension or retirement funds held in trust for the NBC Non-Union Retirement Plans and the NBC Deferred Compensation Plan. NBC's investment policy objective states that all financial assets held by NBC shall be invested in a manner that will preserve the value and safety of capital. NBC shall invest funds in order to maximize earnings and minimize risk during the period of availability of the funds. NBC's investment policy permits investments in U.S. Treasury securities, securities of the U.S. Government agencies and instrumentalities that are backed by the full faith and credit or guarantee of the U.S. Government, which have a liquid market with a readily determinable fair value, investment - grade obligations of the State of Rhode Island, or any municipality or political subdivision of the State of Rhode Island, repurchase agreements backed by collateral, certificate of deposits, investment agreements, commercial paper, money market mutual funds whose portfolios consist of U.S. Treasury securities, U.S. agency obligations and repurchase agreements fully collateralized by such securities and governmental investment products backed by collateral consisting of U.S. Treasury and U.S. Agency securities. Money held by the Trustee under the Trust Indenture is invested at the direction of an Authorized Officer from NBC and must be invested in accordance with Permitted Investments as defined under the Trust Indenture.

NBC categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. **GASB 72, Fair Value Measurement and Application**, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The three categories within the hierarchy are as follows:

Level 1 - Inputs are quoted prices (unadjusted) for identical assets in active markets that a government can access at the measurement date.

Level 2 - Inputs other than quoted prices in active markets that are observable for an asset either directly or indirectly.

Level 3 - Inputs that are unobservable inputs for the asset supported by little or no market activity and should be used only if relevant Level 1 and Level 2 inputs are not available.

As of June 30, 2026, NBC had investments as follows:

<i>Investments measured at the Net Asset Value (NAV)</i>	<i>June 30, 2026</i>	<i>Maturity</i>
First American Government Obligations Fund Class X (FGXXX)	\$ 137,334,752	Average 38 days
Ocean State Investment Pool (OSIP)	<u>11,132,996</u>	N/A
Total investments measured at NAV	<u><u>\$ 148,467,748</u></u>	

The average maturity for the First American Government Obligations Fund and the nature of the cash portfolio for the Ocean State Investment Pool meets the criteria for these investments to be presented as a cash equivalent for financial statement purposes.

Ocean State Investment Pool - The Ocean State Investment Pool (OSIP) Cash Portfolio is a portfolio of the Ocean State Investment Pool Trust, which is an investment pool established by the General Treasurer of the State of RI under Declaration of Trust, dated January 25, 2012 under the Rhode Island Local Government Investment Pool Act, RIGL § 35-10.2, as amended, for the purpose of investing funds of, and funds under custody of agencies, authorities, commissions, boards, municipalities, political subdivisions, and other public units of the State of Rhode Island. The Cash Portfolio, which began operations on March 6, 2012 is not registered with the Securities and Exchange Commission (SEC) as an investment company, OSIP is an unregistered pool organized under a trust authorized by Rhode Island state law. OSIP must conform to the Rhode Island general laws that authorize the pool, and its operation and management. OSIP is allowed to offer a stable \$1.00 NAV provided it is managed according to Rule 2a-7 and **GASB 79, *Certain External Investment Pools***. FIAM LLC is OSIP's investment adviser and, as an SEC registered investment adviser, is subject to SEC oversight and must comply with the Advisers Act.

The OSIP is not rated and the weighted average maturity of investments held in the pool is not to exceed 60 days. Investments reported at the NAV are not subject to the fair value hierarchy described above. There are no participant withdrawal limitations. A copy of the annual report for the OSIP can be obtained by writing to the Office of the General Treasurer 50 Service Avenue, Warwick, RI 02886.

First American Money Market Funds – Government Obligations Fund X Class

First American Government Obligations Fund Class X (FGXXX) is a money market fund with a weighted average maturity of 38 days. These investments are used for temporary cash management. The fair value of these money market funds reflects the NAV reported by the fund administrator which is a stable \$1.00 per unit. The underlying investments, which are short-term cash equivalent typed investments, are generally carried at amortized cost which approximates fair value. There are no withdrawal limitations for the money market funds. The monies invested in the First American Government Obligations Fund Class X held by the Trustee were rated Aaa-mf by Moody's Investor Service, Inc.

Custodial credit risk - Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the government and are held by either: a) the counterparty or b) the counterparty's trust department or agency but not in the government's name. NBC does not have a formal investment policy related to custodial credit risk.

Concentration of credit risk - NBC's investment policy is not specific but states that investments shall be diversified to minimize the risk of loss that may occur due to concentration in a specific maturity, a specific issue, or a specific class of securities.

Interest rate risk - NBC's investment policy does not limit investment maturities as a means of limiting its exposure to fair value losses arising from interest rates. Money held by the Trustee under the Indenture must be invested in accordance with permitted investments as defined under the Trust Indenture, which mitigates interest rate exposure by limiting federal funds or bankers' acceptances to a maximum term of one year and requires Bond Insurer approval of Repurchase Agreements which exceed 30 days.

Foreign currency risk - Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment or a deposit. NBC has no deposits or investments subject to foreign currency risk.

Investments – Fiduciary Activity NBC Non-Union Defined Benefit Plan - Pension Fund

Investment Policy

The Plan's asset investment policy is established and may be amended by the Investment Committee (IC) by a majority vote of its members. It is the policy of the IC to invest the assets in a prudent manner and establish an investment strategy following the concepts driven by modern portfolio theory, including risk, return and correlations among asset classes. The primary objective of the IC's investment policy is to preserve the actuarial soundness of the Plan by achieving a long-term return of at least the actuarial return rate and to prudently manage the inherent investment risks that are related to the achievement of this goal. The IC recognizes that the investment objective is long-term in nature, and that actual year-to-year returns achieved may be above or below the actuarially assumed rate of return. The IC has adopted asset allocation ranges and the adopted asset target allocation as of June 30, 2026 is as follows:

Asset Class	Target Allocation
Short-Term Bonds/Cash	10%
Large Cap US Equity	30%
Small/Mid Cap US Equity	10%
International Equity	15%
Intermediate to Long-Term Bonds	35%
Total	100%

On June 30, 2026, the Plan had the following investments:

Investments	Fair Value
Investment contract with insurance company:	
Separate Account Guaranteed Interest Contract (SAGIC)	\$ 3,942,654
Pooled separate account investments:	
Large Cap US Equity	13,103,417
Small/Mid Cap US Equity	5,183,907
International Equity	6,932,062
Intermediate to Long-Term Bonds	15,266,803
Total Investments at Fair Value	\$ 44,428,843

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of the counterparty, the Plan will not be able to recover its investment or collateral securities that are in the possession of an outside party. The Plan does not have a formal investment policy related to custodial credit risk. As of June 30, 2026 the Plan had no investments subject to custodial credit risk.

Interest Rate Risk

The Plan does not have a formal investment policy that limits the length of its investment maturities in order to manage the exposure to fair value losses arising from increasing interest rates. As of June 30, 2026, the Plan had the following investments subject to interest rate risk:

<i>Investment Type</i>	<i>Fair Value</i>	<i>Weighted Average Maturity/Duration (Years)</i>
Investment contract with insurance company:		
SAGIC	\$ 3,942,654	5.80
Pooled separate account investments:		
Fidelity Advisor Total Bond	8,720,571	8.40
Inflation Protected Securities (DFA)	2,157,314	7.15
Delaware Extended Duration Bond	2,201,295	22.74
Alliance Bernstein Global Bond Advisor	2,187,623	8.44
Total Investments at Fair Value	\$ 19,209,457	
Portfolio weighted average maturity/duration		9.37

Credit Risk

The Plan does not have a formal investment policy that limits investment choices due to credit risk. Credit quality information for the Plan's investments subject to credit risk as of June 30, 2026 is as follows: MassMutual - Separate Account Guaranteed Interest Contract (SAGIC) rating of A+.

Concentration of Credit Risk

The Plan does not have a formal investment policy that limits the amount that may be invested in a single issuer. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. Government and investments in diversified mutual funds, external investment pools, and other pooled investments are excluded. As of June 30, 2026, the Plan had no assets subject to concentration of credit risk.

Fair Value Measurements

The Plan categorizes its fair value measurements within the fair value hierarchy established by Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Plan has the following recurring fair value measurements as of June 30, 2026.

- *SAGIC Investment Contract with insurance company* - The fair value is based on the SAGIC's market value account. The market value account is maintained at the fair value of the underlying assets and equals the number of units owned multiplied by unit value. The unit value includes reinvested dividend and interest income, realized gains and losses and unrealized gains and losses of the underlying assets. (Level 3 inputs).

The valuation methods for the Plan's investments in pooled separate accounts measured at the net asset value (NAV) per share or its equivalent are as follows:

- *Large, Mid and Small Cap US Equity Accounts* - are primarily invested in domestic equity funds. The fair values of the investments have been determined using the NAV equivalent per unit as determined by the insurance company using the closing price of the underlying funds from the applicable exchange, NYSE, NASDAQ, etc. The redemption frequency is daily and there are no withdrawal limitations for domestic equity accounts.

- *International Equity Accounts* - are primarily invested in international equity funds. The fair values of the investments have been determined using the NAV equivalent per unit as determined by the insurance company using the closing price of the underlying funds from the applicable exchange, NYSE, NASDAQ, etc. The redemption frequency is daily and there are no withdrawal limitations for international equity accounts.
- *Intermediate to Long Term Bond Accounts* - are primarily invested in domestic fixed income funds with some exposure to international fixed income funds. The fair values of the investments have been determined using the NAV equivalent per unit as determined by the insurance company using the closing price of the underlying funds from the applicable exchange, NYSE, NASDAQ, etc. The redemption frequency is daily and there are no withdrawal limitations for the bond accounts.

Concentration

The Plan's investment in the SAGIC is \$3.9 million or 8.87% of the Plan's fiduciary net position as of June 30, 2026.

Rate of Return

For the year ended June 30, 2026 the annual money-weighted rate of return on Plan investments, net of investment expense, was 13.18%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

3 – Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2026:

	June 30, 2025	Additions / Reclassifications	Retirements / Reclassifications	June 30, 2026
Non-depreciable assets				
Land	\$ 16,502,168	\$ -	\$ -	\$ 16,502,168
Construction in progress	855,109,920	123,563,759	8,067,767	970,605,912
Total non-depreciable assets	871,612,088	123,563,759	8,067,767	987,108,080
Depreciable assets				
Plant and equipment	121,918,857	4,862,206	312,803	126,468,260
Capital projects completed	1,071,213,525	8,067,767	108,560	1,079,172,732
Lease land	2,344,137	-	-	2,344,137
Subscription assets	936,953	1,470,139	544,263	1,862,829
Total depreciable assets	1,196,413,472	14,400,112	965,626	1,209,847,958
Less accumulated depreciation and amortization for:				
Plant and equipment	(102,554,004)	(4,016,074)	(319,695)	(106,250,383)
Capital projects completed	(257,073,209)	(20,569,102)	-	(277,642,311)
Lease land	(468,828)	(117,207)	-	(586,035)
Subscription assets	(625,097)	(467,416)	(535,367)	(557,146)
Total accumulated depreciation and amortization	(360,721,138)	(25,169,799)	(855,062)	(385,035,875)
Total capital assets, net	\$1,707,304,422	\$ 112,794,072	\$ 8,178,331	\$ 1,811,920,163

4 – Changes to Long-Term Liabilities

Changes in NBC's long-term liabilities for the year ended June 30, 2026, are as follows:

NBC Liabilities	Balance June 30, 2025	Additions	Reductions	Balance June 30, 2026	Amounts due within one year
Loans payable					
Loans payable WIFIA	\$ 531,890,292	\$ 7,248,211	\$ -	\$ 539,138,503	\$ -
Loans payable RIIB	485,409,256	66,159,041	18,061,786	533,506,510	20,651,595
Total loans payable	1,017,299,548	73,407,252	18,061,786	1,072,645,013	20,651,595
Bonds payable					
Revenue Bonds	236,750,000	-	12,140,000	224,610,000	13,570,000
Unamortized bond premiums	121,666	-	47,046	74,620	-
Total bonds payable	236,871,666	-	12,187,046	224,684,620	13,570,000
Total loans/bonds payable	1,254,171,214	73,407,252	30,248,833	1,297,329,633	34,221,595
Other long-term liabilities					
Compensated absences	8,555,059	2,028,175	1,986,503	8,596,731	2,155,829
ERSRI pension plan	14,169,177	-	1,886,439	12,282,738	-
Net OPEB liability	1,006,699	-	390,243	616,456	-
Lease liability, net	1,922,918	-	106,118	1,816,800	111,859
Subscription liability	278,584	1,479,706	579,190	1,179,100	644,114
Asset retirement obligation	450,000	-	-	450,000	-
Total NBC's long-term liabilities	\$1,280,553,651	\$ 76,915,133	\$ 35,197,326	\$1,322,271,458	\$ 37,133,397

5 – Long-Term Debt – Rhode Island Infrastructure Bank (RIIB) Loans Payable

Loans from the RIIB are represented by a revenue bond of NBC. NBC revenue bonds are backed by a gross revenue pledge of NBC's revenues and other monies, securities, reserve deposits and funds senior to any other pledge, lien charge or encumbrance. RIIB loans typically are at a subsidized interest rate which is one-third off of NBC's market rate and may include a principal forgiveness component. If the loan is part of a "pooled" RIIB bond, the interest rate subsidy may be suspended if other borrowers in the pool fail to make their debt service payments. In addition, NBC must spend a specific amount, as is set forth in the loan agreement, on "green" projects to qualify for green principal forgiveness.

In accordance with the Trust Indenture, RIIB loans are subject to certain covenants including a "rate covenant" requiring NBC to establish and maintain rates and charges adequate at all times, with other available funds, to provide revenues and other monies at least sufficient to pay for operating expenses, principal and interest, repairs and replacements, and funding of reserves. The Trust Indenture includes a "debt service coverage ratio" that requires that Net Revenues in each fiscal year equal at least one hundred twenty-five percent (125%) of the debt service requirement during such fiscal year with respect to all bonds outstanding, other than RIIB loans, as of the first day of such fiscal year and one hundred thirty-five percent (135%) of the Required Debt Service Fund Deposits for RIIB loans for such fiscal year (net of the RIIB interest rate subsidy). Failure to comply with this requirement shall not be considered an Event of Default as long as NBC has complied or is diligently proceeding to comply with the requirements for the adequacy of rates and charges.

Events of Default include failure to make principal or interest payments when due, defaults related to the performance or observance of any other of the covenants, agreements or conditions that have not been remedied within 30 days of written notice, certain court orders, or NBC's inability to pay its debts. Upon notice of any Event of Default, all principal and accrued interest may be declared due and payable immediately.

NBC has twenty RIIB loans outstanding as of June 30, 2026, each set to mature on September 1st of the indicated year as follows:

<i>RIIB Loans</i>	<i>Balance June 30, 2025</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance June 30, 2026</i>	<i>Amounts due within one year</i>
2006 Series A, \$30,000,000 issued December 21, 2006, with interest at 1.802%, maturing 2026	\$ 3,504,000	\$ -	\$ 1,734,000	\$ 1,770,000	\$ 1,770,000
2007 Series B, \$25,000,000 issued December 13, 2007, with interest at 2.030%, maturing 2028	6,319,000	-	1,531,000	4,788,000	1,563,000
2009 Series A, \$55,000,000 issued October 6, 2009, with principal forgiveness of \$8,302,114, interest at 1.377%, maturing 2030	19,899,243	-	3,065,929	16,833,314	3,157,626
2010 Series A, \$2,000,000 issued February 12, 2010, with principal forgiveness of \$301,895, interest at 1.022%, maturing 2029	524,714	-	97,641	427,073	101,037
2010 Series B, \$20,000,000 issued June 24, 2010, with interest at 3.163%, maturing 2030	7,259,000	-	1,110,000	6,149,000	1,147,000
2011 Series A, \$30,000,000 issued March 29, 2011, with principal forgiveness of \$1,845,345, interest at 2.759%, maturing 2031	11,888,772	-	1,517,536	10,371,236	1,571,968
2012 Series A, \$25,750,000 issued June 28, 2012, with principal forgiveness of \$354,202, interest at 2.588%, maturing 2032	11,633,121	-	1,312,165	10,320,956	1,348,645
2013 Series B, \$25,000,000 issued June 6, 2013, with principal forgiveness of \$80,966, interest at 2.592%, maturing 2033	12,603,124	-	1,247,970	11,355,154	1,280,826
2014 Series A, \$45,000,000 issued March 6, 2014, with interest at 2.967%, maturing 2034	25,322,000	-	2,198,000	23,124,000	2,259,000
2015 Series B, \$41,753,500 issued July 30, 2015, with principal forgiveness of \$512,070, interest at 3.049%, maturing 2044	32,526,851	-	1,187,660	31,339,191	1,218,933
2016 Series A, \$23,000,000 issued June 2, 2016, with interest at 2.467%, maturing 2037	15,975,000	-	1,065,000	14,910,000	1,084,000
2019 Series A, \$35,000,000 issued April 4, 2019, with principal forgiveness of \$1,000,000, interest at 2.300%, maturing 2039	26,677,371	-	1,533,886	25,143,485	1,559,143
2019 Series B, \$10,000,000 issued April 4, 2019, with interest at 1.910%, maturing 2039	7,784,000	-	461,000	7,323,000	467,000
2021 Series A, \$45,000,000 issued November 16, 2021, with principal forgiveness of \$1,000,000, interest at 1.803%, maturing 2038	44,000,000	-	-	44,000,000	-
2023 Series A, \$52,404,510 issued June 13, 2023, with principal forgiveness of \$3,238,500, interest at 3.305%, maturing 2053	49,166,010	-	-	49,166,010	-

RIIB Loans	Balance June 30, 2025	Additions	Reductions	Balance June 30, 2026	Amounts due within one year
2023 Series B, \$47,595,490 issued June 13, 2023, with interest at 3.303%, maturing 2053	\$ 47,595,490	\$ -	\$ -	\$ 47,595,490	\$ -
2024 Series A, \$75,000,000 issued May 23, 2024, with principal forgiveness of \$5,199,024, interest at 2.563%, maturing 2053	69,800,976	-	-	69,800,976	-
2025 Series A, \$25,000,000 issued June 24, 2025, with principal forgiveness of \$7,069,416, interest at 3.143%, maturing 2054	17,930,584	-	-	17,930,584	409,535
2025 Series B, \$75,000,000 issued June 24, 2025, with interest at 3.147%, maturing 2054	75,000,000	-	-	75,000,000	1,713,000
2026 Series A, \$75,000,000 issued February 25, 2026, with principal forgiveness of \$8,840,959, interest at 2.905%, maturing 2055	-	66,159,041	-	66,159,041	882
Total RIIB loans payable from direct borrowings	485,409,256	66,159,041	18,061,786	533,506,510	20,651,595
Less current portion	(18,061,786)	-	-	(20,651,595)	-
Net RIIB loans payable from direct borrowings	\$ 467,347,470	\$66,159,041	\$18,061,786	\$ 512,854,915	\$ 20,651,595

RIIB pays all invoices certified by NBC, either directly to the contractors or through reimbursement to NBC for costs incurred on projects funded by RIIB bonds. As of June 30, 2026, loans payable of \$533,506,510 are reported on the Statement of Net Position. NBC is obligated for the total loan amount once the loan has been executed.

