

TOWN OF JOHNSTON, RHODE ISLAND
ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

TOWN OF JOHNSTON, RHODE ISLAND

TABLE OF CONTENTS

Introductory Section

List of Town Officials.....	i
-----------------------------	---

Financial Section

Independent Auditors' Report	1-4
-------------------------------------------	-----

Management's Discussion and Analysis	5-13
---------------------------------------------------	------

Basic Financial Statements

Government-Wide Financial Statements:

Statement of Net Position	14-15
Statement of Activities.....	16-17

Fund Financial Statements:

Balance Sheet – Governmental Funds	18
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	20
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities	21
Statement of Net Position – Proprietary Funds.....	22-23
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	24
Statement of Cash Flows – Proprietary Funds.....	25-26
Statement of Fiduciary Net Position – Fiduciary Funds	27
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	28

Notes to Basic Financial Statements	29-114
--------------------------------------------------	--------

TOWN OF JOHNSTON, RHODE ISLAND

TABLE OF CONTENTS (CONTINUED)

Required Supplementary Information

Schedule of Changes in Town's Net OPEB Liability and Related Ratios	115
Schedule of Town's OPEB Contributions	116
Schedule of Town's OPEB Investment Returns	117
Schedule of Changes in Net Pension Liability and Related Ratios – MERS	118-120
Schedule of Town's Contributions – MERS	121
Schedule of Town's Proportionate Share of the Net Pension Liability – ERS.....	122
Schedule of Town's Contributions – ERS	123
Schedule of Town's Proportionate Share of the Net Pension Asset – TSB.....	124
Schedule of Town's Contributions – TSB	125
Schedule of Changes in Town's Police Net Pension Liability and Related Ratios	126
Schedule of Town's Police Pension Contributions and Investment Returns.....	127
Schedule of Changes in Town's Fire Net Pension Liability and Related Ratios.....	128
Schedule of Town's Fire Pension Contributions and Investment Returns	129
Schedule of Changes in Town's Fire Longevity Pension Liability and Related Ratios.....	130
Schedule of Changes in Town's Police COLA Pension Liability and Related Ratios.....	131
Schedule of Changes in Town's Fire COLA Pension Liability and Related Ratios	132
Notes to Required Supplementary Information	133-136
Budgetary Comparison Schedule – General Fund.....	137-138
Budgetary Comparison Schedule – School Unrestricted Fund.....	139
Notes to the Budgetary Comparison Schedules.....	140

Other Supplementary Information

Tax Collector's Annual Report.....	141-142
Annual Supplemental Transparency Report (MTP2)	143-144
Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2).....	145-149
Non-Major Governmental Funds:	
Combining Balance Sheet.....	150-164
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	165-179
Non-Major Enterprise Funds:	
Combining Statement of Net Position	180
Combining Statement of Revenues, Expenses and Changes in Net Position.....	181
Combining Statement of Cash Flows	182

PRINCIPAL OFFICIALS
Town of Johnston, Rhode Island
As of June 30, 2023

ELECTED OFFICIALS
Joseph Polisena Jr., Mayor

TOWN COUNCIL

Robert V. Russo, President
Robert J. Civetti
Lauren Garzone, Vice President

Alfred T. Carnevale
Linda Folcarelli

SCHOOL COMMITTEE

Robert A. Lafazia, Chairperson
Mary Sue Andreozzi
Susan M. Mansolillo

Joseph W. Rotella, Vice Chairperson
Dawn M. Aloisio

DEPARTMENT DIRECTORS

Police Chief
Fire Chief
Chief of Staff
Town Clerk
Finance Director
Tax Collector
Tax Assessor
Town Solicitor
Superintendent of Schools
Director of Building and Grounds
Director of Recreation
School Business Manager
Director of Public Works

Mark A. Vieira
David Iannuccilli
Doug Jeffrey
Vincent Bacari, Jr.
Joseph L. Chiodo, CPA
Bethany Alviano
Kim Gallonio
William Conley
Dr. Bernard DiLullo, Jr.
Chris Correia
Mike Bedrosian
Lesli-Ann Powell
Thomas Deller



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Members of the Town Council
Town of Johnston, Rhode Island

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Johnston, Rhode Island (Town) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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, presented on pages 5 through 13, and required supplementary information presented on pages 115 through 140, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 the Town's basic financial statements. The supplementary information on pages 141 through 182, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of these basic financial statements.

The supplementary information presented on pages 141 through 182 is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information presented on pages 141 through 182 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section 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 March 20, 2024, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Marcum LLP

Providence, RI
March 20, 2024

TOWN OF JOHNSTON, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

As management of the Town of Johnston, Rhode Island, we offer readers of the Town of Johnston's financial statements this narrative overview and analysis of the Town's financial activities for the fiscal year ended June 30, 2023. The information complements the data presented in the basic financial statements and is intended to enhance the reader's understanding of the Town's financial performance.

Financial Highlights:

- The assets and deferred outflows of resources for the Town of Johnston were exceeded by its liabilities and deferred inflows of resources at the end of the fiscal year ended June 30, 2023 by \$264,500,631 for its Governmental Activities and its assets and deferred outflows exceeded its liabilities and deferred inflows at the end of fiscal year ended June 30, 2023 by \$3,963,707 for its Business-Type Activities (net position). The total net position is broken down into three captions: 1) Net investment in capital assets (capital assets section), which is essentially the net worth of the infrastructure the Town owns; 2) Restricted, which is only spendable by the Town for specific purposes; and 3) Unrestricted, which is available for Town operations.
- The Town's total net position increased by \$27,045,768 and \$197,468 for its Governmental Activities and Business-Type Activities, respectively.
- As of the close of the current fiscal year, the Town of Johnston's total governmental funds reported combined ending fund balances of \$140.1 million an increase of \$88.9 million from the previous year. The increase is due to the recognition of school bond proceeds and premium of \$93.5 million in the School Bond Fund. Approximately 27.8% of this total, \$39.0 million, is available for spending at the Town's discretion (unassigned).
- At the end of the current fiscal year, the total unassigned fund balance of the General Fund was \$40.8 million, or 39.2% of total general fund expenditures and other net financing uses.
- The remaining fund balance consisted of:
 - \$2,503,514 which consists of \$948,048 non-spendable prepaid items and \$1,555,466 of School Unrestricted fund deficit.
 - Restricted Funds of \$92,656,423 which consists of School Bond funds of \$88,997,669, School Special Revenue Grant Funds in the amount of \$654,138, Capital Projects Funds of \$1,823,902, and Town Special Revenue Grant Funds of \$1,180,714.
 - Committed Funds of \$5,825,254 which consists of Capital Projects of \$2,384,836 and Town Special Revenue Funds of \$3,440,418. Assigned Funds of \$145,054 relating to interest earned on ARPA funds.