Debt principal and interest maturities of loans payable for future years as of June 30, 2026 are as follows:

Fiscal Year Ending June 30,	RIIB Loans from Direct Borrowings		
	Principal	Interest	Total
2027	\$ 20,651,595	\$ 13,719,745	\$ 34,371,339
2028	22,196,014	14,506,334	36,702,348
2029	23,515,505	14,000,271	37,515,776
2030	22,332,042	13,373,179	35,705,222
2031	22,992,092	12,866,997	35,859,089
2032-2036	108,807,696	56,873,197	165,680,894
2037-2041	108,225,076	40,888,847	149,113,923
2042-2046	36,253,254	32,060,323	68,313,577
2047-2051	93,206,945	21,370,819	114,577,764
2052-2056	75,326,290	4,893,308	80,219,598
Total	\$ 533,506,510	\$ 224,553,021	\$ 758,059,531

6 – Long-Term Debt - Revenue Bonds

The long-term debt - revenue bonds provided through public sale or direct placement as of June 30, 2026, consists of the following:

<i>Revenue Bonds</i>	<i>Balance June 30, 2025</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance June 30, 2026</i>	<i>Amounts due within one year</i>
2008 Series A Refunding Bonds, \$66,360,000 issued July 17, 2008, with interest at 2.290%, maturing in 2034	\$ 49,465,000	\$ -	\$ 4,700,000	\$ 44,765,000	\$ 4,200,000
2015 Series A Refunding Bonds, \$40,085,000 issued May 5, 2015, with interest at 3.798%, maturing in 2028. Partially refunded in 2020	3,215,000	-	-	3,215,000	-
2020 Series A Refunding (federally taxable) Bonds, \$196,360,000 issued March 19, 2020, with interest at 2.516%, maturing in 2043	184,070,000	-	7,440,000	176,630,000	9,370,000
Total long-term debt – revenue bonds principal	236,750,000	-	12,140,000	224,610,000	13,570,000
Unamortized bond premiums	121,666	-	47,046	74,620	-
Total long-term debt - revenue bonds	236,871,666	-	12,187,046	224,684,620	13,570,000
Less current portion	(12,140,000)	-	-	(13,570,000)	-
Net long-term debt - revenue bonds	\$224,731,666	\$ -	\$12,187,046	\$ 211,114,620	\$ 13,570,000

Principal and interest maturities of revenue bonds for future years as of June 30, 2026 are as follows:

<i>Fiscal Year Ending June 30,</i>	<i>Revenue Bonds</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2027	\$ 13,570,000	\$ 5,260,382	\$ 18,830,382
2028	15,355,000	5,007,558	20,362,558
2029	15,670,000	4,596,142	20,266,142
2030	16,710,000	4,258,490	20,968,490
2031	16,935,000	3,899,355	20,834,355
2032-2036	81,325,000	13,625,355	94,950,355
2037-2041	40,935,000	6,208,529	47,143,529
2042-2044	24,110,000	1,068,497	25,178,497
Total	\$ 224,610,000	\$ 43,924,308	\$ 268,534,308

Total principal of \$224,610,000 plus premiums of \$74,620 to be amortized as of June 30, 2026 equals total long-term debt - revenue bonds of \$224,684,620. Some of the above bonds are subject to federal arbitrage regulations. Based on current calculations, NBC does not anticipate a material arbitrage liability, if any.

In prior years, the NBC defeased certain revenue bonds by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the NBC's financial statements.

7 – Long-Term Debt - Water Infrastructure Finance and Innovation Act (WIFIA) Loans Payable

The NBC has three WIFIA loans outstanding with the US Environmental Protection Agency (USEPA) which are classified as loans from direct borrowings at June 30, 2026 as follows:

WIFIA Loans	Balance June 30, 2025	Additions	Reductions	Balance June 30, 2026	Amounts due within one year
2020 Series B, \$268,710,610 issued August 27, 2019 with a rate reset on October 26, 2020, at a rate of 1.42% and maturing September 1, 2046	\$ 281,460,593	\$4,010,929	\$ -	\$ 285,471,522	\$ -
2020 Series C, \$190,633,824 issued October 26, 2020, at a rate of 1.60% and maturing September 1, 2059	194,599,599	2,893,048	-	197,492,647	-
2022 Series A, \$55,499,228 issued July 25, 2022, at a rate of 3.12% and maturing September 1, 2061	55,830,100	344,234	-	56,174,335	-
Total WIFIA loans payable from direct borrowings	531,890,292	7,248,211	-	539,138,503	-
Less current portion	-	-	-	-	-
Net long-term WIFIA loans payable from direct borrowings	\$ 531,890,292	\$7,248,211	\$ -	\$ 539,138,503	\$ -

The 2020 Series B WIFIA loan was used to fund eligible costs of the CSO Phase III A Facilities. The 2020 Series C WIFIA loan may be used to fund eligible costs of the CSO Phase III A Facilities, the Bucklin Point Resiliency Improvements, and other related costs. The 2022 Series A WIFIA loan may be used for funding eligible costs of Field's Point Resilience Improvements Project. Projects that receive WIFIA credit assistance must comply with all relevant federal laws and regulations. The total federal assistance for any eligible project under the WIFIA program may not exceed 80% of total project costs. The maximum amount of the WIFIA loan is 49% of the reasonably expected eligible project costs. The WIFIA loan is payable solely from revenues pledged by NBC pursuant to its Trust Indenture and is equally and ratably secured on a parity with NBC's other long-term debt obligations issued under the Indenture.

NBC must satisfy certain conditions precedent as set forth in the WIFIA loan documentation prior to any disbursement of the WIFIA loan and submit a certified requisition to the USEPA. NBC may request one disbursement per month and, subject to review and approval of the requisition by the USEPA, the requisitioned amount will be deposited by the USEPA into NBC's account within 15 calendar days of the receipt of the request.

Interest on funds drawn on the WIFIA loan accrues subsequent to each loan disbursement and is added to the principal amount of the WIFIA loan. WIFIA loan repayments may be deferred up to five years following substantial project completion. A receivable of \$42.7 million is reported on the Statement of Net Position for that portion of the loans which have not been drawn down as of June 30, 2026. NBC may prepay the WIFIA loan in whole or in part in accordance with the loan agreement; however, it may not be repaid using federal funds.

Debt principal and interest maturities of WIFIA loans payable for future years as of June 30, 2026 are as follows:

Fiscal Year Ending June 30,	WIFIA loans from Direct Borrowings		
	Principal	Interest	Total
2027	\$ -	\$ -	\$ -
2028	-	-	-
2029	-	-	-
2030	-	1,752,639	1,752,639.00
2031	-	1,752,639	1,752,639.00
2032-2036	3,426,634	44,725,063	48,151,697
2037-2041	75,924,350	42,700,771	118,625,121
2042-2046	222,345,679	30,812,887	253,158,566
2047-2051	38,035,096	20,566,054	58,601,150
2052-2056	111,381,167	13,307,399	124,688,566
2057-2061	85,048,337	3,571,074	88,619,411
2062-2062	2,977,240	46,445	3,023,685
Total	<u>\$ 539,138,503</u>	<u>\$ 159,234,971</u>	<u>\$ 698,373,474</u>

8 – Lease Liability

NBC is leasing two plots of land (plot 315 lot 61: plot 315 Lots 88 and 86.1) in Coventry, RI. NBC has constructed, operates, and maintains two 1.5 MW wind turbines on these parcels. The leases were entered into on July 14, 2016. The term of these two leases are an initial 25 years with renewal terms for up to three successive periods of five years each. The rental expense was \$4,500 at the commencement of the two leases. There is a rent increase of 5% every five years thereafter during the term of the lease. NBC reported an asset lease land in the amount of \$2.3 million and related accumulated amortization of \$586 thousand in the Statement of Net Position at June 30, 2026. The lease liability at June 30, 2026 was \$1.8 million and the interest expense incurred in FY 2026 relating to the leases was \$7,282.

Lease Liability

June 30, 2025	Additions	Reductions	June 30, 2026	Amount due within one year
\$ 1,922,918	\$ -	\$ 106,118	\$ 1,816,800	\$ 111,859

Lease principal and interest maturities as of June 30, 2026 are the following:

Fiscal Year Ending June 30,	Lease Liability		
	Principal	Interest	Total
2027	\$ 111,859	\$ 7,211	\$ 119,070
2028	112,294	6,769	119,063
2029	112,744	6,320	119,064
2030	113,201	5,863	119,064
2031	113,666	5,398	119,064
2032-2036	604,351	20,730	625,081
2037-2041	648,685	7,607	656,292
Total	<u>\$ 1,816,800</u>	<u>\$ 59,898</u>	<u>\$ 1,876,699</u>

At the conclusion of these two leases, it is NBC's responsibility to decommission the two wind turbines in conformance with the Land Lease agreement. Therefore, based on the requirement of **GASB 83 Certain Asset Retirement Obligations (AROs)**, NBC recognized a liability ARO of \$450,000 and deferred outflow of resources which will be amortized over estimated remaining useful life of the wind turbines, which is 20 years. The measurement of the ARO is based on the best estimate approach of the current value expected to be incurred to decommission the wind turbines.

9 – Subscription-Based Information Technology Arrangements (SBITAs)

NBC reported seven SBITAs for the fiscal year ended June 30, 2026:

- Avepoint Public Sector, Inc which is a multi-year contract from July 1, 2024 through June 30, 2027.
- ADP which is a multi-contract from October 1, 2024 through September 30, 2027.
- Cornerstone which is a multi-year contract from January 1, 2025 through June 30, 2028
- Insight Software which is a multi-year contract from July 1, 2025 through June 30, 2028.
- GovConnection, Inc. (VM Ware) which is a multi-year contract from July 1, 2025 through June 30, 2028.
- GovConnection, Inc. (Forevery Cloud/Rapid Seed) which is a multi-year contract from August 1, 2025 through July 31, 2028.
- Dell Technologies which is a multi-year contract from December 1, 2025 through November 30, 2028.

NBC reported a subscription asset in the amount of \$1.9 million with related accumulated amortization of \$557 thousand in the Statement of Net Position as of June 30, 2026. The subscription liability as of June 30, 2026 was \$1.2 million and the interest expense incurred in FY 2026 relating to the subscriptions was \$47 thousand.

Subscription liability for future years as of June 30, 2026 are as follows:

<i>Fiscal Year Ending</i>	<i>Subscription Liability</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
<i>June 30,</i>			
2027	\$ 644,114	\$ 31,500	\$ 675,614
2028	534,986	14,608	549,594
Total	<u>\$ 1,179,100</u>	<u>\$ 46,108</u>	<u>\$ 1,225,208</u>

10 – Net Position

NBC's net position is presented in the following three categories:

Net investment in capital assets

Net investment in capital assets reflects the portion of net position associated with non-liquid capital assets, less outstanding capital asset related debt.

Restricted

This category represents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The following cash and cash equivalents are included in restricted net position.

Restricted Environmental Enforcement Fund - Chapter 46-25-38.1 of the RIGL established a restricted environmental enforcement fund. The fund consists of sums recovered by administrative or civil enforcement action and may be used as outlined in Chapter 46-25-38.1. NBC has restricted net position equal to the balance of funds in the environmental enforcement restricted cash and cash equivalents fund of \$67,027.

Restricted Operating Reserve for Revenue Stability Fund - The PUC authorized NBC to establish an operating reserve for revenue stability fund in the Order from Docket 3905. NBC has restricted net position equal to the balance of the operating reserve for revenue stability cash and cash equivalents account in the amount of \$4,505,659.

Restricted Operation and Maintenance Reserve Fund - The PUC authorized NBC to establish an operation and maintenance reserve fund in the Order from Docket 24-41-WW. NBC has restricted net position equal to the balance of the operation and maintenance reserve fund cash and cash equivalents account in the amount of \$797,936.

Restricted Bond Covenants - Based on a review of the Trust Indenture bond covenants, it was determined that the Revenue Fund cash accounts, Operations and Maintenance Fund cash accounts, and the Debt Service Fund cash accounts are restricted. Therefore, NBC has restricted net position for bond covenants in the amount of \$131,622,292.

Restricted Operating Capital - In accordance with the Trust Indenture, the Operating Capital Accounts in the Project Fund are restricted for capital expenditures. NBC has established restricted net position for the Operating Capital cash accounts in the amount \$15,003,888.

Restricted Net Pension Asset - Non-Union Defined Benefit Plan - Based on **GASB 34 Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments**, it was determined that a net pension asset results in a restricted net position. NBC has established restricted net position for the restricted net pension asset in the amount of \$13,097,211.

Unrestricted

This category represents the residual amount of net position not included in the net investment in capital assets or the restricted categories highlighted above.

11 – Union Pension Plans

Employees' Retirement System of the State of Rhode Island (ERSRI) Defined Benefit Plan

Plan description - All NBC eligible full-time union employees 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 (the "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, disability benefits and death benefits to plan members and beneficiaries.

The ERSRI issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at www.ersri.org.

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 75%. For members retiring after July 1, 2024, retiree benefit amounts are based on the average highest 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, 25% (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.

The plan also provides nonservice-connected disability benefits after 5 years of service and service-connected disability benefits with no minimum service requirement.

Contributions - The funding policy, as set forth in the General Laws, section 36-10-2, provides for actuarially determined periodic contributions to the plan. For FY 2026, NBC employees, with less than 20 years of service as of July 1, 2012, were required to contribute 3.75% of their annual covered salary. Employees with more than 20 years of service as of July 1, 2012, were required to contribute 11% of their annual covered salary. NBC is required to contribute at an actuarially determined rate of 30.91% of annual covered payroll for the fiscal year ended June 30, 2026. NBC contributed \$2,072,322, \$1,937,766, and \$1,812,076 for the fiscal years ended June 30, 2026, 2025, and 2024, respectively, equal to 100% of the required contributions for each year.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions - On June 30, 2026, NBC reported a liability of \$12,282,738 for its proportionate share of the net pension liability related to its participation in ERSRI. The net pension liability was measured as of June 30, 2025, 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, 2024, rolled forward to June 30, 2025 measurement date. NBC's proportion of the net pension liability was based on its share of contributions to the ERSRI for FY 2025 relative to the total contributions of all participating employers for that fiscal year. On the June 30, 2025, measurement date, NBC's proportion was 0.68431003%.

For the year ended June 30, 2026, NBC recognized pension expense of \$281,920. On June 30, 2026, NBC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Changes in assumptions	\$ -	\$ 2,298
Difference between expected and actual experience	585,133	271
Net difference between projected and actual investment earnings	-	329,167
Changes in proportion and differences between employer contributions and proportionate share of contributions	28,351	1,609,657
Contributions subsequent to measurement date	2,072,322	-
Total deferred outflows and deferred inflows of resources	\$ 2,685,806	\$ 1,941,393

NBC's contributions of \$2,072,322 are reported as deferred outflows of resources related to pensions resulting from the NBC's contribution in FY 2026 subsequent to the measurement date and will be recognized as a reduction of the net pension liability determined in the subsequent period.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

<i>Fiscal Year Ending June 30,</i>	<i>Net Deferred Outflows (Inflows) of Resources</i>
2027	\$ (251,963)
2028	(514,590)
2029	(409,548)
2030	(151,808)
Thereafter	-
Total	\$ (1,327,909)

Actuarial methods and assumptions - The total pension liability was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal - Individual Entry Age Actuarial Cost Methodology
Amortization Method	Level Percent of Payroll - Closed
Inflation	2.50%
Salary Increases	3.00% to 7.00%
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 June 30, 2024 valuation rolled forward to June 30, 2025 and the calculation of the total pension liability at June 30, 2025 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 collective summary of capital market expectations from 41 nationally recognized investment consulting firms (27 of which provided long-term assumptions).

The June 30, 2025 expected arithmetic returns over the long term (20 years) by asset class are summarized in the following table:

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
GROWTH		
Global Equity		
US Equity	25.75%	6.02%
International Developed Equity	10.08%	6.37%
Emerging Markets Equity	4.17%	7.80%
Sub-total	40.00%	
Private Growth		
Private Equity	12.50%	9.26%
Non-Core Real Estate	2.50%	5.13%
Sub-total	15.00%	
INCOME		
Equity Options	2.00%	5.78%
Liquid Credit	5.00%	4.35%
Private Credit	3.00%	4.35%
Collateralized Loan Obligations (CLO)	2.00%	4.35%
Sub-total	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	1.20%
Systematic Trend	5.00%	4.12%
Sub-total	10.00%	
Inflation Protection		
Core Real Estate	4.00%	5.13%
Private Real Assets (ex-Real Estate)	4.00%	6.07%
Sub-total	8.00%	
Volatility Protection		
IG Corp Credit	3.25%	2.87%
Securitized Credit	3.25%	2.87%
Absolute Return	6.50%	4.12%
Cash	2.00%	1.20%
Sub-total	15.00%	
Total	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.

Discount rate - The discount rate used to measure the total pension liability was 7.0%. 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.

Sensitivity of the net pension liability (asset) to changes in the discount rate

<i>Net Pension Liability</i>		
<i>1% Decrease (6.0% Discount Rate)</i>	<i>Current (7.0% Discount Rate)</i>	<i>1% Increase (8.0% Discount Rate)</i>
\$ 15,821,261	\$ 12,282,738	\$ 9,067,648

Pension plan fiduciary net position - As noted earlier, ERSRI issues a publicly available financial report that includes financial statements and required supplementary information for the plans. This report may be obtained at www.ersri.org. This report contains detailed information about the pension plan's fiduciary net position.

ERSRI Defined Contribution Plan

Plan description - Certain employees participating in the defined benefit plan (those with less than 20 years of service as of July 1, 2012), as described above, also participate in a defined contribution plan of the Employees' Retirement System as 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. The Retirement Board is the plan administrator and plan trustee. The employees may choose among various investment options available to plan participants. The State Investment Commission is responsible for implementing the investment policy of the plan and selecting the investment options available to members.

Plan contributions - Certain employees (those with less than 20 years of service as of July 1, 2012) contribute 5.0% of their annual covered salary and employers contribute at the following percentages of annual covered salary for these employees based on their years of service as of July 1, 2012:

<i>Years of Service as of July 1, 2012</i>	<i>Employer Contribution Rate</i>
15-20 Years	1.50%
10-15 Years	1.25%
0-10 Years	1.00%

Employee contributions are immediately vested while employer contributions are vested after three years of contributory service. Contributions required under the plan by both the employee and employer are established by the General Laws of the State of Rhode Island, which are subject to amendment by the General Assembly.

NBC contributed and recognized a pension expense of \$65,505 for the fiscal year ended June 30, 2026 equal to 100% of the required contributions for the fiscal year.

Plan vesting and contribution forfeiture provisions - The total amount contributed by the member, including associated investment gains and losses, shall immediately vest in the member's account and is non-forfeitable. The total amount contributed by the employer, including associated investment gains and losses, vests with the member and is non-forfeitable upon completion of three years of contributory service. Non-vested employer contributions are forfeited upon termination of employment. Such forfeitures can be used by employers to offset future remittances to the plan.

Retirement benefits - Benefits may be paid to a member after severance from employment, death, plan termination, or upon a deemed severance from employment for participants performing qualified

military service. At a minimum, retirement benefits must begin in the year in which the member attains age 73 or terminates employment, if later.

The ERSRI issues a publicly available financial report that includes financial statements and required supplementary information for plans administered by the system. The report may be obtained at www.ersri.org.

12 – Non-Union Pension Plans

Non-Union Defined Contribution Plan

NBC's Board approved a resolution at the regular business meeting on May 15, 2002, adopting the Non-Union Defined Contribution Plan, which is a profit-sharing plan for its non-union employees pursuant to 401(a) of the Internal Revenue Code. The profit-sharing plan is a defined contribution, single employer pension plan. As of June 30, 2026, there were 169 active participants.

Contributions are discretionary and established annually and may be amended by the Board. NBC's contribution to the profit-sharing plan for the year ended June 30, 2026 amounted to \$754,290, representing a contribution rate of 5% of eligible employee compensation for the year ended June 30, 2026. Employees voluntary contributions to the profit-sharing plan on an after-tax basis were \$2,800. Non-union employees are eligible to participate in the profit-sharing plan if they have completed six months of service and are at least 21 years of age. These provisions were adopted and may be amended by the Board.

NBC funds the annual profit-sharing plan contribution biweekly based on each eligible employee's biweekly compensation. The plan is administered by a third-party administrator, and Empower Trust Company, LLC, formerly known as Great-West Trust Company, LLC, is the Plan's trustee. NBC's payroll for employees covered by the profit-sharing plan was \$15,085,802 for the year ended June 30, 2026. The total payroll for the year ended June 30, 2026 amounted to \$23,504,370.

NBC Non-Union Defined Benefit Plan (Fiduciary Pension Fund)

Plan description

Organization - The NBC's Board of Commissioners (Board) approved a resolution at the business meeting on December 20, 2004, adopting a defined benefit plan for its non-union employees effective February 1, 2005, pursuant to 401(a) of the Internal Revenue Code. The Plan is a single-employer, defined benefit pension plan. The Plan year begins January 1 and ends December 31, with the initial Plan year ending December 31, 2005. The Plan was most recently amended effective January 1, 2026.

Plan benefits and other provisions are established by the Plan document. Any changes to the Plan must be approved by the Board.

The Plan is a component unit of the Narragansett Bay Commission and is reported as a Fiduciary Activity in its financial statements.

Plan administration - The Plan is administered by NBC staff and a third-party administrator, The Angell Pension Group, Inc. An Investment Committee (IC) provides overall guidance to the Plan. The IC meets quarterly and works with NBC's investment advisor Strategic Retirement Partners, LLC, a fiduciary to the

Plan, to select investments and review asset allocations and performance. The Plan assets are invested under a group annuity contract which as of October 28, 2022, was issued by Empower Annuity Insurance Company of America, formerly Great-West Life and Annuity Insurance Company. Certain administrative services are also provided by Empower Retirement as the plans recordkeeper.

Plan membership - All non-seasonal, non-union employees scheduled to work more than 20 hours per week are eligible to participate in the plan as of January 1st following date of hire of service and attaining age 21.

As of December 31, 2025, Plan membership consisted of the following:

Inactive Plan members or beneficiaries currently receiving benefits	58
Inactive Plan members entitled to but not yet receiving benefits	50
Active plan members	151
Total Plan members	259

Contributions - NBC's policy is to fund 100% of the actuarially determined contribution or a total of up to 10% of budgeted non-union salaries (determined by the total budgeted for non-union retirement less the 5% employer contribution to the 401(a) Non-Union Defined Contribution Plan) whichever is greater. Additional NBC contributions may be made to the Plan after fiscal year end if it is determined to be in the best interest of the Plan, there are unspent budget funds, and the action does not impair NBC from meeting its debt service coverage requirements. The actuarially determined contribution is calculated as the normal cost plus an amortization of the initial accrued liability. Changes in plan provisions and actuarial assumptions give rise to changes in the unfunded liability. Participants must make mandatory contributions of 5% of compensation, as defined in the Plan, until termination of service.

The annual required NBC contribution for the fiscal year ending June 30, 2026 was \$0. The contributions made to the plan for the fiscal year ended June 30, 2026 were \$2,406,689 which consists of employer contributions of \$1,719,776 and employee contributions of \$686,913.

Vesting - Plan participants are eligible for their Plan benefit after terminating employment with vested rights. Vesting in a participant's accrued benefit is based on years of service in accordance with the following schedule:

Years of Service	Percentage Vested
Less than 7 years	0%
7 years and thereafter	100%

Notwithstanding the foregoing, a participant becomes 100% vested upon normal retirement age, death, disability, or attainment of early retirement age.

Participants are vested immediately in their mandatory employee contributions. If a participant terminates employment for reasons other than retirement, death, or disability prior to the completion of 7 years of service, the participant is entitled to a refund of the mandatory employee contributions without interest.

Benefits provided - Distributions are subject to the applicable provisions of the Plan document. The monthly retirement benefit is based on 1% of average annual compensation for each year of credited service up to a maximum of 30 years. Average annual compensation is the average of the annual compensation over 3 consecutive years in the final 10 years that results in the highest average.

Normal Retirement - The monthly retirement benefit is based on 1% of average annual compensation multiplied by total years of service limited to 30 years. Participants are eligible to receive monthly pension benefits beginning at normal retirement age. Normal retirement age is the later of the date a participant reaches age 65 or the fifth anniversary of participation.

Early Retirement - Participants are eligible for reduced amount of their accrued benefit at their early retirement age. Early retirement age is the later of the date a participant reaches age 62 or the fifth anniversary of participation, provided the participant has completed 10 years of participation. The early retirement benefit is reduced by 6.67% for each year that a participants early retirement date precedes their normal retirement age.

Late Retirement - Benefits to participants who remain employed after their normal retirement date commence upon termination. The later retirement benefit accrual is the greater of the benefit earned under the benefit formula or an actuarial adjustment required for the commencement of benefit payments after reaching normal retirement age.

Death Benefit - If retirement benefit payments have not began at the time of a participant's death, the death benefit is the greater of the participant's mandatory contributions or the actuarial equivalent of the participant's accrued benefit.

Total and Permanent Disability - Benefit payments are deferred until normal or early retirement date.

Cash Out - If the vested amount of the present value of the accrued benefit exceeds \$1,000 but is less than \$7,000 and the participant does not timely return distribution forms, the value of the vested accrued benefit may be transferred to an IRA in the participant's name, unless the distribution is after the later of normal retirement age or 62.

Net pension liability (asset)

The components of the net pension liability (asset) on June 30, 2026 (the measurement date) were as follows:

Total pension liability	\$ 31,331,632
Plan fiduciary net position	<u>(44,428,843)</u>
Net pension liability (asset)	<u>\$ (13,097,211)</u>
Fiduciary net position as a percentage of the total pension liability	<u>141.80%</u>

Changes in Net Pension Liability (Asset)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance as of July 1, 2025	\$ 29,598,847	\$ 38,225,647	\$ (8,626,800)
Changes for the year:			
Service cost	639,921	-	639,921
Interest on total pension liability	1,756,315	-	1,756,315
Differences between expected and actual experience	577,823	-	577,823
Change in assumptions	-	-	-
Contributions - employer	-	1,719,776	(1,719,776)
Contributions - employee	-	686,913	(686,913)
Net investment income	-	5,064,660	(5,064,660)
Benefit payments	(1,241,274)	(1,241,274)	-
Administrative expense	-	(26,879)	26,879
Net changes	<u>1,732,785</u>	<u>6,203,196</u>	<u>(4,470,411)</u>
Balance as of June 30, 2026	<u>\$ 31,331,632</u>	<u>\$ 44,428,843</u>	<u>\$ (13,097,211)</u>

Actuarial assumptions - The total pension liability was determined by an actuarial valuation performed as of December 31, 2025 and rolled forward to June 30, 2026 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method - actuarially determined contribution:	Entry Age Normal Cost Method with Frozen Initial Liability
Actuarial cost method - GASB 67 and 68:	Entry Age Normal Cost Method
Discount Rate for Purposes of Determining Net Pension Liability:	6.00%
Long-Term Rate of Return on Investments:	6.00%
Annual Salary Increases:	3.50%
Payroll Growth Rate:	3.50%
Inflation:	N/A
Pre and Post Retirement Mortality:	PubG-2016 Above Median for Employees and Healthy Retirees with Scale MP-2021 Generational Improvements (Male/Female)
Terminations:	T-2. Illustrative annual rates of withdrawal are as follows:
	<u>Age</u> <u>Rate</u>
	25 5.29%
	40 3.50%
	55 0.00%
Disability Rate:	None
Assumed Retirement Age:	Age 65 for active participants and Normal Retirement Age for inactive participants
Expenses:	None

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best

estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of June 30, 2026 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Short-Term Bonds	10%	5.10%
Large Cap US Equity	30%	7.00%
Small/Mid Cap US Equity	10%	7.38%
International Equity	15%	7.46%
Intermediate to Long-Term Bonds	35%	4.87%
Total	100%	

Discount rate - The discount rate used to measure the total pension liability was 6.0%. The projection of cash flows used to determine the discount rate assumed that plan participant contributions will be made at the current contribution rate and that NBC contributions will be made at rates equal to the difference between actuarially determined contribution rates and the participant rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan participants. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability (asset) to changes in the discount rate - The following presents the net pension liability (asset) of the NBC, calculated using the discount rate of 6.0%, as well as the NBC's net pension liability (asset) if it were calculated using a discount rate that is one percentage-point lower (5.0%) or one percentage-point higher (7.0%) than the current rate:

Net Pension Liability (Asset)		
1% Decrease (5.0% Discount Rate)	Current (6.0% Discount Rate)	1% Increase (7.0% Discount Rate)
\$ (9,118,260)	\$ (13,097,211)	\$ (16,434,499)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions - For the year ended June 30, 2026, NBC recognized pension expense of (\$259,690).

On June 30, 2026, NBC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 116,203	\$ 78,425
Difference between expected and actual experience	1,714,138	57,840
Net difference between projected and actual investment earnings	-	4,094,731
Total deferred outflows and deferred inflows of resources	\$ 1,830,341	\$ 4,230,996

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<i>Fiscal Year Ending June 30,</i>	<i>Net Deferred Outflows (Inflows) of Resources</i>
2027	\$ (1,014,749)
2028	(916,832)
2029	(538,910)
2030	(315,428)
2031	161,282
Thereafter	223,982
Total	<u>\$ (2,400,655)</u>

13 – Pension Information

As required by **GASB 68**, *Accounting and Financial Reporting for Pensions*, the following table presents the aggregate amount of pension expenses, pension liabilities (assets), and deferred inflows and outflows for the two defined benefit pension plans.

Aggregate Pension Information

	<i>ERSRI Defined Benefit Plan</i>	<i>Non-Union Defined Benefit Plan</i>	<i>Total</i>
Pension Expense	\$ 281,920	\$ (259,690)	\$ 22,230
Net Pension Liability (Asset)	12,282,738	(13,097,211)	(814,473)
Deferred Outflows	2,685,806	1,830,341	4,516,147
Deferred Inflows	1,941,393	4,230,996	6,172,389

14 – Union – State Employees’ and Electing Teachers Postemployment Healthcare

Plan description - Union employees of NBC participate in a cost-sharing multiple-employer defined benefit other post-employment benefits (OPEB) plan included within the Rhode Island State Employees’ and Electing Teachers OPEB System (the “System”). NBC participates in the State Employees’ plan within the System.

Under a cost-sharing plan, OPEB 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 OPEB benefits through the plan, regardless of the status of the employers’ payment of its OPEB obligation to the plan. The plan provides health care benefits to plan members.

The System is administered by the OPEB Board and was authorized, created, and established under Chapter 36-12.1 of the RI General Laws. The Board was established under Chapter 36-12.1 as an independent board to hold and administer, in trust, the funds of the OPEB system. The four members of the OPEB Board are: the State Controller, the State Budget Officer, the State Personnel Administrator, and the General Treasurer, or their designees.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at the following address: www.rioag.gov/reports-financial/index.html.

Membership provisions - Members of the System must meet the eligibility and services requirements set forth in the RI General Laws or other governing documents. RIGL Sections 16-17.1-1 and 2, 36-10-2, 36-12.1, 36-12-2.2, and 36-12-4 govern the provisions of the System, and they may be amended in the future by action of the General Assembly.

Benefit provisions - For members age 59 through 64 who retire on or after October 1, 2008, with a minimum of 20 years of service, the State pays 80% of the actual cost of health care coverage.

At age 65, State retirees must purchase Medicare Part B (deducted from their Social Security payment) and may enroll in a health reimbursement account plan (HRA) to which the OPEB Trust contributes an amount. The amount deposited by the State into each HRA varies based on the date of retirement and years of service at retirement, but is based on the lowest-cost Medicare supplemental plan available through the program that meets the plan requirements defined by the law. Amounts available in each retiree's HRA can be used for any eligible medical care expense including reimbursement for health insurance premiums.

For State employees who retired on or before September 30, 2008, the State provides two types of subsidies for health care benefits. The Tier I subsidy applies to non-Medicare eligible plans and provides that the State will pay the portion of the cost of retiree health care for the retiree and any dependents above the active group rate. The retiree pays the active group monthly rate and the State pays the difference between the active group rate and the early retiree rate. This subsidy is not based on years of service and ends at age 65. In addition to the Tier I benefits, the State pays a portion of the cost of retiree health care above the Tier I costs for certain retirees meeting eligibility requirements based upon the age and service of the retiree, which is referred to as the Tier II benefit.

Employees retiring on or before September 30, 2008, who are under 60 years of age at retirement may retire with a minimum of 28 years of service and must pay 0% - 10% of retiree health care costs, as determined by the number of years of each employee's service. Employees retiring on or before September 30, 2008, who are 60 years of age or over at retirement may retire with a minimum of 10 years of service and must pay 0% - 50% of retiree health care costs, as determined by the number of years of each employee's service.

Contributions - The funding policy, as set forth in the General Laws and which may be amended at any time, provides for actuarially determined periodic contributions to the plans. NBC is required to contribute at an actuarially determined rate; the rate was 3.25% of annual covered payroll for the fiscal year ended June 30, 2026. NBC contributed \$217,934, \$250,235, and \$282,728, for the fiscal years ended June 30, 2026, 2025, and 2024, respectively, equal to 100% of the required contributions for each year.

Active employees do not make contributions to the plan. Retired member contributions consist of the required retiree share of coverage based on the time of retirement and years of service.

OPEB liabilities (assets), OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB - On June 30, 2026, NBC reported a liability (asset) of \$616,456 for its proportionate share of the net OPEB liability related to its participation in the System. The net OPEB liability (asset) was measured as of June 30, 2025, the measurement date, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of June 30, 2024 rolled forward to June 30, 2025 measurement date. NBC's proportion of the net OPEB liability (asset) was based on its share of contributions to the System for FY 2025 relative to the total

contributions of all participating employers for that fiscal year. On June 30, 2025 measurement date, NBC's proportion was 0.68288271%.