TOWN OF JOHNSTON, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Overview of the Financial Statements:

This discussion and analysis is intended to serve as an introduction to the Town of Johnston's basic financial statements, which are comprised of three components:

- 1) Government-wide financial statements
- 2) Fund financial statements
- 3) Notes to basic financial statements

This report also contains required supplementary and other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the Town of Johnston's finances, in a manner, which is similar to a private-sector business. They are presented on the accrual basis of accounting where revenues and expenses are recognized on the date they occurred rather than on the date they were collected or paid.

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

The *Statement of Activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from the business-type activities that are supported by user fees and charges. The governmental activities of the Town include public safety, public works, parks and recreation, education, library, and general government. The business-type activities of the Town include its sewer fund, cafeteria fund, summer school fund, credit recovery fund and athletic field fund.

Government-wide financial statements (statement of net position and statement of activities) are on pages 14-17 of this report.

TOWN OF JOHNSTON, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Town can be divided into three categories: *governmental funds, proprietary funds and fiduciary funds.*

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term (current) inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Town of Johnston maintains ninety-one (91) individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, and School Unrestricted Fund, which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Basic Governmental Fund Financial Statements are on pages 18-21 of this report.

The Town of Johnston adopts an annual budget for its General Fund and School Unrestricted Fund. A Budgetary comparison statement has been provided on pages 137 through 140.

Proprietary Funds: The Town of Johnston maintains one type of proprietary fund: Enterprise Funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The Town of Johnston uses enterprise funds to account for its sewer fund, cafeteria fund, summer school fund, credit recovery fund, and athletic field fund.

Basic proprietary fund financial statements can be found on pages 22-26 of this report.

TOWN OF JOHNSTON, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Fiduciary Funds: Fiduciary funds are used to account for resources held for parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town of Johnston's own programs. The Town maintains three types of fiduciary funds: Custodial Funds, Employee Benefit Trust Funds and Private Purpose Trust Funds. The accounting used for fiduciary funds is that used for proprietary funds.

Basic fiduciary fund financial statements can be found on pages 27-28 of this report.

Notes to the Financial Statements: The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Notes to the Financial Statements can be found on pages 29-114 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of Johnston's progress in funding its obligations to provide pension and other postemployment benefits to its employees.

Required supplementary information can be found on pages 115-140 of this report.

Combining Statements referred to earlier in connection with non-major governmental funds and fiduciary funds are presented immediately following the required supplementary information as other supplementary information on pages 150-182 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the Town of Johnston, Rhode Island, liabilities, and deferred inflows of resources for the Town exceeded its assets and deferred outflows of resources by \$260,536,924 at the end of the fiscal year ended June 30, 2023.

The Town of Johnston's unrestricted net deficit at June 30, 2023 is \$315,082,098. Consistent with prior year, the Town of Johnston has significant investment in capital assets (e.g., land, buildings, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town of Johnston uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

TOWN OF JOHNSTON, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

The restricted net position of \$102.1 million is subject to external restrictions on how it may be used.

Listed below is a comparison of the current and prior fiscal year.

Town of Johnston Summary of Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		Percent Change
	2023	2022	2023	2022	2023	2022	
Current & other assets	\$ 173,547,770	\$ 89,574,563	\$ 2,762,970	\$ 2,647,648	\$ 176,310,740	\$ 92,222,211	91.2%
Capital assets	<u>59,040,649</u>	<u>48,186,823</u>	<u>2,535,375</u>	<u>2,768,267</u>	<u>61,576,024</u>	<u>50,955,090</u>	20.8%
Total assets	<u>232,588,419</u>	<u>137,761,386</u>	<u>5,298,345</u>	<u>5,415,915</u>	<u>237,886,764</u>	<u>143,177,301</u>	66.1%
Deferred outflows of resources	<u>45,376,850</u>	<u>45,451,739</u>	<u>5,863</u>	<u>11,725</u>	<u>45,382,713</u>	<u>45,463,464</u>	-0.2%
Current liabilities	17,417,216	19,027,467	246,740	294,387	17,663,956	19,321,854	-8.6%
Long-term liabilities	<u>444,060,266</u>	<u>345,435,200</u>	<u>616,378</u>	<u>778,224</u>	<u>444,676,644</u>	<u>346,213,424</u>	28.4%
Total liabilities	<u>461,477,482</u>	<u>364,462,667</u>	<u>863,118</u>	<u>1,072,611</u>	<u>462,340,600</u>	<u>365,535,278</u>	26.5%
Deferred inflows of resources	<u>80,988,418</u>	<u>110,296,857</u>	<u>477,383</u>	<u>588,790</u>	<u>81,465,801</u>	<u>110,885,647</u>	-26.5%
Net investment in capital assets	(49,291,218)	30,255,058	1,776,925	1,804,807	(47,514,293)	32,059,865	-248.2%
Restricted	102,059,467	14,309,535	--	--	102,059,467	14,309,535	613.2%
Unrestricted	<u>(317,268,880)</u>	<u>(336,110,992)</u>	<u>2,186,782</u>	<u>1,961,432</u>	<u>(315,082,098)</u>	<u>(334,149,560)</u>	-5.7%
Total net position	<u>\$ (264,500,631)</u>	<u>\$ (291,546,399)</u>	<u>\$ 3,963,707</u>	<u>\$ 3,766,239</u>	<u>\$ (260,536,924)</u>	<u>\$ (287,780,160)</u>	-9.5%

The assets and deferred outflows of resources for the Town of Johnston were exceeded by its liabilities and deferred inflows of resources at the end of the fiscal year ended June 30, 2023 by \$264,500,631 for its Governmental Activities and its assets and deferred outflows exceeded its liabilities and deferred inflows at the end of fiscal year ended June 30, 2023 by \$3,963,707 for its Business-Type Activities (net position).