For the year ended June 30, 2026, NBC recognized OPEB expense of (\$240,091). On June 30, 2026, NBC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Changes in assumptions	\$ 116,567	\$ 105,039
Difference between expected and actual experience	8,864	531,921
Net difference between projected and actual investment earnings	-	253,151
Changes in proportion and differences between employer contributions and proportionate share of contributions	72,283	356,838
Contributions subsequent to measurement date	217,934	-
Total deferred outflows and deferred inflows of resources	\$ 415,648	\$ 1,246,949

NBC's contributions of \$217,934 are reported as deferred outflows of resources related to OPEB expense resulting from NBC's contributions in FY 2026 subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability (asset) in the subsequent period.

Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<i>Fiscal Year Ending June 30,</i>	<i>Net Deferred Outflows (Inflows) of Resources</i>
2027	\$ (279,171)
2028	(303,854)
2029	(212,450)
2030	(158,482)
2031	(61,826)
Thereafter	(33,452)
Total	\$ (1,049,235)

Actuarial methods and assumptions - The actuarial assumptions used in the June 30, 2024 valuation and the calculation of total OPEB liability at the June 30, 2025 measurement date were consistent with the Actuarial Experience Investigative Study for the six years ended June 30, 2019 performed for the Employees' Retirement System of Rhode Island.

The total OPEB liability was determined using the following significant actuarial methods and assumptions:

Actuarial Cost Method	Individual Entry Age Actuarial Cost Methodology is used
Amortization Method	Level Percent of Payroll - Closed
Inflation	2.50%
Salary Increases	3.25% to 6.25%

Investment Rate of Return	5.00%
Healthcare Cost Trend Rate	6.25% to 7.00% in FY 2025 decreasing annually to 3.50% in FY 2038 and later

Mortality rates for male plan members were based on the PUB-10 Median Table for General Healthy Retiree Males, loaded by 115%, projected with Scale Ultimate MP16. Mortality rates for female plan members were based on the PUB-10 Median Table for General Healthy Retiree Females, loaded by 111%, projected with Scale Ultimate MP16.

The long-term expected rate of return best-estimate on OPEB 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 OPEB plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 41 nationally recognized consulting firms (27 of which provided long-term assumptions).

The June 30, 2025 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
Growth		
Global Equity / Public Growth	40.0%	6.47%
Private Growth	5.0%	8.82%
Income		
Equity Options	4.0%	5.88%
Liquid Credit	4.0%	4.41%
Emerging Market Debt	4.0%	4.46%
Collateralized Loan Obligations	4.0%	4.41%
Private Credit	5.0%	4.41%
Stability		
Inflation Protection		
Core Real Estate	4.0%	5.18%
Private Real Assets	4.0%	6.24%
Volatility Protection		
U.S. Aggregate Bond	26.0%	2.20%
	<u>100.0%</u>	

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.

Discount rate - The discount rate used to measure the total OPEB liability was 5.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members, if any, 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 OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the net OPEB liability (asset) to changes in the discount rate - The following presents the net OPEB liability (asset) calculated using the discount rate of 5.0% as well as what the net OPEB liability (asset) 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.

**Net OPEB Liability
Discount Rate Sensitivity**

1% Decrease (4.0% Discount Rate)	Current Discount Rate (5.0% Discount Rate)	1% Increase (6.0% Discount Rate)
\$ 1,128,826	\$ 616,456	\$ 189,126

Sensitivity of the net OPEB liability (asset) to changes in the healthcare cost trend rate - The following table presents the net OPEB liability (asset) calculated using the healthcare cost trend rate baseline (defined in the actuarial assumptions table above), as well as what the employers' net OPEB liability (asset) would be if it were calculated using a trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate.

**Net OPEB Liability
Healthcare Cost Trend Rate Sensitivity**

1% Lower	Baseline	1% Higher
\$ 38,236	\$ 616,456	\$ 1,339,494

OPEB plan fiduciary net position - The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at www.rioag.gov/reports-financial/index.html. The report contains detailed information about the OPEB plan's fiduciary net position.

15 – User Billing

At its 1983 session, the Rhode Island General Assembly enacted Public Law 1983 Chapter 235, which amended NBC's enabling legislation (Title 46, Chapter 25 of the General Laws). The amendment required that NBC institute a retail billing system with rates and fees subject to review and approval by the PUC. A PUC approved retail billing system went into effect July 1, 1985, for the Field's Point service area, and on January 1, 1992, for the Bucklin Point service area.

16 – Risk Management

NBC is exposed to various risks of loss relating to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; health of employees and natural disasters. NBC purchases commercial insurance for property damage, general liability, flood, errors and omissions, and employee health coverage.

NBC has been commercially insured for workers' compensation benefits since March 1, 2000. Prior to that date, NBC was self-insured, and the workers' compensation benefits were administered by the State of Rhode Island. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

17 – Commitments and Contingencies

NBC has entered into various engineering and construction contracts for the design and improvement of its facilities as part of its Capital Improvement Program. Commitments under these contracts aggregated approximately \$91,811,428 on June 30, 2026.

NBC, during the ordinary course of its operations, is a party to various claims, legal actions, and complaints. In the opinion of NBC's management and legal counsel, the potential liability to NBC, if any, or an evaluation of the outcome to these matters cannot be made at the present time.

18 – Subsequent Events

For purposes of identifying, evaluating, and disclosing the effects of subsequent events of these financial statements, management assessed circumstances in the context of ASC 855 Subsequent Events for material events occurring after June 30, 2026 and through September 17, 2026, the date which the financial statements were available to be issued. On August 18, 2026, NBC closed on a \$100.0 million Bond Anticipation Note issuance, which will mature in August 2027. The interest rate on the issuance was approximately 3.0%.

NARRAGANSETT BAY COMMISSION
Required Supplementary Information
Employees' Retirement System of RI Plan
Schedule of NBC's Proportionate Share of the Net Pension Liability (Unaudited)
For the Year Ended June 30,
Last Ten Fiscal Years

<i>Fiscal Year Ended</i>	<i>June 30, 2026</i>	<i>June 30, 2025</i>	<i>June 30, 2024</i>
<i>Measurement Date</i>	<i>June 30, 2025</i>	<i>June 30, 2024</i>	<i>June 30, 2023</i>
NBC's proportion of the net pension liability	0.684%	0.733%	0.770%
NBC's proportionate share of the net pension liability	\$ 12,282,738	\$ 14,169,177	\$ 14,818,298
NBC's covered payroll (at measurement date)	\$ 6,315,643	\$ 6,255,010	\$ 6,250,471
NBC's proportionate share of the net pension liability as a percentage of its covered payroll	194.48%	226.52%	237.07%
Plan fiduciary net position as a percentage of the total pension liability	66.5%	63.1%	61.3%

(Continued)

Note:

The amounts presented for each fiscal year were determined as of June 30th measurement date prior to the fiscal year end.

See accompanying notes to the required supplementary information.

NARRAGANSETT BAY COMMISSION
Required Supplementary Information
Employees' Retirement System of RI Plan
Schedule of NBC's Contributions (Unaudited)
For the Year Ended June 30,
Last Ten Fiscal Years

<i>Fiscal Year Ended</i>	<i>June 29, 2026</i>	<i>June 30, 2025</i>	<i>June 30, 2024</i>	<i>June 30, 2023</i>
Statutorily determined contribution	\$ 2,072,322	\$ 1,937,766	\$ 1,812,076	\$ 1,750,757
Contributions in relation to the statutorily determined contribution	2,072,322	1,937,766	1,812,076	1,750,757
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
NBC's covered payroll	\$ 6,705,647	\$ 6,315,643	\$ 6,255,010	\$ 6,250,471
Contribution as a percentage of covered payroll	30.90%	30.68%	28.97%	28.01%

(Continued)

Note:

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.

See accompanying notes to the required supplementary information.

NARRAGANSETT BAY COMMISSION
Required Supplementary Information
Employees' Retirement System of RI Plan
Schedule of NBC's Contributions (Unaudited) (Continued)
For the Year Ended June 30,
Last Ten Fiscal Years

<i>June 30, 2022</i>	<i>June 30, 2021</i>	<i>June 30, 2020</i>	<i>June 30, 2019</i>	<i>June 30, 2018</i>	<i>June 30, 2017</i>
\$ 1,731,347	\$ 1,678,833	\$ 1,553,112	\$ 1,561,290	\$ 1,438,927	\$ 1,509,489
1,731,347	1,678,833	1,553,112	1,561,290	1,438,927	1,509,489
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 6,179,660	\$ 6,095,980	\$ 5,885,229	\$ 6,063,363	\$ 5,785,794	\$ 5,956,481
28.02%	27.54%	26.39%	25.75%	24.87%	25.34%

Note:

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.

See accompanying notes to the required supplementary information.

NARRAGANSETT BAY COMMISSION
Required Supplementary Information
Employees' Retirement System of RI Plan
Notes to the Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2026

PENSION - REQUIRED SUPPLEMENTARY INFORMATION:

Schedule of NBC's Proportionate Share of the Net Pension Liability - Employees' Retirement System
Schedule of NBC's Contributions - Employees' Retirement System RI

1. Actuarial methods and assumptions used to calculate the net pension liability of the participating employers

The actuarial methods and assumptions used to calculate the net pension liability of the participating employers are described in Note 11 to the financial statements. The following information is presented about factors that significantly affect trends in the amounts reported between years.

June 30, 2025 measurement date:

There were no changes in actuarial methods or assumptions reflected in the calculation of net pension liability (asset) of the plan as of the June 30, 2025 measurement date compared to the June 30, 2024 measurement date.

June 30, 2024 measurement date:

There were no changes in actuarial methods or assumptions reflected in the calculation of net pension liability (asset) of the plan as of the June 30, 2024 measurement date compared to the June 30, 2023 measurement date.

June 30, 2023 measurement date:

As part of the 2023 Actuarial Experience Study for the six-year period ending June 30, 2022 as approved by the System Board on May 17, 2023, certain assumptions were modified and reflected in the determination of net pension liability (asset) at the June 30, 2023 measurement date. The following summarizes the more significant changes in assumptions:

- Decreased individual salary increases and projected payroll growth for most groups. These two items mainly offset each other in calculating contribution requirements, especially as dollar amounts, but create a much lower projected annual growth rate in the dollar amounts of contributions.
- Updated the mortality projection scales to the ultimate rates of the most recently published ones, this had no material impact to the liabilities or contributions.
- Modestly increased turnover rates.
- Slight modifications to the retirement rates.
- Modified slightly the rates of disability.

June 30, 2022 measurement date:

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2022 measurement date compared to the June 30, 2021 measurement date.

June 30, 2021 measurement date:

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2021 measurement date compared to the June 30, 2020 measurement date.

June 30, 2020 measurement date:

As part of the 2020 Actuarial Experience Study for the six-year period ending June 30, 2019 as approved by the System Board on May 22, 2020, certain assumptions were modified and reflected in the determination of net pension liability (asset) at the June 30, 2020 measurement date. The following summarizes the more significant changes in assumptions:

- Updated the underlying mortality tables from the RP-2014 set of tables to the public sector-based PUB(10) tables.
- Increased slightly the probabilities of turnover.
- Decreased slightly the probabilities of retirement.
- Modified slightly the probabilities of disability, including adding material incidence of disability for members in the age ranges that historically have been eligible to retire but under prospective provisions are not.

(Continued)

NARRAGANSETT BAY COMMISSION

Required Supplementary Information

Employees' Retirement System of RI Plan

Notes to the Required Supplementary Information (Unaudited) (Continued)

For the Year Ended June 30, 2026

June 30, 2019 measurement date:

There was no change in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plan as of June 30, 2019 measurement date compared to the June 30, 2018 measurement date.

June 30, 2018 measurement date:

There was no change in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plan as of June 30, 2018 measurement date compared to the June 30, 2017 measurement date.

June 30, 2017 measurement date:

- Decreased the general inflation assumption from 2.75% to 2.50%;
- Decreased the nominal investment return assumption from 7.50% to 7.00%;
- Decreased the general wage growth assumption from 3.25% to 3.00%;
- Decreased salary increase assumptions; and
- Modified slightly the probabilities

June 30, 2016 measurement date:

There was no change in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plan as of June 30, 2016 measurement date compared to the June 30, 2015 measurement date.

2. Actuarially determined contributions

Actuarially determined contributions are calculated as of June 30, are 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.

NARRAGANSETT BAY COMMISSION

Required Supplementary Information

Narragansett Bay Commission Non-Union Defined Benefit Plan

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios (Unaudited)

For the Year Ended June 30,

Last Ten Fiscal Years

<i>Fiscal Year Ended June 30,</i>	<i>2026</i>	<i>2025</i>	<i>2024</i>
Total pension liability			
Service cost	\$ 639,921	\$ 551,648	\$ 508,615
Interest	1,756,315	1,648,481	1,561,551
Differences between expected and actual experience	577,823	764,732	522,161
Change in assumptions	-	(60,048)	-
Benefit payments, including refunds of participant contributions	(1,241,274)	(1,146,104)	(1,061,006)
Net change in total pension liability	1,732,785	1,758,709	1,531,321
Total pension liability - beginning	29,598,847	27,840,138	26,308,817
Total pension liability - ending	\$ 31,331,632	\$ 29,598,847	\$ 27,840,138
Pension fiduciary net position			
Contributions - employer	\$ 1,719,776	\$ 943,076	\$ 900,638
Contributions - employee	686,913	629,748	559,551
Net investment income	5,064,660	3,698,620	3,717,651
Benefit payments, including refunds of participant contributions	(1,241,274)	(1,146,104)	(1,061,006)
Administrative expense	(26,879)	(21,397)	(18,837)
Net change in plan fiduciary net position	6,203,196	4,103,943	4,097,997
Plan fiduciary net position, beginning of year	38,225,647	34,121,704	30,023,707
Plan fiduciary net position, end of year	\$ 44,428,843	\$ 38,225,647	\$ 34,121,704
Net pension liability (asset), end of year	\$ (13,097,211)	\$ (8,626,800)	\$ (6,281,566)

(Continued)

See accompanying notes to the required supplementary information.

NARRAGANSETT BAY COMMISSION

Required Supplementary Information

Narragansett Bay Commission Non-Union Defined Benefit Plan

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios (Unaudited) (Continued)

For the Year Ended June 30,

Last Ten Fiscal Years

2023	2022	2021	2020	2019	2018	2017
\$ 580,843	\$ 541,641	\$ 498,635	\$ 511,897	\$ 540,312	\$ 517,250	\$ 483,428
1,457,734	1,376,241	1,331,636	1,240,457	1,159,483	1,090,715	1,048,533
656,619	144,836	(192,830)	(43,521)	299,596	23,003	(265,443)
-	80,019	(115,355)	559,283	(57,266)	(112,144)	(228,207)
(962,232)	(784,184)	(749,591)	(682,310)	(533,330)	(321,603)	(268,133)
1,732,964	1,358,553	772,495	1,585,806	1,408,795	1,197,221	770,178
24,575,853	23,217,300	22,444,805	20,858,999	19,450,204	18,252,983	17,482,805
\$ 26,308,817	\$ 24,575,853	\$ 23,217,300	\$ 22,444,805	\$ 20,858,999	\$ 19,450,204	\$ 18,252,983
\$ 1,308,428	\$ 1,767,069	\$ 738,505	\$ 683,152	\$ 1,008,665	\$ 1,168,202	\$ 1,899,556
522,169	521,597	493,009	448,468	446,520	453,943	454,135
2,411,835	(4,852,211)	5,699,377	1,441,662	1,537,861	1,365,701	1,434,681
(962,232)	(784,184)	(749,591)	(682,310)	(533,330)	(321,603)	(268,133)
(16,166)	(18,137)	(15,820)	(13,304)	(11,910)	(10,669)	(8,421)
3,264,034	(3,365,866)	6,165,480	1,877,668	2,447,806	2,655,574	3,511,818
26,759,673	30,125,539	23,960,059	22,082,391	19,634,585	16,979,011	13,467,193
\$ 30,023,707	\$ 26,759,673	\$ 30,125,539	\$ 23,960,059	\$ 22,082,391	\$ 19,634,585	\$ 16,979,011
\$ (3,714,890)	\$ (2,183,820)	\$ (6,908,239)	\$ (1,515,254)	\$ (1,223,392)	\$ (184,381)	\$ 1,273,972

(Continued)

See accompanying notes to the required supplementary information.

NARRAGANSETT BAY COMMISSION*Required Supplementary Information**Narragansett Bay Commission Non-Union Defined Benefit Plan**Schedule of Changes in Net Pension Liability (Asset) and Related Ratios (Unaudited) (Continued)**For the Year Ended June 30,**Last Ten Fiscal Years*

<i>Fiscal Year Ended June 30,</i>	<i>2026</i>	<i>2025</i>	<i>2024</i>	<i>2023</i>
Total pension liability	\$ 31,331,632	\$ 29,598,847	\$ 27,840,138	\$ 26,308,817
Plan fiduciary net position	44,428,843	38,225,647	34,121,704	30,023,707
Net pension liability (asset)	<u>\$ (13,097,211)</u>	<u>\$ (8,626,800)</u>	<u>\$ (6,281,566)</u>	<u>\$ (3,714,890)</u>
Plan fiduciary net position as a percentage of total pension liability	141.80%	129.15%	122.56%	114.12%
Covered payroll**	\$ 13,738,254	\$ 12,594,950	\$ 11,191,014	\$ 10,443,376
Net pension liability (asset) as a percentage of covered payroll	(95.33%)	(68.49%)	(56.13%)	(35.57%)

*(Continued)***Note:**

** Reflects revised definition per GASB 82.

See accompanying notes to the required supplementary information.