Assets and capital assets increased significantly year over year due to the Town obtaining long term debt proceeds of \$85.0 million as well as premium proceeds of \$8.5 million. Unspent funds are considered current assets and the Town capitalized \$6.6 million in funds expended. The Town has \$89.0 million in restricted fund balance which increased restricted net position. The Town's long-term liabilities also increased as the debt proceeds convert to long term debt at the government wide level.

TOWN OF JOHNSTON, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Governmental Activities

Governmental Activities net position increased by \$27,045,768. Property taxes are the largest revenue source for governmental activities, accounting for 50.1% of total revenues while operating grants and contributions contributed to 23.1% of the revenues. A comparison of FY 2023 and FY 2022 activity can be found below:

Town of Johnston Summary of Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>Percent Change</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	
Revenues							
Program revenues:							
Charges for services	\$ 10,054,903	\$ 6,758,551	\$ 1,920,400	\$ 1,238,209	\$ 11,975,303	\$ 7,996,760	49.8%
Operating grants	33,312,770	30,440,697	1,093,492	1,937,174	34,406,262	32,377,871	6.3%
Capital grants	5,543,727	--	--	--	5,543,727	--	100.0%
General revenues:							
Property taxes	72,226,344	75,682,494	--	--	72,226,344	75,682,494	-4.6%
Motor vehicle phase-out taxes	10,382,785	5,962,367	--	--	10,382,785	5,962,367	74.1%
Unrestricted grants and contributions	7,684,002	4,769,228	--	--	7,684,002	4,769,228	61.1%
Unrestricted investment earnings	4,497,483	1,135,531	--	--	4,497,483	1,135,531	296.1%
Other	270,592	247,468	--	--	270,592	247,468	9.3%
Total Revenue	<u>143,972,606</u>	<u>124,996,336</u>	<u>3,013,892</u>	<u>3,175,383</u>	<u>146,986,498</u>	<u>128,171,719</u>	<u>14.7%</u>
Program Expenses							
General government	7,415,547	2,172,937	--	--	7,415,547	2,172,937	241.3%
Public safety	34,550,181	40,246,798	--	--	34,550,181	40,246,798	-14.2%
Public works	6,093,553	5,779,845	--	--	6,093,553	5,779,845	5.4%
Public libraries	717,093	740,809	--	--	717,093	740,809	-3.2%
Education	64,708,895	58,629,771	--	--	64,708,895	58,629,771	10.4%
Parks and recreation	1,701,275	1,461,771	--	--	1,701,275	1,461,771	16.4%
Interest on long-term debt	1,740,294	935,361	--	--	1,740,294	935,361	86.1%
Sewer	--	--	912,260	712,264	912,260	712,264	28.1%
Other business-type activities	--	--	1,904,164	1,496,384	1,904,164	1,496,384	27.3%
Total Program Expenses	<u>116,926,838</u>	<u>109,967,292</u>	<u>2,816,424</u>	<u>2,208,648</u>	<u>119,743,262</u>	<u>112,175,940</u>	<u>6.7%</u>
Change in net position	27,045,768	15,029,044	197,468	966,735	27,243,236	15,995,779	70.3%
Net Position - Beginning	<u>(291,546,399)</u>	<u>(306,575,443)</u>	<u>3,766,239</u>	<u>2,799,504</u>	<u>(287,780,160)</u>	<u>(303,775,939)</u>	<u>-5.3%</u>
Net Position - Ending	<u>\$ (264,500,631)</u>	<u>\$ (291,546,399)</u>	<u>\$ 3,963,707</u>	<u>\$ 3,766,239</u>	<u>\$ (260,536,924)</u>	<u>\$ (287,780,160)</u>	<u>-9.5%</u>

- Property taxes decreased by 4.6% while motor vehicle phase out taxes increased by 74.1%. This is due to the Town no longer assessing motor vehicle taxes at the local level effective for fiscal year 2023. Funds were paid by the State resulting in the increase in phase-out revenue.

TOWN OF JOHNSTON, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

- The Town also saw a significant increase in capital grants of \$5.5 million. This was due to the Town utilizing ARPA funding for capital purposes in fiscal year 2023 as well as state funds received relating to the Town's School Bond project that were utilized on capital.
- Education expenses account for approximately 55.3% of the total expenses within the governmental activities of the Town. Public safety and public works expenses account for 29.5% and 5.2%, respectively, general government makes up 6.3% and the remainder relates to the public library, parks and recreation and interest on long-term debt.

Business-Type Activities: Net position of business-type activities increased by \$197,468 which consists of an increase of \$40,918 in its Sewer Fund and an increase of \$156,550 in its Non-Major Enterprise Funds.

Charges for services for Sewer Fund decreased \$49,309 or 5.8% while expenses increased \$204,155 or 29.8%.

Financial Analysis of the Government's Funds

As noted earlier, the Town of Johnston uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the Town of Johnston's governmental funds reported combined ending fund balances of \$140.1 million. Approximately 27.8% of this amount, \$39.0 million constitutes unassigned fund balance which is available for spending at the government's discretion.

General Fund: The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$40.8 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 33.0% of the 2023 Adopted General Fund Expenditure Budget.

The total fund balance of the Town's General Fund decreased by \$1,654,001 during the current fiscal year.

School Unrestricted Fund: The school fund has a total fund balance of (\$1,555,466). The total fund balance of the School Unrestricted Fund decreased by \$683 thousand during the current fiscal year.

TOWN OF JOHNSTON, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

General Fund Budgetary Highlights

The Town finished the 2022-2023 Fiscal Year with budgetary surplus (deficit) as follows:

- General Fund – \$3,213,662
- School Unrestricted Fund – (\$683,470)

The Town continues to increase collection efforts on prior year taxes with tax revenue received over anticipated budget by \$1.2 million. Federal and State funds, primarily associated with motor vehicle excise phase, had favorable gains in intergovernmental funds and state aid. Police department expenditures were under budget by \$409 thousand whereas Fire expenditures were over budget by \$747 thousand.

Capital Asset and Debt Administration:

Capital Assets – The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$61,576,024 (net of accumulated depreciation). This investment in capital assets includes investments in land and building improvements, machinery and equipment, park facilities, infrastructure and construction in progress. The total gross decreased in the Town's investment in governmental activities capital assets, prior to accumulated depreciation, for the current fiscal year was \$13,595,567.

	Gross Governmental Capital Assets	
	June 30, 2023	June 30, 2022
Land	\$ 8,979,477	\$ 8,979,477
Construction in progress	9,166,994	873,810
Land improvements	3,424,609	3,356,064
Infrastructure	65,486,093	61,781,251
Buildings and improvements	51,430,683	49,955,743
Vehicles and equipment	15,544,783	15,490,727
	<u>\$ 154,032,639</u>	<u>\$ 140,437,072</u>

TOWN OF JOHNSTON, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Major capital asset events during the current fiscal year included the following:

- Town road improvements
- Rainone Gym capital improvements
- School bond construction in progress

Information on the Town of Johnston's capital assets can be found in Note 5 of this report.

Long-term Debt – At the end of the current fiscal year, the Town of Johnston's governmental activities had \$100,369,692 in bonds outstanding, compared to \$18,038,296 last year, an increase of \$90,585,102. Total bonded debt for the Town is entirely backed by the full faith and credit of the Town.

State statutes limit the amount of general obligation bonded debt a town can issue to 3% of net assessed property values. However, all bonds approved through State enabling legislation and voter referendums are exempt from the limit. As of June 30, 2023, the Town had a legal debt limit of \$80,496,907, based on net assessed valuations as of December 31, 2021. As of June 30, 2023, the Town had outstanding debt subject to the 3% debt limit of \$14,701,101.

The Town currently has an "AA" rating from Standard and Poor's and an "A1" rating from Moody's for general obligation Debt.

Information on the Town of Johnston's long-term debt can be found in Note 6 of this report.

Subsequent Fiscal Year 2023-2024 Budget and Tax Rates

The 2023-2024 general fund budget will be \$129,081,852, an increase of \$8,448,467 over the fiscal year 2023 budget of \$120,633,385. This represents an increase of 7.00%.

Requests for Information: The financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the tax dollars received. If you have any questions about this report or need additional financial information, please contact the Finance Director, Johnston Town Hall, 1385 Hartford Avenue, Johnston, RI 02919.

TOWN OF JOHNSTON, RHODE ISLAND

STATEMENT OF NET POSITION

JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 148,387,427	\$ 367,062	\$ 148,754,489
Tax receivable, net	4,528,797	--	4,528,797
Accounts receivable, net	2,990,726	560,487	3,551,213
Internal balances	(1,343,107)	1,343,107	--
Due from federal and state governments	5,772,657	--	5,772,657
Prepays and other assets	1,341,048	14,931	1,355,979
Lease receivables	2,467,178	--	2,467,178
Total Current Assets	164,144,726	2,285,587	166,430,313
Noncurrent Assets			
Assessment and fees receivable	--	477,383	477,383
Net pension asset	9,403,044	--	9,403,044
Capital assets not being depreciated	18,146,471	--	18,146,471
Capital assets, net of accumulated depreciation	40,894,178	2,535,375	43,429,553
Total Noncurrent Assets	68,443,693	3,012,758	71,456,451
Total Assets	232,588,419	5,298,345	237,886,764
Deferred Outflows of Resources			
Deferred charge on bond refunding, net	58,249	5,863	64,112
Pension related deferred outflows of resources	27,715,526	--	27,715,526
OPEB related deferred outflows of resources	17,603,075	--	17,603,075
Total Deferred Outflows of Resources	45,376,850	5,863	45,382,713

The accompanying notes are an integral part of these financial statements.

TOWN OF JOHNSTON, RHODE ISLAND

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable and accrued expenses	6,587,808	100,245	6,688,053
Unearned revenue	5,962,418	4,423	5,966,841
Escrow deposits	85,614	--	85,614
Current portion of compensated absences	1,855,397	--	1,855,397
Current portion of general obligation bonds	2,740,979	142,072	2,883,051
Current portion of capital lease obligations	185,000	--	185,000
Total Current Liabilities	17,417,216	246,740	17,663,956
Noncurrent Liabilities			
Compensated absences, net	7,421,590	--	7,421,590
General obligation bonds, net	105,974,888	616,378	106,591,266
Capital lease obligations, net	755,000	--	755,000
Net pension liability	179,274,414	--	179,274,414
Net OPEB liability	150,634,374	--	150,634,374
Total Noncurrent Liabilities	444,060,266	616,378	444,676,644
Total Liabilities	461,477,482	863,118	462,340,600
Deferred Inflows of Resources			
Deferred sewer assessment	--	477,383	477,383
Deferred lease receivables	2,516,577	--	2,516,577
Pension related deferred inflows of resources	21,693,501	--	21,693,501
OPEB related deferred inflows of resources	56,778,340	--	56,778,340
Total Deferred Inflows of Resources	80,988,418	477,383	81,465,801
Net Position			
Net investment in capital assets	(49,291,218)	1,776,925	(47,514,293)
Restricted:			
Net pension asset	9,403,044	--	9,403,044
School grant funds	654,138	--	654,138
Town grant funds	1,180,714	--	1,180,714
Capital project funds	90,821,571	--	90,821,571
Unrestricted	(317,268,880)	2,186,782	(315,082,098)
Total Net Position	\$ (264,500,631)	\$ 3,963,707	\$ (260,536,924)

The accompanying notes are an integral part of these financial statements.