NARRAGANSETT BAY COMMISSION*Required Supplementary Information**Narragansett Bay Commission Non-Union Defined Benefit Plan**Schedule of Changes in Net Pension Liability (Asset) and Related Ratios (Unaudited) (Continued)**For the Year Ended June 30,**Last Ten Fiscal Years*

	2022		2021		2020		2019		2018		2017
\$	24,575,853	\$	23,217,300	\$	22,444,805	\$	20,858,999	\$	19,450,204	\$	18,252,983
	26,759,673		30,125,539		23,960,059		22,082,391		19,634,585		16,979,011
\$	(2,183,820)	\$	(6,908,239)	\$	(1,515,254)	\$	(1,223,392)	\$	(184,381)	\$	1,273,972
	108.89%		129.75%		106.75%		105.87%		100.95%		93.02%
\$	10,431,937	\$	9,860,178	\$	8,969,358	\$	8,930,389	\$	9,078,824	\$	9,082,700
	(20.93%)		(70.06%)		(16.89%)		(13.70%)		(2.03%)		14.03%

Note:

** Reflects revised definition per GASB 82.

See accompanying notes to the required supplementary information.

NARRAGANSETT BAY COMMISSION*Required Supplementary Information**Narragansett Bay Commission Non-Union Defined Benefit Plan**Schedule of Employer Contributions (Unaudited)**For the Year Ended June 30,**Last Ten Fiscal Years*

<i>Fiscal Year Ended June 30,</i>	<i>2026</i>	<i>2025</i>	<i>2024</i>	<i>2023</i>
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ 34,567
Contribution in relation to the actuarially determined contribution	1,719,776	943,076	900,638	1,308,428
Contribution deficiency (excess)	<u>\$ (1,719,776)</u>	<u>\$ (943,076)</u>	<u>\$ (900,638)</u>	<u>\$ (1,273,861)</u>
Covered payroll*	\$ 13,738,254	\$ 12,594,950	\$ 11,191,014	\$ 10,443,376
Contributions as a percentage of covered payroll	12.52%	7.49%	8.05%	12.53%

*(Continued)***Note:**

* Reflects revised definition per GASB 82.

See accompanying notes to the required supplementary information.

NARRAGANSETT BAY COMMISSION*Required Supplementary Information**Narragansett Bay Commission Non-Union Defined Benefit Plan**Schedule of Employer Contributions (Unaudited) (Continued)**For the Year Ended June 30,**Last Ten Fiscal Years*

2022	2021	2020	2019	2018	2017
\$ -	\$ -	\$ -	\$ 254,623	\$ 212,581	\$ 626,042
1,767,069	738,505	683,152	1,008,665	1,168,202	1,899,556
<u>\$ (1,767,069)</u>	<u>\$ (738,505)</u>	<u>\$ (683,152)</u>	<u>\$ (754,042)</u>	<u>\$ (955,621)</u>	<u>\$ (1,273,514)</u>
\$ 10,431,937	\$ 9,860,178	\$ 8,969,358	\$ 8,930,389	\$ 9,078,824	\$ 9,082,700
16.94%	7.49%	7.62%	11.29%	12.87%	20.91%

Note:

* Reflects revised definition per GASB 82.

See accompanying notes to the required supplementary information.

NARRAGANSETT BAY COMMISSION
Required Supplementary Information
Narragansett Bay Commission Non-Union Defined Benefit Plan
Schedule of Investment Returns (Unaudited)
For the Year Ended June 30,
Last Ten Fiscal Years

<i>Fiscal Year Ended June 30,</i>	<i>2026</i>	<i>2025</i>	<i>2024</i>	<i>2023</i>	<i>2022</i>
Annual money-weighted rate of return net of investment expense	13.18%	10.80%	12.31%	8.96%	(15.99%)

<i>Fiscal Year Ended June 30,</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>
Annual money-weighted rate of return net of investment expense	23.14%	6.48%	7.74%	7.85%	10.25%

See accompanying notes to the required supplementary information.

NARRAGANSETT BAY COMMISSION

Required Supplementary Information

Narragansett Bay Commission Non-Union Defined Benefit Plan

Notes to the Required Supplementary Information (Unaudited)

For the Year Ended June 30, 2026

Actuarial Cost Method - Actuarially Determined Contribution:	Entry Age Normal Cost Method with Frozen Initial Liability	
Actuarial Cost Method - GASB 67 and 68:	Entry Age Normal Cost Method	
Discount Rate for Purposes of Determining Net Pension Liability:	6.00%	
Long-Term Rate of Return on Investments:	6.00%	
Annual Salary Increases:	3.50%	
Payroll Growth Rate:	3.50%	
Inflation:	N/A	
Pre and Post Retirement Mortality:	PubG-2016 Above Median for Employees and Healthy Retirees with Scale MP-2021 Generational Improvements (Male/Female)	
Terminations:	T-2. Illustrative annual rates of withdrawal are as follows:	
	<u>Age</u>	<u>Rate</u>
	25	5.29%
	40	3.50%
	55	0.00%
Disability Rate:	None	
Assumed Retirement Age:	Age 65 for active participants and Normal Retirement Age for inactive participants	
Expenses:	None	

NARRAGANSETT BAY COMMISSION
Required Supplementary Information
State Employees' and Electing Teachers OPEB System Plan
Schedule of NBC's Proportionate Share of the Net OPEB Liability (Unaudited)
For the Year Ended June 30,
*Last Ten Fiscal Years**

<i>Fiscal Year Ended June 30,</i>	<i>2026</i>	<i>2025</i>	<i>2024</i>
<i>Measurement Date: Fiscal Year Ended June 30,</i>	<i>2025</i>	<i>2024</i>	<i>2023</i>
NBC's proportion of the net OPEB liability	0.68288%	0.72743%	0.73835%
NBC's proportionate share of the net OPEB liability	\$ 616,456	\$ 1,006,699	\$ 1,537,005
NBC's covered payroll (at measurement date)	\$ 6,315,643	\$ 6,255,010	\$ 6,252,001
NBC's proportionate share of the OPEB liability as a percentage of its covered payroll	9.76%	16.09%	24.58%
Plan fiduciary net position as a percentage of the total OPEB liability	85.08%	76.55%	65.09%
<i>(Continued)</i>			

Note:

The amounts presented for each fiscal year were determined as of June 30th measurement date prior to the fiscal year end.

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

See accompanying notes to the required supplementary information.

NARRAGANSETT BAY COMMISSION
Required Supplementary Information
State Employees' and Electing Teachers OPEB System Plan
Schedule of NBC's Proportionate Share of the Net OPEB Liability (Unaudited) (Continued)
For the Year Ended June 30,
*Last Ten Fiscal Years**

2023	2022	2021	2020	2019	2018
2022	2021	2020	2019	2018	2017
0.81090%	0.82469%	0.77639%	0.82674%	0.81861%	0.82115%
\$ 2,223,344	\$ 1,912,937	\$ 2,802,007	\$ 3,608,513	\$ 4,169,461	\$ 4,265,419
\$ 6,179,676	\$ 6,096,018	\$ 5,885,051	\$ 6,063,361	\$ 5,785,794	\$ 5,956,481
35.98%	31.38%	47.61%	59.51%	72.06%	71.61%
55.09%	60.52%	42.51%	33.57%	26.25%	22.38%

Note:

The amounts presented for each fiscal year were determined as of June 30th measurement date prior to the fiscal year end.

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

See accompanying notes to the required supplementary information.

NARRAGANSETT BAY COMMISSION
Required Supplementary Information
State Employees' and Electing Teachers OPEB System Plan
Schedule of NBC's Contributions (Unaudited)
For the Year Ended June 30,
*Last Ten Fiscal Years**

<i>Fiscal Year Ended June 30,</i>	<i>2026</i>	<i>2025</i>	<i>2024</i>
Statutorily determined contribution	\$ 217,934	\$ 250,235	\$ 282,728
Contributions in relation to the statutorily determined contribution	217,934	250,235	282,728
Contribution deficiency (excess)	\$ -	\$ -	\$ -
NBC's covered payroll	\$ 6,705,647	\$ 6,315,643	\$ 6,255,010
Contribution as a percentage of covered payroll	3.25%	3.96%	4.52%

(Continued)

Note:

Employers participating in the State Employees' Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

See accompanying notes to the required supplementary information.

NARRAGANSETT BAY COMMISSION*Required Supplementary Information**State Employees' and Electing Teachers OPEB System Plan**Schedule of NBC's Contributions (Unaudited) (Continued)**For the Year Ended June 30,**Last Ten Fiscal Years**

2023	2022	2021	2020	2019	2018
\$ 280,089	\$ 336,391	\$ 338,329	\$ 391,357	\$ 362,589	\$ 345,990
280,089	336,391	338,329	391,357	362,589	345,990
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 6,252,001	\$ 6,179,676	\$ 6,096,018	\$ 5,885,051	\$ 6,063,361	\$ 5,785,786
4.48%	5.44%	5.55%	6.65%	5.98%	5.98%

Note:

Employers participating in the State Employees' Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.

* Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

See accompanying notes to the required supplementary information.



NARRAGANSETT BAY COMMISSION
Required Supplementary Information
State Employees' and Electing Teachers OPEB System Plan
Notes to the Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2026

OPEB - Required Supplementary Information:

Schedule of NBC's Proportionate Share of the Net OPEB Liability - State Employees' OPEB Plan
Schedule of NBC's Contributions - State Employees' OPEB Plan

The schedules are intended to present ten years of data. Additional years of data will be presented as they become available.

1. Actuarial methods and assumptions used to calculate the net pension liability of the participating employers

The actuarial methods and assumptions used to calculate the net OPEB liability of the participating employers are described in Note 14 to the financial statements. The following information is presented about factors that significantly affect trends in the amounts reported between years.

June 30, 2025 measurement date:

The net OPEB liability (asset) measured as of June 30, 2025 reflected updated assumptions for the health care trend rates compared to the June 30, 2024 measurement date.

June 30, 2024 measurement date:

The net OPEB liability (asset) measured as of June 30, 2024 reflected updated assumptions for the health care trend rates compared to the June 30, 2023 measurement date.

June 30, 2023 measurement date:

There were no changes in actuarial methods reflected in the calculation of the net OPEB liability (asset) of the plans as of the June 30, 2023 measurement date compared to the June 30, 2022 measurement date. Changes in actuarial assumptions were limited to the update of healthcare trend assumptions.

June 30, 2022 measurement date:

There were no changes in actuarial methods reflected in the calculation of the net OPEB liability (asset) of the plans as of the June 30, 2022 measurement date compared to the June 30, 2021 measurement date. Changes in actuarial assumptions were limited to the update of healthcare trend assumptions.

June 30, 2021 measurement date:

Assumption changes included updated rates of mortality, retirement, withdrawal, disability and salary increases consistent with the Employees' Retirement System of Rhode Island, as applicable.

June 30, 2020 measurement date:

The "Cadillac tax", which was tax provision from the federal Affordable Care Act (ACA), was repealed in December 2019. As a result, liability amounts previously included for the "Cadillac tax" within the development of the total OPEB liability has been removed as of the June 30, 2020 measurement date.

June 30, 2019 measurement date:

The June 30, 2018 actuarial valuation rolled forward to the June 30, 2019 measurement date reflected a change in excise tax load on pre-65 liabilities from 11.0% to 9.5%.

June 30, 2018 measurement date:

There were no changes in actuarial methods or assumptions reflected in the calculation of the net OPEB liability (asset) of the plan as of June 30, 2018 measurement date compared to the June 30, 2017 measurement date.

June 30, 2017 measurement date:

Certain actuarial assumptions for State Employees were updated to match the assumptions used for State Employees in the pension valuation for the Employees' Retirement System of Rhode Island (ERSRI) and the results of an actuarial experience investigation performed for ERSRI at June 30, 2016. Changes were made to the following assumptions:

- | | |
|---|---|
| - Merit and longevity portion of the salary increase assumption | - Rate of separation from active membership |
| - Rate of retirement | - Rate of disability |
| - Rate of wage inflation | - Mortality assumption |
| - The trend assumption | - Aging factors and health and inflation trends |

The excise tax load on pre-65 liabilities was changed from 13.8% to 11.0%. The Patient Protection and Affordable Care Act includes an excise tax on high-cost health plans beginning in 2022. The excise tax is 40% of costs above a threshold. The actual actuarial assumptions used in the most recent valuations assume that the plans will be subject to the excise tax in 2022.

NARRAGANSETT BAY COMMISSION

Supplementary Information

Schedule of Operating Budget Revenue - Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2026

REVENUE	<i>Budget</i>	<i>Actual</i>	<i>Variance Over (Under)</i>
Operating revenue			
User fees	\$ 125,068,706	\$ 125,277,851	\$ 209,145
Connection fees/capacity charges	307,111	247,540	(59,571)
Pretreatment fees	66,727	80,100	13,373
Septage income	368,239	313,920	(54,319)
Renewable energy credits	806,418	902,040	95,622
Miscellaneous revenue	174,359	355,666	181,307
Late fees	441,046	860,687	419,641
Total operating revenue	127,232,606	128,037,804	805,198
Non-operating revenue			
Investment Income	820,000	786,981	(33,019)
Revenue Fund Balance	2,000,000	2,000,000	-
OMR fund Transfer	198,234	895,342	697,108
Miscellaneous	134,389	215,354	80,965
Total non-operating revenue	3,152,623	3,897,677	745,054
TOTAL REVENUE	\$ 130,385,229	\$ 131,935,480	\$ 1,550,252

Total revenue on budgetary basis \$ 131,935,480

Add:

Interest income debt service fund and project fund	3,827,030
Environment enforcement revenue	17,416
Gain on disposal	21,000
Capital contribution	10,643,847

Less:

OMR fund transfer	(895,342)
Prior year fund balance	(2,000,000)
Bad debt expense	(32,351)

Total revenue on a GAAP basis \$ 143,517,080

NARRAGANSETT BAY COMMISSION

Supplementary Information

Schedule of Operating Budget Expense - Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2026

OPERATING EXPENSE	Budget	Actual	Variance Under (Over)
Personnel services			
Union regular	\$ 7,083,899	\$ 6,835,992	\$ 247,907
Union overtime	860,522	842,611	17,911
Non-union regular	16,475,738	15,074,574	1,401,164
Non-union overtime	330,288	287,774	42,514
Non-union limited	101,610	59,634	41,976
Fringe benefits	11,931,946	10,938,201	993,745
Project salaries and fringe benefits capitalized	(3,318,435)	(2,772,686)	(545,749)
Total personnel services	33,465,568	31,266,100	2,199,468
Operating supplies/expense			
Postage	441,569	545,242	(103,673)
Dues and subscriptions	112,470	95,420	17,050
Freight	40,173	38,781	1,392
Printing and binding	174,664	147,238	27,426
Advertising	12,700	3,582	9,118
Rental of equipment	23,832	15,215	8,617
Rental of clothing	43,700	40,872	2,828
Rental of outside property	15,550	14,259	1,291
Miscellaneous	10,000	8,342	1,658
Public outreach education	58,000	56,572	1,428
Local travel	9,950	3,575	6,375
Long-distance travel	134,294	99,234	35,060
Building and ground maintenance	393,797	359,550	34,247
Biosolids disposal	7,168,434	8,780,303	(1,611,869)
Screening and grit disposal	460,696	241,644	219,052
Vehicle fuel and maintenance	276,500	257,943	18,557
Repairs, buildings and structures	613,400	591,505	21,895
Electricity contractor	598,000	593,046	4,954
Repairs, process equipment	765,250	711,869	53,381
Repairs, highways and walks	36,000	35,620	380
Maintenance/service agreements	980,704	878,394	102,310
Office equipment contracts	275,046	239,183	35,863
Service agreements	94,090	69,801	24,289
Software subscriptions	255,856	242,266	13,590
Software maintenance	1,068,770	971,805	96,965
Highway and landscape	24,100	21,838	2,262
Insurance	1,641,779	1,641,779	-
Insurance Deductible	94,520	47,060	47,460
Workers' compensation insurance	728,438	728,438	-
Telephone	372,200	366,172	6,028
Diesel for equipment	55,000	51,453	3,547

(Continued)

NARRAGANSETT BAY COMMISSION

Supplementary Information

Schedule of Operating Budget Expense - Budget and Actual (Budgetary Basis) (Continued)

For the Year Ended June 30, 2026

	<i>Budget</i>	<i>Actual</i>	<i>Variance Under (Over)</i>
OPERATING EXPENSE			
Operating supplies/expense			
Natural gas	\$ 1,370,301	\$ 903,305	\$ 466,996
Electricity	3,682,679	2,884,544	798,135
Wind turbine expense - Field's Point	415,398	339,723	75,675
Wind turbine expense - Coventry	478,724	293,146	185,578
Biogas expense	152,800	49,115	103,685
Water	158,287	146,525	11,762
Clothing and clothing materials	81,810	63,427	18,383
Chemicals	2,095,100	1,664,225	430,875
Lab supplies	421,300	378,349	42,951
Lab chemicals and gases	286,000	276,391	9,609
Building and machinery supplies and expense	624,580	582,284	42,296
Educational expense	103,095	62,465	40,630
Computer supplies	97,100	88,397	8,703
Other operating supplies and expense	28,924	25,194	3,730
Safety equipment	94,505	82,495	12,010
Office expense	176,270	161,865	14,405
Total operating supplies/expense	27,246,355	25,899,451	1,346,904
Professional services			
Regulatory expense	643,400	621,303	22,097
Educational services	40,000	38,741	1,259
Medical service	16,000	13,584	2,416
Security services	36,120	26,886	9,234
Legal services	269,000	151,415	117,585
Management/audit services	422,800	269,916	152,884
Special clerical services	16,010	8,109	7,901
Other special services	1,067,008	972,971	94,037
Total professional services	2,510,338	2,102,925	407,414
Lease/subscription			
Interest expense - lease payable	7,285	7,282	3
Interest expense - subscription	47,440	47,440	-
Lease principal	106,120	106,118	2
Subscription paid	589,651	548,882	40,769
Total lease/subscription	750,496	709,722	40,774
TOTAL OPERATING EXPENSE	63,972,757	59,978,196	3,994,560