TOWN OF JOHNSTON, RHODE ISLAND

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Governmental Activities							
General government	\$ 7,415,547	\$ 5,810,810	\$ 106,208	\$ 3,401,603	\$ 1,903,074		\$ 1,903,074
Public safety	34,550,181	1,612,394	979,223	--	(31,958,564)		(31,958,564)
Public works	6,093,553	2,391,531	--	--	(3,702,022)		(3,702,022)
Public libraries	717,093	--	--	--	(717,093)		(717,093)
Education	64,708,895	116,642	32,202,290	2,142,124	(30,247,839)		(30,247,839)
Parks and recreation	1,701,275	123,526	25,049	--	(1,552,700)		(1,552,700)
Interest on long-term debt	1,740,294	--	--	--	(1,740,294)		(1,740,294)
Total Governmental Activities	<u>116,926,838</u>	<u>10,054,903</u>	<u>33,312,770</u>	<u>5,543,727</u>	<u>(68,015,438)</u>		<u>(68,015,438)</u>
Business-Type Activities							
Sewer	912,260	932,254	20,924	--		\$ 40,918	40,918
Other business-type activities	1,904,164	988,146	1,072,568	--		156,550	156,550
Total Business-Type Activities	<u>2,816,424</u>	<u>1,920,400</u>	<u>1,093,492</u>	<u>--</u>		<u>197,468</u>	<u>197,468</u>
Total	<u>\$ 119,743,262</u>	<u>\$ 11,975,303</u>	<u>\$ 34,406,262</u>	<u>\$ 5,543,727</u>	<u>(68,015,438)</u>	<u>197,468</u>	<u>(67,817,970)</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF JOHNSTON, RHODE ISLAND

STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
General Revenues			
Property taxes, levied for general purposes	72,226,344	--	72,226,344
Motor vehicle phase-out taxes	10,382,785	--	10,382,785
Other State aid	758,359	--	758,359
Grants and aid not restricted for specific programs	6,925,643	--	6,925,643
Unrestricted investment earnings	4,497,483	--	4,497,483
Miscellaneous	<u>270,592</u>	--	<u>270,592</u>
Total General Revenues and Special Items	<u>95,061,206</u>	--	<u>95,061,206</u>
Change in Net Position	27,045,768	197,468	27,243,236
Net Position - Beginning of Year	<u>(291,546,399)</u>	<u>3,766,239</u>	<u>(287,780,160)</u>
Net Position - End of Year	<u>\$ (264,500,631)</u>	<u>\$ 3,963,707</u>	<u>\$ (260,536,924)</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF JOHNSTON, RHODE ISLAND

BALANCE SHEET GOVERNMENTAL FUNDS

JUNE 30, 2023

	General Fund	School Unrestricted Fund	ARPA Funds	School Bond Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 38,163,775	\$ 1,314,020	\$ 5,567,830	\$ 90,141,529	\$ 7,114,595	\$ 142,301,749
Taxes receivable, net	4,528,797	--	--	--	--	4,528,797
Other receivables, net	2,174,646	807,030	--	--	9,050	2,990,726
Lease receivable	2,467,178	--	--	--	--	2,467,178
Due from federal and state governments	2,159,852	--	--	--	3,612,805	5,772,657
Prepays	793,621	154,427	--	--	--	948,048
Due from other funds	6,517,634	3,936,429	--	--	10,419,050	20,873,113
Total Assets	<u>\$ 56,805,503</u>	<u>\$ 6,211,906</u>	<u>\$ 5,567,830</u>	<u>\$ 90,141,529</u>	<u>\$ 21,155,500</u>	<u>\$ 179,882,268</u>
Liabilities						
Accounts payable and accrued liabilities	\$ 1,884,712	\$ 1,249,738	\$ 31,890	\$ 1,143,860	\$ 74,066	\$ 4,384,266
Due to other funds	3,935,701	6,517,634	--	--	11,633,504	22,086,839
Unearned revenue	571,532	--	5,390,886	--	--	5,962,418
Escrow deposits	--	--	--	--	85,614	85,614
Total Liabilities	<u>6,391,945</u>	<u>7,767,372</u>	<u>5,422,776</u>	<u>1,143,860</u>	<u>11,793,184</u>	<u>32,519,137</u>
Deferred Inflows of Resources						
Unavailable tax and EMS revenue	4,712,211	--	--	--	--	4,712,211
Deferred lease receivable	2,516,577	--	--	--	--	2,516,577
Total Deferred Inflows of Resources	<u>7,228,788</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>7,228,788</u>
Fund Balances						
Non-spendable	2,349,087	154,427	--	--	--	2,503,514
Restricted	--	--	--	88,997,669	3,658,754	92,656,423
Committed	--	--	--	--	5,825,254	5,825,254
Assigned	--	--	145,054	--	--	145,054
Unassigned	40,835,683	(1,709,893)	--	--	(121,692)	39,004,098
Total Fund Balances	<u>43,184,770</u>	<u>(1,555,466)</u>	<u>145,054</u>	<u>88,997,669</u>	<u>9,362,316</u>	<u>140,134,343</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 56,805,503</u>	<u>\$ 6,211,906</u>	<u>\$ 5,567,830</u>	<u>\$ 90,141,529</u>	<u>\$ 21,155,500</u>	<u>\$ 179,882,268</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF JOHNSTON, RHODE ISLAND

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

JUNE 30, 2023

<i>Total Fund Balance reported in Governmental Funds</i>	\$ 140,134,343
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore are not reported in the Governmental Funds Balance Sheet.	59,040,649
Deferred outflows related to pension plan and OPEB plan are not current measurable and available resources and therefore not reported in the Fund Statements but are reported in the Statement of Net Position.	45,318,601
Deferred inflows related to pension plan and OPEB plan are not current measurable and available resources and therefore not reported in the Fund Statements but are reported in the Statement of Net Position.	(78,471,841)
Deferred loss on refunding of bonds which is amortized over the life of the new bond.	58,249
Long-term assets (liabilities) and related items are not due and payable in the current period and therefore are not reported in the funds. These liabilities are reported in the Statement of Net Position:	
Accrual for net pension asset	9,403,044
Accrual for net pension and net OPEB liabilities	(319,127,838)
Accrual for compensated absences	(9,276,987)
Fire longevity obligation	(7,511,628)
Police COLA obligation	(313,241)
Fire COLA obligation	(2,956,081)
Capital lease obligations	(940,000)
General obligation bonds	(100,369,692)
Bond premium, net of amortization	(8,346,175)
Unavailable tax and EMS revenues (net of an allowance for uncollectibles) are recorded in the funds, but are not recorded under the measurement focus employed in the Statement of Net Position.	4,712,211
Internal Service Funds are recorded as Proprietary Funds in the Fund Statements but are recorded as Governmental Activities on the Government-Wide Statement of Net Position. This is the 2023 impact on the Statement of Net Position, excluding capital assets, net of accumulated depreciation, and long-term liabilities, the impact of which is reflected above.	4,822,340
Interest accrued on long-term debt obligations is reported as a liability in the Statement of Net Position but does not get reported in the Fund Statements.	(676,585)
<i>Total Net Position reported in Statement of Net Position</i>	<u>\$ (264,500,631)</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF JOHNSTON, RHODE ISLAND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	School Unrestricted Fund	ARPA Funds	School Bond Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 73,108,478	\$ --	\$ --	\$ --	\$ --	\$ 73,108,478
Intergovernmental	18,036,092	21,360,147	3,401,603	2,142,124	7,714,794	52,654,760
Charges for services	9,518,692	116,642	--	--	233,519	9,868,853
Investment income	1,760,358	--	144,147	2,424,570	168,408	4,497,483
State on behalf pension contribution	--	2,879,472	--	--	--	2,879,472
Other miscellaneous	--	118,508	--	--	516,266	634,774
Total Revenues	<u>102,423,620</u>	<u>24,474,769</u>	<u>3,545,750</u>	<u>4,566,694</u>	<u>8,632,987</u>	<u>143,643,820</u>
Expenditures						
Current						
General government	7,035,479	--	44,521	--	98,657	7,178,657
Public safety	43,253,990	--	--	--	144,307	43,398,297
Public works	5,271,088	--	--	--	--	5,271,088
Public libraries	623,045	--	--	--	2,823	625,868
Education	--	64,987,254	--	--	7,908,231	72,895,485
Parks and recreation	1,287,076	--	--	--	161,145	1,448,221
Debt Service						
Principal	2,853,604	--	--	--	--	2,853,604
Interest and other costs	783,711	--	--	956,583	--	1,740,294
Capital Outlays	565,613	--	3,357,082	5,669,605	4,551,405	14,143,705
Total Expenditures	<u>61,673,606</u>	<u>64,987,254</u>	<u>3,401,603</u>	<u>6,626,188</u>	<u>12,866,568</u>	<u>149,555,219</u>
Excess of Revenues Over (Under) Expenditures						
Before Other Financing Sources (Uses)	<u>40,750,014</u>	<u>(40,512,485)</u>	<u>144,147</u>	<u>(2,059,494)</u>	<u>(4,233,581)</u>	<u>(5,911,399)</u>
Other Financing Sources (Uses)						
Proceeds from long-term debt	--	--	--	85,000,000	--	85,000,000
Bond premium proceeds	--	--	--	8,549,217	--	8,549,217
Transfers in	200,000	39,829,015	--	--	4,075,000	44,104,015
Transfers out	(42,604,015)	--	--	--	(200,000)	(42,804,015)
Total Other Financing Sources (Uses)	<u>(42,404,015)</u>	<u>39,829,015</u>	<u>--</u>	<u>93,549,217</u>	<u>3,875,000</u>	<u>94,849,217</u>
Net Change in Fund Balances	(1,654,001)	(683,470)	144,147	91,489,723	(358,581)	88,937,818
Fund Balance - Beginning of Year	<u>44,838,771</u>	<u>(871,996)</u>	<u>907</u>	<u>(2,492,054)</u>	<u>9,720,897</u>	<u>51,196,525</u>
Fund Balance - End of Year	<u>\$ 43,184,770</u>	<u>\$ (1,555,466)</u>	<u>\$ 145,054</u>	<u>\$ 88,997,669</u>	<u>\$ 9,362,316</u>	<u>\$ 140,134,343</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF JOHNSTON, RHODE ISLAND

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ 88,937,818
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay, net of disposals	13,595,567
Depreciation expense, net of disposals	(2,741,741)
Governmental funds report bond, premium on bond, and capital lease proceeds as revenues. However, in the Statement of Activities, these funds are reported as additions to long-term debt.	(93,549,217)
Governmental funds report principal repayments on debt obligations as an expenditure. However, the repayment of principal has no effect on the net position.	2,853,604
Governmental funds do not report fire longevity obligations as a liability. This reports the activity of the liability for 2023.	1,783,371
Changes to the following accounts related to the Town's pension and OPEB plans are reported as an expense for governmental activities but are not reported as an expenditure in the fund financial statements until they are paid with measurable and available resources:	
Change in net pension asset	(778,894)
Change in net pension liability	(12,000,677)
Change in net OPEB liability	1,764,384
Change in deferred outflows of resources	(28,582)
Change in deferred inflows of resources	29,210,361
Governmental funds report premiums received on debt financing as other financing sources when received. However, the Statement of Activities amortizes these premiums over the life of the obligations and records the amortization as a credit to expenses. This is the amortization amount for 2023.	295,511
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in governmental funds. Net unavailable tax and EMS revenue decreased from 2022.	(137,360)
Accrued interest on long-term debt obligations is reported in the governmental activities but is not reported in the governmental fund statements. This is the increase in accrued interest expense from 2022.	(552,403)
The governmental funds reflect compensated absences when they will be paid with measurable and available resources. The change from prior year balances is reflected in the Statement of Activities. Compensated absences increased from 2022.	(163,396)
The activity for the current year amortization of loss on bond refundings.	(46,307)
The activity reported in the Internal Service Funds is presented with the Proprietary Fund Statements. However, this activity is reported as a component of the Governmental Activities in the Statement of Activities. This is the net activity reported for 2023.	<u>(737,583)</u>
Change in Net Position of Governmental Activities in the Statement of Activities	<u>\$ 27,704,456</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF JOHNSTON, RHODE ISLAND

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

JUNE 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Sewer</u>	<u>Non-Major Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
Assets				
Current Assets				
Cash and cash equivalents	\$ --	\$ 367,062	\$ 367,062	\$ 6,085,678
User charges receivable	394,025	--	394,025	--
Other receivables	--	166,462	166,462	--
Due from other funds	537,932	851,262	1,389,194	--
Deposits	--	--	--	393,000
Other assets	--	14,931	14,931	--
Total Current Assets	<u>931,957</u>	<u>1,399,717</u>	<u>2,331,674</u>	<u>6,478,678</u>
Noncurrent Assets				
Assessments receivable	477,383	--	477,383	--
Capital assets, net of accumulated depreciation	<u>2,502,532</u>	<u>32,843</u>	<u>2,535,375</u>	<u>--</u>
Total Noncurrent Assets	<u>2,979,915</u>	<u>32,843</u>	<u>3,012,758</u>	<u>--</u>
Total Assets	<u>3,911,872</u>	<u>1,432,560</u>	<u>5,344,432</u>	<u>6,478,678</u>
Deferred Outflows of Resources				
Deferred charge on refunding	<u>5,863</u>	<u>--</u>	<u>5,863</u>	<u>--</u>
Total Deferred Outflows of Resources	<u>5,863</u>	<u>--</u>	<u>5,863</u>	<u>--</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF JOHNSTON, RHODE ISLAND

**STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS**

JUNE 30, 2023

	Business-Type Activities - Enterprise Funds			
	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Liabilities				
Current Liabilities				
Accounts payable and accrued expenses	--	94,844	94,844	1,526,957
Due to other funds	--	46,087	46,087	129,381
Unearned revenue	--	4,423	4,423	--
Accrued interest	5,401	--	5,401	--
Current portion of general obligation bonds	<u>142,072</u>	--	<u>142,072</u>	--
Total Current Liabilities	<u>147,473</u>	<u>145,354</u>	<u>292,827</u>	<u>1,656,338</u>
Noncurrent Liabilities				
General obligation bonds, net	<u>616,378</u>	--	<u>616,378</u>	--
Total Noncurrent Liabilities	<u>616,378</u>	--	<u>616,378</u>	--
Total Liabilities	<u>763,851</u>	<u>145,354</u>	<u>909,205</u>	<u>1,656,338</u>
Deferred Inflows of Resources				
Deferred sewer assessment	<u>477,383</u>	--	<u>477,383</u>	--
Total Deferred Inflows of Resources	<u>477,383</u>	--	<u>477,383</u>	--
Net Position				
Net investment in capital assets	1,744,082	32,843	1,776,925	--
Unrestricted	<u>932,419</u>	<u>1,254,363</u>	<u>2,186,782</u>	<u>4,822,340</u>
Total Net Position	<u>\$ 2,676,501</u>	<u>\$ 1,287,206</u>	<u>\$ 3,963,707</u>	<u>\$ 4,822,340</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF JOHNSTON, RHODE ISLAND

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS**

FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds			
		Non-Major	Total	
	Sewer	Enterprise Funds	Enterprise Funds	Internal Service Funds
Operating Revenues				
Charges for usage, service and assessments	\$ 932,254	\$ 988,146	\$ 1,920,400	\$ 21,756,863
Intergovernmental	20,924	1,072,568	1,093,492	--
Total Operating Revenues	953,178	2,060,714	3,013,892	21,756,863
Operating Expenses				
Salaries and benefits	323,106	--	323,106	--
Contractual services	204,014	1,893,218	2,097,232	--
Repairs and maintenance	101,325	--	101,325	--
Utilities	27,723	--	27,723	--
Healthcare management	--	--	--	21,413,589
Depreciation and amortization	233,283	10,946	244,229	--
Total Operating Expenses	889,451	1,904,164	2,793,615	21,413,589
Operating Income (Loss)	63,727	156,550	220,277	343,274
Nonoperating Revenues (Expenses)				
Interest income	--	--	--	219,143
Interest expense	(22,809)	--	(22,809)	--
Net Nonoperating Revenues (Expenses)	(22,809)	--	(22,809)	219,143
Income (Loss) Before Transfers	40,918	156,550	197,468	562,417
Transfers out	--	--	--	(1,300,000)
Total Transfers	--	--	--	(1,300,000)
Changes in Net Position	40,918	156,550	197,468	(737,583)
Total Net Position - Beginning	2,635,583	1,130,656	3,766,239	5,559,923
Total Net Position - Ending	\$ 2,676,501	\$ 1,287,206	\$ 3,963,707	\$ 4,822,340

The accompanying notes are an integral part of these financial statements.

TOWN OF JOHNSTON, RHODE ISLAND

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds			
	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities				
Cash received from customers	\$ 734,317	\$ 988,146	\$ 1,722,463	\$ 21,756,863
Cash received from grantor	20,924	1,070,012	1,090,936	--
Claims paid	--	--	--	(21,523,642)
Cash paid to suppliers for goods and services and other operating payments	(333,062)	(1,896,842)	(2,229,904)	--
Cash paid for employees and benefits	(323,106)	--	(323,106)	--
Net Cash Provided by (Used in) Operating Activities	99,073	161,316	260,389	233,221
Cash Flows from Noncapital Financing Activities				
Transfers to other funds	--	--	--	(1,300,000)
(Payments to) receipts from other funds	103,878	56,988	160,866	(989,210)
Net Cash (Used in) Provided by Noncapital Financing Activities	103,878	56,988	160,866	(2,289,210)
Cash Flows from Capital and Related Financing Activities				
Principal payments on long-term debt	(185,236)	--	(185,236)	--
Interest and finance charges paid on debt obligations	(17,715)	--	(17,715)	--
Net Cash Used in Capital and Related Financing Activities	(202,951)	--	(202,951)	--
Cash Flows from Investing Activities				
Investment income	--	--	--	219,143
Net Cash Provided by Investing Activities	--	--	--	219,143
Net Increase (Decrease) in Cash and Cash Equivalents	--	218,304	218,304	(1,836,846)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	--	148,758	148,758	7,922,524
Cash, Cash Equivalents, and Restricted Cash - End of Year	\$ --	\$ 367,062	\$ 367,062	\$ 6,085,678

The accompanying notes are an integral part of these financial statements.