(Continued)

NARRAGANSETT BAY COMMISSION

Supplementary Information

Schedule of Operating Budget Expense - Budget and Actual (Budgetary Basis) (Continued)

For the Year Ended June 30, 2026

	<i>Budget</i>	<i>Actual</i>	<i>Variance Under (Over)</i>
DEBT SERVICE AND TRANSFER			
Debt service			
Interest expense - 2008 Series A	\$ 128,600	\$ 128,600	\$ -
Interest expense - 2015 Series A	1,043,057	1,043,057	-
Interest expense - 2020 Series A	14,430,640	12,281,679	2,148,961
Interest expense - loans payable RIIB	4,257,200	4,257,200	-
Debt service principal	30,201,787	30,201,786	1
Total debt service	50,061,284	47,912,322	2,148,962
Transfer			
Transfer to debt service fund	2,509,520	-	2,509,520
Transfer to project fund	13,841,668	-	13,841,668
Total transfer	16,351,188	-	16,351,188
TOTAL EXPENSE	\$ 130,385,229	\$ 107,890,518	\$ 22,494,711

The NBC prepares its operating budget on a modified cash basis. Accordingly certain non-cash expense such as depreciation expense are not provided for in the operating budget. Reconciliation of the budgetary basis expense to GAAP expense is as follows:

Total expense on budgetary basis	\$ 107,890,518
Add:	
Amortization debt premiums and refunding gain/loss,	
BAN interest and capitalized Interest	7,497,966
Depreciation and amortization	25,192,299
Environmental enforcement fund expense	9,725
Bond and loan fees	995,075
Medical and compensated adjustment not budgeted	749,851
Less:	
ERSRI pension plan activity	(1,795,748)
Non-Union pension plan activity	(1,459,174)
OPEB plan activity	(458,022)
Lease principal	(106,118)
Lien sale activity	(20,641)
Subscription principal	(561,267)
Debt service principal	(30,201,786)
Total expense on a GAAP basis	\$ 107,732,678

NARRAGANSETT BAY COMMISSION

Supplementary Information
Combining Schedule of Net Position
June 30, 2026

	Revenue Fund	Operation and Maintenance Fund
Assets		
Current assets		
Accounts receivable		
Sewer use (net of allowance)	\$ 13,134,244	\$ -
Sewer use unbilled	9,507,357	-
Receivables, RIIB	-	-
Receivables, WIFIA	-	-
Receivables, other	10,188	6,208
Prepaid expense	-	2,107,691
Total current assets	22,651,789	2,113,899
Non-current assets		
Restricted assets		
Cash and cash equivalents, restricted	1,555,138	13,106,913
Total restricted assets	1,555,138	13,106,913
Capital assets		
Land	-	-
Plant and equipment	-	-
Capital projects completed	-	-
Lease land	-	-
Subscription assets	-	-
Construction in progress	-	-
Subtotal	-	-
Less: accumulated depreciation and amortization	-	-
Total net capital assets	-	-
Other assets		
Net pension asset - Non-Union Defined Benefit Pension Plan	-	13,097,211
Total non-current assets	1,555,138	26,204,124
Total assets	24,206,927	28,318,023
Deferred outflows of resources		
Loss on refunding of debt, net	-	-
Pension related outflows, net	-	4,516,147
OPEB related outflows, net	-	415,648
Asset retirement obligation, net	-	-
Total deferred outflows of resources	-	4,931,795

(Continued)

NARRAGANSETT BAY COMMISSION
Supplementary Information
Combining Schedule of Net Position (Continued)
June 30, 2026

<i>Project Fund</i>	<i>Debt Service Fund</i>	<i>Operating Reserve for Revenue Stability Fund</i>	<i>Operation and Maintenance Reserve Fund</i>	<i>Total</i>
\$ -	\$ -	\$ -	\$ -	\$ 13,134,244
-	-	-	-	9,507,357
47,009,465	-	-	-	47,009,465
42,664,033	-	-	-	42,664,033
1,180,459	-	-	-	1,196,855
-	-	-	-	2,107,691
90,853,957	-	-	-	115,619,645
81,894,432	50,215,325	4,505,659	797,936	152,075,403
81,894,432	50,215,325	4,505,659	797,936	152,075,403
16,502,168	-	-	-	16,502,168
126,468,260	-	-	-	126,468,260
1,079,172,732	-	-	-	1,079,172,732
2,344,137	-	-	-	2,344,137
1,862,829	-	-	-	1,862,829
970,605,912	-	-	-	970,605,912
2,196,956,038	-	-	-	2,196,956,038
385,035,875	-	-	-	385,035,875
1,811,920,163	-	-	-	1,811,920,163
-	-	-	-	13,097,211
1,893,814,595	50,215,325	4,505,659	797,936	1,977,092,777
1,984,668,552	50,215,325	4,505,659	797,936	2,092,712,422
4,000,496	-	-	-	4,000,496
-	-	-	-	4,516,147
-	-	-	-	415,648
337,500	-	-	-	337,500
4,337,996	-	-	-	9,269,791

(Continued)

NARRAGANSETT BAY COMMISSION
Supplementary Information
Combining Schedule of Net Position (Continued)
June 30, 2026

	Revenue Fund	Operation and Maintenance Fund
Liabilities		
Current liabilities		
Accounts payable	\$ -	\$ 3,918,438
Capital payable	-	-
Accrued interest payable	-	-
Accrued expense	-	1,530,466
Current portion of compensated absences	-	2,155,829
Current portion of loans payable	-	-
Current portion of revenue bonds	-	-
Current portion of subscription liability	-	-
Current portion of lease liability	-	-
Total current liabilities	-	7,604,733
Non-current liabilities		
Compensated absences, net	-	6,440,901
Net ERSRI Pension Plan liability	-	12,282,738
Net OPEB liability	-	616,456
Loans payable WIFIA	-	-
Loans payable RIIB, net	-	-
Revenue bonds, net	-	-
Lease liability, net	-	-
Subscription liability, net	-	-
Asset retirement obligation	-	-
Total non-current liabilities	-	19,340,095
Total liabilities	-	26,944,828
Deferred inflows of resources		
Gain on refunding debt, net	-	-
Pension related inflows, net	-	6,172,389
OPEB related inflows, net	-	1,246,949
Deferred inflows of resources	-	2,923
Total deferred inflows of resources	-	7,422,261
Net position		
Net investment in capital assets	-	-
Restricted - environmental enforcement fund	67,027	-
Restricted - bond covenants	68,300,055	13,106,913
Restricted - operating reserve for revenue stability fund	-	-
Restricted - operation and maintenance reserve fund	-	-
Restricted - operating capital	-	-
Restricted - net pension asset	-	13,097,211
Unrestricted	(44,160,155)	(27,321,395)
Total net position	\$ 24,206,927	\$ (1,117,271)

(Continued)

NARRAGANSETT BAY COMMISSION
Supplementary Information
Combining Schedule of Net Position (Continued)
June 30, 2026

<i>Project Fund</i>	<i>Debt Service Fund</i>	<i>Operating Reserve for Revenue Stability Fund</i>	<i>Operation and Maintenance Reserve Fund</i>	<i>Total</i>
\$ -	\$ -	\$ -	\$ -	\$ 3,918,438
32,213,934	-	-	-	32,213,934
-	6,267,707	-	-	6,267,707
-	-	-	-	1,530,466
-	-	-	-	2,155,829
20,651,595	-	-	-	20,651,595
13,570,000	-	-	-	13,570,000
644,114	-	-	-	644,114
111,859	-	-	-	111,859
67,191,502	6,267,707	-	-	81,063,942
-	-	-	-	6,440,901
-	-	-	-	12,282,738
-	-	-	-	616,456
539,138,503	-	-	-	539,138,503
512,854,915	-	-	-	512,854,915
211,114,620	-	-	-	211,114,620
1,704,941	-	-	-	1,704,941
534,986	-	-	-	534,986
450,000	-	-	-	450,000
1,265,797,965	-	-	-	1,285,138,060
1,332,989,467	6,267,707	-	-	1,366,202,002
1,684,658	-	-	-	1,684,658
-	-	-	-	6,172,389
-	-	-	-	1,246,949
26,650	-	-	-	29,393
1,711,308	-	-	-	9,133,389
571,370,176	-	-	-	571,370,176
-	-	-	-	67,027
-	50,215,324	-	-	131,622,292
-	-	-	4,505,659	4,505,659
-	-	797,936	-	797,936
15,003,888	-	-	-	15,003,888
-	-	-	-	13,097,211
67,931,709	(6,267,706)	3,707,723	(3,707,723)	(9,817,368)
\$ 654,305,773	\$ 43,947,618	\$ 4,505,659	\$ 797,936	\$ 726,646,821

NARRAGANSETT BAY COMMISSION

Supplementary Information

Combining Schedule of Revenue, Expense and Changes in Net Position

For the Year Ended June 30, 2026

	<i>Revenue Fund</i>	<i>Operation and Maintenance Fund</i>
Operating revenue		
User fees, residential	\$ 72,758,026	\$ -
User fees, commercial and industrial	52,487,474	-
Connection fees/capacity charges	467,460	-
Pretreatment fees	80,100	-
Environmental enforcement revenue	17,415	-
Septage income	313,920	-
Renewable energy credits	902,040	-
Miscellaneous revenue	135,746	-
Late fees	860,687	-
Total operating revenue	<u>128,022,868</u>	<u>-</u>
Operating expense		
Personnel services	-	28,303,007
Operating supplies/expense	-	25,896,790
Professional services	-	2,082,283
Depreciation and amortization	-	-
Total operating expense	<u>-</u>	<u>56,282,080</u>
Operating income (loss)	<u>128,022,868</u>	<u>(56,282,080)</u>
Non-operating revenue (expense)		
Interest expense	-	-
Interest income	272,162	364,194
Bond and loan fees	-	-
Gain (loss) on disposal of asset	-	-
Capital contribution	-	-
Miscellaneous revenue	215,354	-
Total non-operating revenue (expense)	<u>487,516</u>	<u>364,194</u>
Net income (loss) before transfers	128,510,384	(55,917,886)
Transfer in (out)	(131,973,336)	61,032,704
Change in net position	<u>(3,462,952)</u>	<u>5,114,818</u>
Total net position, beginning of year, as previously reported	<u>27,669,879</u>	<u>(6,232,089)</u>
Total net position, end of year	<u>\$ 24,206,927</u>	<u>\$ (1,117,271)</u>

(Continued)

NARRAGANSETT BAY COMMISSION

Supplementary Information

Combining Schedule of Revenue, Expense and Changes in Net Position (Continued)

For the Year Ended June 30, 2026

Project Fund	Debt Service Fund	Operating Reserve for Revenue Stability Fund	Operation and Maintenance Reserve Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 72,758,026
-	-	-	-	52,487,474
-	-	-	-	467,460
-	-	-	-	80,100
-	-	-	-	17,415
-	-	-	-	313,920
-	-	-	-	902,040
-	-	-	-	135,746
-	-	-	-	860,687
-	-	-	-	128,022,868
-	-	-	-	28,303,007
-	-	-	-	25,896,790
-	-	-	-	2,082,283
25,192,299	-	-	-	25,192,299
25,192,299	-	-	-	81,474,379
(25,192,299)	-	-	-	46,548,489
-	(25,263,224)	-	-	(25,263,224)
2,785,493	1,041,472	82,970	67,720	4,614,011
-	(995,075)	-	-	(995,075)
21,000	-	-	-	21,000
10,643,847	-	-	-	10,643,847
-	-	-	-	215,354
13,450,340	(25,216,827)	82,970	67,720	(10,764,087)
(11,741,959)	(25,216,827)	82,970	67,720	35,784,402
34,500,720	37,308,883	(92,830)	(776,321)	-
22,758,761	12,092,056	(9,860)	(708,601)	35,784,402
631,547,012	31,855,562	4,515,519	1,506,537	690,862,419
\$ 654,305,773	\$ 43,947,618	\$ 4,505,659	\$ 797,936	\$ 726,646,821

NARRAGANSETT BAY COMMISSION

Supplementary Information Schedule of Long-Distance Travel For the Year Ended June 30, 2026

Traveler	Cost Center	Travel Dates		Purpose	Destination	Total Amount	Operating	Capital
		From	To					
David Bowen	22	05/05/25	05/09/25	WEF Biosolids Conference	Baltimore, MD	\$ 290	\$ 290	\$ -
Elizabeth Kohr	53	06/10/25	06/13/25	Thermo Fisher Digital Science Masterclass	West Palm Beach, FL	(926)	(926)	-
Laurie Horridge	21	07/19/25	07/25/25	NACWA Conference	Colorado Springs, CO	4,257	4,257	-
Jamie Samons	21	07/22/25	07/25/25	NACWA Conference	Colorado Springs, CO	367	367	-
Charles Spellman Jr	25	08/19/25	08/20/25	Biosolids Management Seminar	Charlotte, NC	1,702	282	1,420
David Bowen	22	08/19/25	08/20/25	Biosolids Management Seminar	Charlotte, NC	1,775	1,775	-
James Kelly	44	09/11/25	09/11/25	NEIWPCC Commissioner Meeting	Middletown, CT	231	231	-
Sean O'Keefe	46	09/15/25	09/19/25	Maine Water Environment Association	Portland, ME	707	707	-
Charles Spellman Jr	25	09/28/25	10/01/25	WEFTEC Conference	Chicago, IL	2,898	2,898	-
David Bowen	22	09/28/25	10/01/25	WEFTEC Conference	Chicago, IL	3,326	3,326	-
Kim Sandbach	53	09/28/25	10/01/25	WEFTEC Conference	Chicago, IL	283	283	-
Nora Lough	53	09/28/25	10/01/25	WEFTEC Conference	Chicago, IL	203	203	-
Mark Simms	51	09/29/25	10/02/25	US DOE Energy Bootcamp	Knoxville, TN	1,568	1,568	-
Kelsie Bryer	51	10/02/25	10/03/25	Women In Safety Conference	Keene, NH	482	482	-
David Aucoin	51	10/05/25	10/10/25	Fire and Life Safety Training Class	Manchester, NH	1,032	1,032	-
Jared Urban	52	10/21/25	10/23/25	New England Pretreatment Conference	Nashua, NH	280	280	-
Kerry Britt	52	10/21/25	10/23/25	New England Pretreatment Conference	Nashua, NH	130	130	-
Kyle Gannon	52	10/21/25	10/23/25	New England Pretreatment Conference	Nashua, NH	280	280	-
Meghan Healy	52	10/21/25	10/23/25	New England Pretreatment Conference	Nashua, NH	195	195	-
Michael McBurney	52	10/21/25	10/23/25	New England Pretreatment Conference	Nashua, NH	280	280	-
Rebecca Songolo	52	10/21/25	10/23/25	New England Pretreatment Conference	Nashua, NH	195	195	-
Travis Costa	52	10/21/25	10/23/25	New England Pretreatment Conference	Nashua, NH	280	280	-
Victoria Stromberg	52	10/21/25	10/23/25	New England Pretreatment Conference	Nashua, NH	195	195	-
Jaclyn Cotter	24	10/22/25	10/23/25	New England Pretreatment Conference	Nashua, NH	593	593	-
Margaret Goulet	44	11/18/25	11/19/25	NE Residuals and Biosolids Conference	Worcester, MA	268	268	-
Erika Loreda	33	11/17/25	11/20/25	Rockwell Automation Fair	Chicago, IL	3,528	3,528	-
Marcos Quinones	33	11/17/25	11/20/25	Rockwell Automation Fair	Chicago, IL	4,570	4,570	-
Jennifer Harrington	21	11/16/25	11/21/25	NACWA Conference	Nashville, TN	3,797	3,797	-
Laurie Horridge	21	11/17/25	11/21/25	NACWA Conference	Nashville, TN	4,203	4,203	-
Andrew Mendillo	34	12/01/25	12/04/25	HCTC User Conference	San Diego, CA	1,709	1,709	-
Brendon McLean	33	12/01/25	12/04/25	HCTC User Conference	San Diego, CA	3,290	3,290	-
Ian Wenskowicz	33	11/30/25	12/04/25	HCTC User Conference	San Diego, CA	4,154	4,154	-
Jorge Pemberty	34	12/01/25	12/04/25	HCTC User Conference	San Diego, CA	1,991	1,991	-
Renee Souto	34	12/01/25	12/04/25	HCTC User Conference	San Diego, CA	1,920	1,920	-
James Golden	33	11/29/25	12/08/25	HCTC User Conference	San Diego, CA	3,874	3,874	-
James Kelly	44	01/08/26	01/09/26	NEIWPCC Commissioner Meeting	Lincoln, NH	429	429	-
Terrance Harrington	47	01/26/26	01/27/26	NEWEA Conference	Boston, MA	785	785	-
Charles Spellman Jr	25	01/25/26	01/28/26	NEWEA Conference	Boston, MA	1,443	435	1,008
David Bowen	22	01/25/26	01/28/26	NEWEA Conference	Boston, MA	1,660	457	1,203
Kathryn Kelly	22	01/24/26	01/28/26	NEWEA Conference	Boston, MA	2,122	2,122	-
Nora Lough	53	01/25/26	01/28/26	NEWEA Conference	Boston, MA	900	900	-
Robert Baglini	25	01/25/26	01/28/26	NEWEA Conference	Boston, MA	1,455	(859)	2,314
Jamie Samons	21	02/02/26	02/05/26	NACWA Conference	Miami, FL	3,447	3,447	-
Jennifer Harrington	21	02/02/26	02/05/26	NACWA Conference	Miami, FL	3,440	3,440	-
Laurie Horridge	21	02/02/26	02/05/26	NACWA Conference	Miami, FL	5,823	5,823	-
Daria DiBisidio	51	02/23/26	02/25/26	NEERS Conference	SUNY Plattsburgh, NY	190	190	-
Eliza Moore	51	02/23/26	02/25/26	NEERS Conference	SUNY Plattsburgh, NY	190	190	-
Angelina Glater	53	03/07/26	03/11/26	Pittcon Conference	San Antonio, TX	1,814	1,814	-
Dionne Antonelli	53	03/07/26	03/11/26	Pittcon Conference	San Antonio, TX	425	425	-
Jennifer Harrington	21	04/14/26	04/16/26	National Water Policy Fly-in	Washington, DC	1,705	1,705	-
Laurie Horridge	21	04/14/26	04/16/26	National Water Policy Fly-in	Washington, DC	1,109	1,109	-
Daria DiBiasio	51	04/22/26	04/25/26	NEERS Conference	SUNY Plattsburgh, NY	585	585	-
Eliza Moore	51	04/22/26	04/25/26	NEERS Conference	SUNY Plattsburgh, NY	850	850	-
Nicole Flecchia	51	04/22/26	04/25/26	NEERS Conference	SUNY Plattsburgh, NY	775	775	-
Nicole Skyleson	51	04/22/26	04/25/26	NEERS Conference	SUNY Plattsburgh, NY	1,237	1,237	-
Tara Franey	51	04/22/26	04/25/26	NEERS Conference	SUNY Plattsburgh, NY	775	775	-
Nora Lough	53	04/26/26	04/30/26	WEFTEC Conference	San Antonio, TX	1,704	1,704	-
James Kelly	44	05/07/26	05/08/26	NEIWPCC Commissioner Meeting	Saratoga Springs, NY	165	165	-
Jaclyn Cotter	24	05/05/26	05/08/26	NACWA Pretreatment Conference	Portland, ME	1,945	1,945	-
Kerry Britt	52	05/05/26	05/08/26	NACWA Pretreatment Conference	Portland, ME	2,061	2,061	-
Charles Spellman Jr	25	05/10/26	05/14/26	Biosolids Treatment Conference	Kansas City, MO	3,113	3,113	-
David Bowen	22	05/11/26	05/14/26	Biosolids Treatment Conference	Kansas City, MO	2,940	799	2,141
Kevin McDonald	31	05/12/26	05/15/26	Wastewater CFO Forum Conference	Detroit, MI	2,063	2,063	-
Kim Sandbach	53	05/17/26	05/20/26	NEWEA Spring Meeting	North Falmouth, MA	157	157	-
Nora Lough	53	05/17/26	05/20/26	NEWEA Spring Meeting	North Falmouth, MA	949	949	-
Margaret Goulet	44	05/17/26	05/20/26	NEWEA Spring Meeting	North Falmouth, MA	1,139	1,139	-
Jamie Samons	21	05/31/26	06/04/26	NACWA Conference	Las Vegas, NV	2,372	2,372	-
Kelsie Bryer	51	06/07/26	06/11/26	Safety and Health Training	Augusta, ME	1,080	1,080	-
Laurie Horridge	21	07/13/26	07/17/26	NACWA Utility Leadership Conference	Cleveland, OH	2,547	2,547	-
Total long-distance travel						\$ 107,320	\$ 99,234	\$ 8,086

Narragansett Bay Commission

Statistical Section

This part of NBC's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about NBC's overall financial health.



Financial Trends

These schedules contain trend information to help the reader understand how NBC's financial performance and well-being have changed over time.

- Net Position by Component
- Changes in Net Position
- Revenues by Source
- Expenses by Function

Revenue Capacity

These schedules contain information to help the reader assess NBC's most significant revenue sources.

- User Fee Revenue by Customer Type
- Residential Sewer Rates
- Non-Residential Sewer Rates
- Comparative 2025 Annual Residential Sewer Rates – RI Municipalities
- Principal Commercial Users

Debt Capacity

These schedules contain information to help the reader assess the affordability of NBC's current levels of outstanding debt and NBC's ability to issue additional debt in the future.

- Ratios of Outstanding Debt
- Debt Service Coverage

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which NBC's financial activities take place.

- Demographic Statistics
- Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in NBC's financial report relates to the services NBC provides and the activities it performs.

- Operating Indicators by Division
- Budgeted Employees by Activity

Sources: Unless otherwise noted, the information in these schedules were derived from the Annual Comprehensive Financial Report for the relevant year.



NARRAGANSETT BAY COMMISSION

Net Position by Component (Unaudited)

Last Ten Fiscal Years ^{1,2,3}

<i>Fiscal Year Ended June 30,</i>	<i>2026</i>	<i>2025</i>	<i>2024⁷</i>	<i>2023</i>	<i>2022</i>
Net Investment in capital assets	\$571,370,176	\$609,794,986	\$583,911,217	\$569,976,712	\$527,739,015
Restricted -					
Environmental enforcement fund	67,027	59,272	58,620	61,570	59,508
Bond covenants	131,622,292	52,875,949	60,354,510	54,555,921	67,265,617
Operation and maintenance reserve fund	797,936	1,506,537	2,008,588	-	-
Debt service reserve fund	-	-	-	3,058,900	2,967,686
Operating reserve for revenue stability fund	4,505,659	4,515,519	4,519,324	4,645,842	4,507,306
Operating capital	15,003,888	11,095,486	2,686,863	5,219,182	11,539,532
Net pension asset	13,097,211	8,626,800	6,281,566	3,714,890	-
Unrestricted	(9,817,368)	2,387,870	(890,883)	2,671,721	4,456,158
Total net position	\$726,646,821	\$690,862,419	\$658,929,805	\$643,904,738	\$618,534,822
% Change from prior year	5.18%	4.85%	2.33%	4.10%	4.79%

<i>Fiscal Year Ended June 30,</i>	<i>2021⁶</i>	<i>2020⁵</i>	<i>2019</i>	<i>2018⁴</i>	<i>2017</i>
Net Investment in capital assets	\$517,866,217	\$499,832,377	\$504,260,346	\$483,680,613	\$470,512,740
Restricted -					
Environmental enforcement fund	74,068	73,977	69,948	78,713	96,095
Bond covenants	61,740,095	57,457,778	-	-	-
Operation and maintenance reserve fund	-	-	-	-	-
Debt service reserve fund	2,963,177	2,987,306	3,503,652	3,539,427	3,499,229
Operating reserve for revenue stability fund	4,500,459	4,502,371	4,508,560	4,554,596	4,502,869
Operating capital	6,230,100	-	-	-	-
Net pension asset	-	-	-	-	-
Unrestricted	(3,107,815)	(7,251,521)	13,103,188	6,264,370	2,691,962
Total net position	\$590,266,301	\$557,602,288	\$525,445,694	\$498,117,719	\$481,302,895
% Change from prior year	5.86%	6.12%	5.49%	3.49%	6.30%

Note:

¹ Restated FY 2016 - FY 2017 Net Position by Component to be consistent with the FY 2018 and FY 2019 Net Position by Component.

² Reclassified FY 2020 bond covenant restricted from unrestricted net position.

³ Reclassified FY 2021 operating capital restricted from net investment in capital assets.

⁴ Beginning net position was restated as a result of GASB 75 relating to OPEB.

⁵ Beginning net position was reclassified to reflect the restricted portion of the unrestricted net position for bond covenants.

⁶ Cash accounts for operating capital were reclassified out of net investment in capital assets calculation and posted in a restricted net position account.

⁷ Beginning net position was restated as a result of GASB 101 relating to compensated absences.

NARRAGANSETT BAY COMMISSION

Changes in Net Position (Unaudited)

Last Ten Fiscal Years

<i>Fiscal Year Ending June 30,</i>	<i>2026</i>	<i>2025</i>	<i>2024</i>	<i>2023</i>
Operating revenue				
User fees	\$ 125,245,500	\$ 112,917,671	\$ 108,186,610	\$ 103,506,746
Pretreatment fees	80,100	70,360	71,660	67,240
Other operating revenue	2,697,268	2,554,680	2,024,568	2,071,772
Total operating revenue	128,022,868	115,542,711	110,282,838	105,645,758
Non-operating revenue				
Interest income	4,614,011	3,255,614	3,520,224	2,936,803
Grant Income	-	-	50,929	53,000
Gain on disposal of asset	21,000	-	322,817	-
Sewer tie-in revenue	-	-	-	76,550
Project related income	-	-	32,500	122,688
Capital contribution ¹	10,643,847	13,900,150	648,895	2,589,605
Other non-operating revenue	215,354	375,038	141,147	184,498
Total non-operating revenue	15,494,212	17,530,802	4,716,512	5,963,144
Operating expense				
Personnel services	28,303,007	27,590,153	26,075,599	24,698,903
Operating supplies/expense	25,896,790	22,923,858	23,829,506	19,052,520
Professional services	2,082,283	2,255,509	1,989,910	2,180,239
Depreciation and amortization	25,192,299	23,985,033	22,958,646	22,629,146
Total operating expense	81,474,379	76,754,553	74,853,661	68,560,808
Non-operating expense				
Interest expense	25,263,224	22,516,861	19,896,428	16,288,939
Loss on economic defeasance	-	-	-	-
Transfer to the State of Rhode Island	-	-	-	-
Other expense	995,075	1,869,484	1,021,628	1,389,239
Total non-operating expense	26,258,299	24,386,345	20,918,056	17,678,178
Change in net position	\$ 35,784,402	\$ 31,932,615	\$ 19,227,633	\$ 25,369,916

¹ Historical capital contribution amounts have been reclassified to conform with GASB 103.

(Continued)

NARRAGANSETT BAY COMMISSION
Changes in Net Position (Unaudited) (Continued)
Last Ten Fiscal Years

2022	2021	2020	2019	2018	2017
\$ 102,132,232	\$ 102,984,257	\$ 101,434,770	\$ 96,428,606	\$ 95,822,841	\$ 96,610,156
61,280	71,700	61,354	1,066,369	1,066,370	1,090,541
1,839,354	1,526,330	2,286,758	1,850,802	1,447,304	1,955,334
104,032,866	104,582,287	103,782,882	99,345,777	98,336,515	99,656,031
132,830	25,879	947,416	1,510,886	938,783	360,367
-	27,415	-	-	-	-
10,241	-	-	-	-	-
2,384,273	-	-	-	-	-
-	-	-	-	-	-
1,000,000	-	1,998,022	1,000,000	-	-
346,499	280,906	202,585	145,161	114,951	252,508
3,873,843	334,200	3,148,023	2,656,047	1,053,734	612,875
23,988,962	23,193,856	23,877,590	23,844,901	23,156,582	22,720,366
17,218,133	15,635,215	15,008,091	15,931,218	15,146,106	14,348,774
1,738,671	1,592,497	1,213,868	1,168,922	1,196,941	1,078,443
22,223,491	17,093,870	16,612,202	16,401,372	16,091,344	15,593,700
65,169,257	57,515,438	56,711,751	57,346,413	55,590,973	53,741,283
14,450,782	13,964,362	16,018,533	16,816,321	17,994,682	17,899,683
-	111,138	191,657	-	-	-
-	-	-	-	5,000,000	-
588,835	661,536	1,852,370	511,115	23,485	109,321
15,039,617	14,737,036	18,062,560	17,327,436	23,018,167	18,009,004
\$ 27,697,835	\$ 32,664,013	\$ 32,156,594	\$ 27,327,975	\$ 20,781,109	\$ 28,518,619

NARRAGANSETT BAY COMMISSION

Revenue by Source (Unaudited)

Last Ten Fiscal Years

<i>Fiscal Year Ending June 30,</i>	<i>2026</i>	<i>2025</i>	<i>2024</i>	<i>2023</i>
Operating revenue				
User fees	\$ 125,245,500	\$ 112,917,671	\$ 108,186,610	\$ 103,506,746
Connection fees and capacity charges	467,460	438,855	281,730	265,825
Pretreatment revenue	80,100	70,360	71,660	67,240
Environmental enforcement revenue	17,415	11,267	6,000	10,750
Septage income	313,920	331,248	382,162	350,208
Late fees	860,687	743,672	441,046	664,805
Renewable energy credit revenue	902,040	903,813	769,680	627,934
Miscellaneous revenue	135,746	125,825	143,950	152,250
Total operating revenue	128,022,868	115,542,711	110,282,838	105,645,758
Non-operating revenue				
Grant income	-	-	50,929	53,000
Interest income	4,614,011	3,255,614	3,520,224	2,936,803
Project related revenue	-	-	32,500	122,688
Sewer tie-in revenue	-	-	-	76,550
Gain on disposal of asset	21,000	-	322,817	-
Capital contribution ¹	10,643,847	13,900,150	648,895	2,589,605
Miscellaneous revenue	215,354	375,038	141,147	184,498
Total non-operating revenue	15,494,212	17,530,802	4,716,512	5,963,144
Total revenue	\$ 143,517,080	\$ 133,073,513	\$ 114,999,350	\$ 111,608,903

¹ Historical capital contribution amounts have been reclassified to conform with GASB 103.

(Continued)

NARRAGANSETT BAY COMMISSION
Revenue by Source (Unaudited) (Continued)
Last Ten Fiscal Years

2022	2021	2020	2019	2018	2017
\$ 102,132,232	\$ 102,984,257	\$ 101,434,770	\$ 96,428,606	\$ 95,822,841	\$ 96,610,156
269,660	357,070	335,431	126,300	123,319	145,713
61,280	71,700	61,354	1,066,369	1,066,370	1,090,541
-	20,053	8,997	4,739	3,400	18,500
372,346	352,135	342,994	321,036	333,037	328,590
358,415	-	837,184	1,052,671	796,362	874,396
648,148	604,033	579,679	150,596	152,338	581,007
190,785	193,039	182,473	195,460	38,848	7,128
104,032,866	104,582,287	103,782,882	99,345,777	98,336,515	99,656,031
-	27,415	-	-	-	-
132,830	25,879	947,416	1,510,886	938,783	360,367
-	-	-	-	-	-
2,384,273	-	-	-	-	-
-	-	-	-	-	-
1,000,000	-	1,998,022	1,000,000	-	-
356,740	280,906	202,585	145,161	114,951	252,508
3,873,843	334,200	3,148,023	2,656,047	1,053,734	612,875
\$ 107,906,709	\$ 104,916,487	\$ 106,930,905	\$ 102,001,824	\$ 99,390,249	\$ 100,268,906

NARRAGANSETT BAY COMMISSION*Expense by Function (Unaudited)**Last Ten Fiscal Years*

<i>Fiscal Year Ending June 30,</i>	<i>2026</i>	<i>2025</i>	<i>2024</i>	<i>2023</i>
Operating expense				
Personnel services	\$ 28,303,007	\$ 27,590,153	\$ 26,075,599	\$ 24,698,903
Operating supplies/expense	25,896,790	22,923,858	23,829,506	19,052,520
Professional services	2,082,283	2,255,509	1,989,910	2,180,239
Depreciation and amortization	25,192,299	23,985,033	22,958,646	22,629,146
Total operating expense	81,474,379	76,754,553	74,853,661	68,560,808
Non-operating expense				
Interest expense	25,263,224	22,516,861	19,896,428	16,288,939
Loss on economic defeasance	-	-	-	-
Transfer State of RI	-	-	-	-
Other expense	995,075	1,869,485	1,021,628	1,389,239
Total non-operating expense	26,258,299	24,386,346	20,918,056	17,678,178
Total expense	\$ 107,732,678	\$ 101,140,899	\$ 95,771,717	\$ 86,238,986

(Continued)

NARRAGANSETT BAY COMMISSION
Expense by Function (Unaudited) (Continued)
Last Ten Fiscal Years

	2022		2021		2020		2019		2018		2017
\$	23,988,962	\$	23,193,856	\$	23,877,590	\$	23,844,901	\$	23,156,582	\$	22,720,366
	17,218,133		15,635,215		15,008,091		15,931,218		15,146,106		14,348,774
	1,738,671		1,592,497		1,213,868		1,168,922		1,196,941		1,078,443
	22,223,491		17,093,870		16,612,202		16,401,372		16,091,344		15,593,700
	65,169,257		57,515,438		56,711,751		57,346,413		55,590,973		53,741,283
	14,450,782		13,964,362		16,018,533		16,816,321		17,994,682		17,899,683
	-		111,138		191,657		-		-		-
	-		-		-		-		5,000,000		-
	588,835		772,674		2,044,027		511,115		23,485		109,321
	15,039,617		14,848,174		18,254,217		17,327,436		23,018,167		18,009,004
\$	80,208,874	\$	72,363,612	\$	74,965,968	\$	74,673,849	\$	78,609,140	\$	71,750,287

NARRAGANSETT BAY COMMISSION
User Fee Revenue by Customer Type (Unaudited)
Last Ten Fiscal Years

Customer Type	2026	2025	2024	2023	2022
<i>Residential</i>	\$ 72,758,026	\$ 65,875,708	\$ 62,334,902	\$ 60,285,785	\$ 59,654,921
<i>Commercial</i>	49,440,166	44,139,177	42,715,708	40,420,939	39,625,189
<i>Industrial</i>	3,047,308	2,902,786	3,136,000	2,800,023	2,852,122
Total	<u>125,245,500</u>	<u>112,917,671</u>	<u>108,186,610</u>	<u>103,506,746</u>	<u>102,132,232</u>

Customer Type	2021	2020	2019	2018	2017
<i>Residential</i>	61,941,753	59,645,556	55,473,053	55,206,499	55,885,288
<i>Commercial</i>	38,354,300	39,068,175	38,017,450	37,757,562	38,010,903
<i>Industrial</i>	2,688,204	2,721,039	2,938,103	2,858,780	2,713,965
Total	<u>\$ 102,984,257</u>	<u>\$ 101,434,770</u>	<u>\$ 96,428,606</u>	<u>\$ 95,822,841</u>	<u>\$ 96,610,156</u>

NARRAGANSETT BAY COMMISSION*Residential Sewer Rates (Unaudited)**Last Ten Fiscal Years*

<i>Fiscal Year Ending June 30,</i>	<i>Effective Date of Rate Increase</i>	<i>Residential Fixed Rate (per dwelling unit)</i>	<i>Residential Consumption Rate per HCF</i>
2026	July 1, 2025	\$ 286.04	\$ 4.590
2025	July 1, 2024	260.87	4.186
2024	August 1, 2023	254.35	4.082
2023	May 1, 2022	238.74	3.831
2022	May 1, 2022	238.74	3.831
2021	July 1, 2019	237.41	3.810
2020	July 1, 2019	237.41	3.810
2019	January 1, 2019	225.32	3.636
2018	July 1, 2016	218.80	3.531
2017	July 1, 2016	218.80	3.531

Note:

HCF - hundred cubic feet

NARRAGANSETT BAY COMMISSION*Non-Residential Sewer Rates (Unaudited)**Last Ten Fiscal Years*

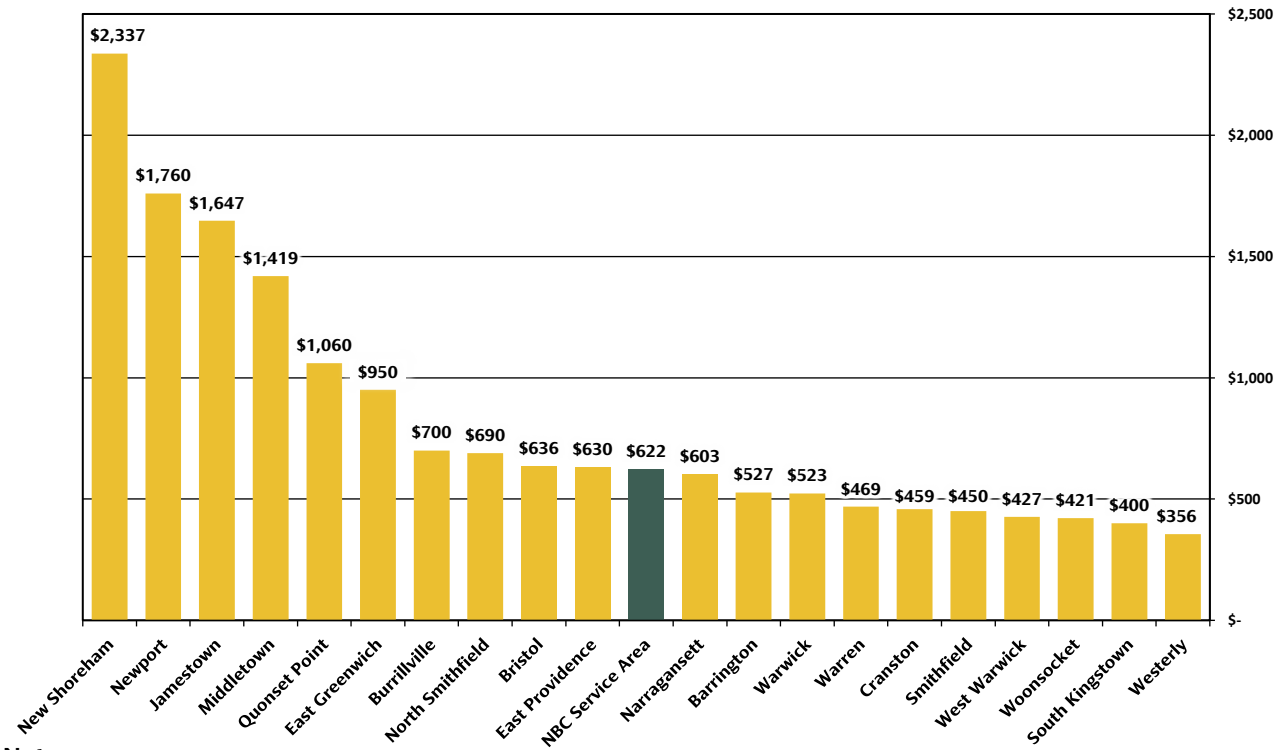
<i>Fiscal Year Ending June 30,</i>	<i>Effective Date of Rate Increase</i>	<i>Non-Residential Fixed Rate (based on 5/8" meter)</i>	<i>Industrial Consumption Rate per HCF</i>	<i>Commercial Consumption Rate per HCF</i>
2026	July 1, 2025	\$ 678.00	\$ 4.516	\$ 6.894
2025	July 1, 2024	618.00	4.119	6.287
2024	August 1, 2023	603.00	4.017	6.130
2023	May 1, 2022	566.00	3.770	5.754
2022	May 1, 2022	566.00	3.770	5.754
2021	July 1, 2019	563.00	3.749	5.722
2020	July 1, 2019	563.00	3.749	5.722
2019	January 1, 2019	539.00	3.390	5.273
2018	July 1, 2016	523.00	3.292	5.120
2017	July 1, 2016	523.00	3.292	5.120

Note:

HCF - hundred cubic feet

NARRAGANSETT BAY COMMISSION
Comparative 2025 Annual Residential Sewer Rates (Unaudited)
Rhode Island Municipalities

The following survey, conducted by the Narragansett Bay Commission (NBC), compares the annual residential sewer charges for participating Rhode Island Cities and Towns.



Note:

Newport Includes Stormwater Fees

Westerly Includes Ad Valorem Sewer Tax (based on average assessed property value)

Source: 2025 NBC Residential Sewer User Survey

Annual Residential charges are based on 73.2 HCF per day.

The 2025 RI Average Annual Residential Sewer User Fee is \$814.



NARRAGANSETT BAY COMMISSION
Top Ten Principal Commercial Users (Unaudited)
2026 and 2017

2026				2017			
<i>Company</i>	<i>Annual Billing</i>	<i>Rank</i>	<i>Percentage of Total Billings</i>	<i>Annual Billing</i>	<i>Rank</i>	<i>Percentage of Total Billings</i>	
Providence Housing	\$ 2,085,643	1	1.67%	\$ 1,512,022	1	1.57%	
Rhode Island Hospital	1,603,410	2	1.29%	1,422,321	2	1.47%	
Brown University	1,512,804	3	1.21%	1,181,064	3	1.22%	
City of Pawtucket	1,008,577	4	0.81%	615,641	5	0.64%	
City of Providence	880,698	5	0.71%	644,621	4	0.67%	
Rhode Island Resource Recovery	633,796	6	0.51%	360,764	9	0.37%	
Providence College	608,390	7	0.49%	433,361	7	0.45%	
Providence School Dept	570,549	8	0.46%	395,432	8	0.41%	
State of Rhode Island	508,238	9	0.41%	350,897	10	0.36%	
Johnson & Wales University	440,318	10	0.35%	436,748	6	0.45%	
	\$ 9,852,423		7.91%	\$ 7,352,871		7.61%	

Note:

Source: NBC's billing system

NARRAGANSETT BAY COMMISSION*Ratio of Outstanding Debt (Unaudited)**Last Ten Fiscal Years*

<i>Fiscal Year Ending June 30,</i>	<i>RIIB Loans Payable</i>	<i>Revenue Bonds</i>	<i>WIFIA Loans Payable</i>	<i>Lease Liability</i>	<i>Subscription Liability</i>	<i>Total Outstanding Debt</i>
2026	\$ 533,506,510	\$ 224,684,620	\$ 539,138,503	\$ 1,816,800	\$ 1,179,100	\$ 1,300,325,533
2025	485,409,256	236,871,666	531,890,292	1,922,918	278,584	1,256,372,716
2024	414,914,834	242,903,713	525,672,095	2,028,628	177,447	1,185,696,717
2023	371,020,053	252,950,995	520,306,942	2,133,938	383,420	1,146,795,349
2022	296,894,323	258,413,030	461,271,187	2,238,854	-	1,018,817,394
2021	277,382,328	262,805,064	459,704,608	-	-	999,892,000
2020	311,291,041	266,071,718	268,710,610	-	-	846,073,369
2019	346,974,434	261,553,307	-	-	-	608,527,741
2018	331,776,406	262,604,184	-	-	-	594,380,590
2017	359,305,961	262,604,184	-	-	-	621,910,145

(Continued)

NARRAGANSETT BAY COMMISSION
Ratio of Outstanding Debt (Unaudited) (Continued)
Last Ten Fiscal Years

Capitalized Assets¹	Construction in Progress	Total Net Capital Assets	Outstanding Debt to Capital Assets	Outstanding Debt per Population²	Income to Outstanding Debt²
\$ 841,314,251	\$ 970,605,912	\$ 1,811,920,163	0.72	N/A	N/A
852,194,502	855,109,920	1,707,304,422	0.74	1,127.28	6.56%
827,574,289	781,272,257	1,608,846,546	0.74	1,065.98	6.56%
812,309,792	663,487,008	1,475,796,800	0.78	1,046.38	6.32%
829,154,693	460,672,822	1,289,827,515	0.79	931.50	7.02%
803,859,346	329,039,245	1,132,898,591	0.88	912.31	6.79%
641,627,278	414,330,298	1,055,957,576	0.80	800.05	8.02%
648,715,001	376,891,496	1,025,606,497	0.59	574.43	9.88%
661,228,839	347,798,138	1,009,026,977	0.59	562.16	9.70%
663,209,230	325,199,530	988,408,760	0.63	588.69	8.70%

Note:

¹ Capitalized assets net of accumulated depreciation

² See the Demographics Statistics for the personal income and population.

NARRAGANSETT BAY COMMISSION

Debt Service Coverage (Unaudited)

Last Ten Fiscal Years

<i>Fiscal Year Ending June 30,</i>	<i>Debt Service Requirement</i>						
	<i>Gross Revenue ¹</i>	<i>Operating Expense ²</i>	<i>Net Revenue Available for Debt Service</i>	<i>Principal ³</i>	<i>Interest</i>	<i>Total</i>	<i>Coverage</i>
2026	\$ 132,873,233	\$ 56,282,080	\$ 76,591,153	\$ 30,201,786	\$ 17,710,536	\$ 47,912,322	1.60
2025	119,173,363	52,769,520	66,403,843	26,628,162	16,264,612	42,892,774	1.55
2024	114,999,350	51,895,015	63,104,335	31,344,795	14,496,746	45,841,541	1.38
2023	109,019,298	45,931,662	63,087,636	28,427,904	12,351,133	40,779,037	1.55
2022	107,906,709	42,945,766	64,960,943	28,170,271	12,935,075	41,105,346	1.58
2021	104,916,487	40,421,568	64,494,919	29,902,698	13,479,756	43,382,454	1.49
2020	104,932,883	40,099,549	64,833,334	28,848,394	15,834,531	44,682,925	1.45
2019	101,001,824	40,945,041	60,056,783	28,801,972	17,774,191	46,576,163	1.29
2018	99,390,249	39,499,629	59,890,620	27,529,555	17,994,682	45,524,237	1.32
2017	100,268,906	38,147,583	62,121,323	25,783,150	17,899,683	43,682,833	1.42

Note:

¹ Gross revenue including all interest income from all funds less capital contribution

² Total operating expense exclusive of depreciation and amortization

³ Principal payment does not include economic defeasance payment

NARRAGANSETT BAY COMMISSION*Demographic Statistics (Unaudited)**State of Rhode Island**Last Ten Fiscal Years*

<i>Fiscal Year Ending June 30,</i>	<i>Population</i> ¹	<i>Personal Income (Millions)</i> ¹	<i>Per Capita Income</i> ²	<i>Labor Force</i> ²	<i>School Enrollment</i> ³	<i>Unemployment Rate</i> ⁴
2026	N/A	N/A	N/A	\$ 588,900	N/A	4.6%
2025	1,114,521	82,465	73,992	588,068	133,829	4.4%
2024	1,112,308	77,791	69,936	578,500	135,978	4.3%
2023	1,095,962	72,429	63,557	569,837	136,154	2.6%
2022	1,093,734	71,504	64,530	572,947	137,452	3.1%
2021	1,096,000	67,865	61,942	574,515	138,566	6.0%
2020	1,057,524	67,813	64,124	571,780	139,184	13.3%
2019	1,059,361	60,138	56,542	572,919	143,557	3.5%
2018	1,057,315	57,648	54,523	573,894	143,436	3.9%
2017	1,056,426	54,077	50,427	568,094	142,949	4.4%

Note:¹ **Source:** United State Bureau of Economic Analysis² **Source:** Bureau of Labor Statistics³ **Source:** Rhode Island Department of Education⁴ **Source:** Rhode Island Department of Labor and Training - Seasonally Adjusted

N/A - Information is not yet published

NARRGANSETT BAY COMMISSION
Non-Governmental Principal Employers (Unaudited)
2025 and 2016

	2025 ¹			2016 ²		
Company	Employees	Rank	Percentage of Employment	Employees	Rank	Percentage of Employment
Brown University Health (Lifespan)	16,795	1	3.93%	12,377	1	2.24%
General Dynamic Electric Boat	7,527	2	1.76%	3,723	7	0.67%
CVS Health Corp.	6,900	3	1.62%	7,600	2	1.37%
Care New England	6,300	4	1.48%	6,580	3	1.19%
Brown University	5,775	5	1.35%	4,000	6	0.72%
Citizens Bank	4,200	6	0.98%	5,123	4	0.93%
AAA Northeast	3,697	7	0.87%	-	-	-
Naval Undersea Warfare Center	3,585	8	0.84%	3,135	8	0.57%
Amica Mutual Insurance	3,532	9	0.83%	-	-	-
Fidelity Investments	3,200	10	0.75%	4,029	5	0.73%
Diocese of Providence	-	-	-	3,100	9	0.56%
Bank of America (Fleet)	-	-	-	3,002	10	0.54%
	61,511		14.40%	52,669		9.52%

Note:

¹ **Source:** Providence Business News, Book of Lists 2026

² **Source:** Providence Business News, Book of Lists 2017

NARRAGANSETT BAY COMMISSION
Operating Indicators by Division (Unaudited)
Last Ten Fiscal Years

<i>Fiscal Year Ending June 30,</i>	<i>2026</i>	<i>2025</i>	<i>2024</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>
Number of treatment plants	2	2	2	2	2	2	2	2	2	2
Number of employees	282	276	272	267	262	269	261	250	250	252
<i>Field's Point Plant (Largest WWTF in RI)</i>										
Daily average treatment in gallons (mgd)	36.10	38.87	54.95	44.62	43.89	39.93	41.99	53.19	44.18	41.16
Total wet weather capacity of treatment (mgd)	200	200	200	200	200	200	200	200	200	200
Number of pump stations	5	5	5	5	5	5	5	5	5	5
Number of active combined sewer overflows (CSOs)	38	38	38	38	35	35	35	35	35	35
Miles of interceptor	80	80	80	80	80	80	80	80	80	80
Number of tide gates	38	38	38	32	32	32	32	32	32	32
<i>Bucklin Point Plant (Second largest WWTF in RI)</i>										
Daily average treatment in gallons (mgd)	17.29	18.30	27.79	19.56	19.48	18.07	20.18	23.89	20.45	17.30
Maximum daily capacity of treatment (mgd)	116	116	116	116	116	116	116	116	116	116
Number of pump stations	3	3	3	3	3	3	3	3	3	3
Number of active combined sewer overflows (CSOs)	27	27	27	26	26	26	26	26	26	26
Miles of interceptor	30	30	30	30	30	30	30	30	30	30

Note:

mgd = million gallons per day

Source: NBC's Internal Reports

NARRAGANSETT BAY COMMISSION
Budgeted Employees by Activity (Unaudited)
Last Ten Fiscal Years

Cost Centers	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Administration	12	12	12	9	7	7	6	8	8	8
Human Resources	7	7	7	7	6	6	6	4	4	4
Information Technology	17	17	17	12	13	13	12	12	12	12
Legal	5	5	5	7	7	7	7	6	5	5
Construction	11	13	12	12	11	10	9	10	10	11
Engineering	12	14	13	12	10	10	10	7	6	-
Finance	13	12	11	11	10	10	8	7	6	5
Accounting	8	10	10	10	10	10	10	10	10	10
Customer Service	28	29	29	29	28	28	27	25	25	25
Purchasing	4	4	4	4	4	4	2	3	3	4
Interceptor Maintenance	22	20	21	21	24	23	19	20	18	20
Operations and Maintenance Services	6	8	6	11	8	7	7	6	7	9
Field's Point WWTF	52	52	55	55	54	54	54	54	54	59
Bucklin Point WWTF	47	48	48	47	47	47	47	47	45	45
Technical Analysis and Compliance	12	12	10	10	10	10	10	4	4	5
Pretreatment	14	14	14	14	14	14	14	14	14	14
Laboratory	19	20	20	19	19	19	18	17	17	17
Environmental Safety and Technical Assistance	-	-	-	-	-	-	-	4	4	4
Environmental Monitoring	14	14	15	15	15	15	15	17	17	17
Total Employee Positions	303	311.0	309	305	297	294	281	275	269	274
Less Turnover	9	15.5	14	8	8	9	9	6	2	4
Net Positions Budgeted	294	295.5	295	297	289	285	272	269	267	270

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Commissioners
Narragansett Bay Commission
Providence, Rhode Island

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining fund information of the Narragansett Bay Commission ("NBC") as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise NBC's basic financial statements, and have issued our report thereon dated September 17, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Narragansett Bay Commission

*FY26 Independent Auditor's Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards*

Purpose of This Report

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

Hague, Sahady & Co., CPAs, P.C.

Hague, Sahady & Co., CPA's, P.C.

Fall River, Massachusetts

September 17, 2026