TOWN OF JOHNSTON, RHODE ISLAND

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Sewer</u>	<u>Non-Major Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
Reconciliation of Operating Income to Net Cash				
 Provided by Operating Activities				
Operating income (loss)	\$ 63,727	\$ 156,550	\$ 220,277	\$ 343,274
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization expense	233,283	10,946	244,229	--
(Increase) decrease in assessments and fees receivable	(197,937)	--	(197,937)	--
(Increase) decrease in prepaid expenses and inventory	--	--	--	4,065
(Increase) decrease in intergovernmental receivables	--	(2,465)	(2,465)	--
Increase (decrease) in accounts payable and accrued expenses	--	(3,474)	(3,474)	(114,118)
Increase (decrease) in unearned revenue	--	(241)	(241)	--
Net Cash Provided by Operating Activities	<u>\$ 99,073</u>	<u>\$ 161,316</u>	<u>\$ 260,389</u>	<u>\$ 233,221</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF JOHNSTON, RHODE ISLAND

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

JUNE 30, 2023

	Pension and OPEB Trust Funds	Private Purpose Trust Funds	Custodial Funds
Assets			
Cash and cash equivalents	\$ 422,733	\$ 24,492	\$ 256,465
Investments, at fair value:			
Money market mutual funds	67,841,423	--	--
Accounts receivable	--	--	107,750
Prepaid items	902,641	--	--
Total Assets	<u>69,166,797</u>	<u>24,492</u>	<u>364,215</u>
Liabilities			
Accrued expenses	112,472	--	--
Deposits held in custody for others	107,449	--	--
Total Liabilities	<u>219,921</u>	<u>--</u>	<u>--</u>
Net Position			
Held for individuals, organizations, and other governments	--	--	364,215
Restricted for other post-employment benefits	10,757,272	--	--
Restricted for pension benefits	58,189,604	--	--
Held in trust for private purposes per trust agreement	--	24,492	--
Total Net Position	<u>\$ 68,946,876</u>	<u>\$ 24,492</u>	<u>\$ 364,215</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF JOHNSTON, RHODE ISLAND

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	Pension and OPEB Trust Funds	Private Purpose Trust Funds	Custodial Funds
Additions			
Contributions:			
Employer contributions	\$ 17,849,263	\$ --	\$ --
Plan member contributions	379,250	--	--
Other income	1,647	--	--
Total Contributions	<u>18,230,160</u>	<u>--</u>	<u>--</u>
Investment earnings:			
Net change in fair value of investments	3,565,696	--	--
Interest and dividends	2,331,623	747	7,849
Total Investment Earnings	<u>5,897,319</u>	<u>747</u>	<u>7,849</u>
Total Additions	<u>24,127,479</u>	<u>747</u>	<u>7,849</u>
Deductions			
Benefits paid	18,226,568	--	--
Administration	392,847	--	--
Total Deductions	<u>18,619,415</u>	<u>--</u>	<u>--</u>
Change in Net Position	5,508,064	747	7,849
Net Position - Beginning of Year	<u>63,438,812</u>	<u>23,745</u>	<u>356,366</u>
Net Position - End of Year	<u>\$ 68,946,876</u>	<u>\$ 24,492</u>	<u>\$ 364,215</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Johnston, Rhode Island (Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to governmental entities. In certain instances, summaries of the Town's significant accounting policies have been presented throughout the notes to the basic financial statements in conjunction with other disclosures to which they relate.

REPORTING ENTITY

The Town of Johnston, Rhode Island (the Town) was incorporated in 1759. The Town covers 24.4 square miles located in southeastern New England. The Town operates under a Council-Mayor form of government and the charter provides for public safety (police and fire), highway and streets, sanitation, health and social services, culture-recreation, education, public improvement, planning and zoning, and general administrative services.

In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting structure, the Town applied the criteria prescribed by Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. Under GASB Statement No. 61, a legally separate entity is required to be included as a component unit if it is fiscally dependent upon the primary government and there is a financial benefit or burden relationship present. The primary government is financially accountable if it appoints the voting majority of the organization's governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A potential component unit has a financial benefit or burden relationship with the primary government if, for example, any one of the following conditions exists:

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

Through the application of GASB Statement No. 61 criteria, the Town does not have any component units.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REPORTING ENTITY (CONTINUED)

BASIS OF PRESENTATION

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the Town as a whole. They include all funds of the Town except for fiduciary funds and distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

The Statement of Activities presents a comparison between expenses and program revenues for each function of the Town's governmental activities. Program revenues include a) fees, fines and charges paid by the recipients of goods or services offered by the programs and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

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

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

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (CONTINUED)

Fund Financial Statements (Continued)

Management may also designate a fund as major which does not meet the above parameters. The funds of the Town are described below:

GOVERNMENTAL FUNDS

Governmental funds are used to account for operations that supply basic governmental services. The Town uses the following types of governmental funds:

General Fund is the primary operating fund of the Town and is always classified as a major fund. It is used to account for and report all financial resources not accounted for and reported in other funds.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The Town's major special revenue funds is the School Unrestricted Fund.

Capital Project Funds are used to account for and report resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Proprietary Funds

Proprietary Funds are used to account for business-like activities provided to the general public (enterprise funds) or within the government (internal service funds). These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. Operating revenues of the Proprietary Funds consist of customer charges for uses and services and certain other miscellaneous revenues. All other revenues of the Proprietary Funds are considered non-operating sources of revenue. The Proprietary Funds include Enterprise Funds. During the year ended June 30, 2023 the Town maintained five enterprise funds including the Sewer Fund which is reported as a major fund.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (CONTINUED)

Fund Financial Statements (Continued)

Fiduciary Funds (Not Included in Government-Wide Statements)

Fiduciary Funds are used to report assets held by the Town in a trustee or custodial capacity and, therefore, cannot be used to support the Town's own programs. The following fiduciary funds are used by the Town:

Pension and OPEB (Other Post-Employment Benefits) Trust Fund is used to account for payment of pension and post-employment benefits that the Town provides to qualified retirees in accordance with union contract provisions.

Private Purpose Trust Funds account for resources legally held in trust for use by an outside committee to provide awards and scholarships in accordance with a donor's instructions. All resources of the fund, including any earnings on investments, may be used. There is no requirement that any portion of these resources be preserved as capital.

Custodial Funds account for assets held by the Town in a purely custodial capacity.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MAJOR AND NON-MAJOR FUNDS

The funds are further classified as major or non-major as follows:

<u>Fund</u>	<u>Brief Description</u>
<i>Major:</i>	
General Fund	See above for description.
Special Revenue Funds:	
School Unrestricted	Acts as the primary operating fund for the Johnston School Department.
ARPA Funds	Accounts for the Town's American Rescue Plan Act Funds.
Capital Project Fund:	
School Bond Fund	Accounts for the Town's school bond proceeds and expenditures.
Proprietary Funds:	
Sewer Fund	Accounts for the operations of the Town's Sewer Department.
Internal Service Fund	Accounts for the operations of the Town and School Department's Healthcare Management.
<i>Non-Major:</i>	
Special Revenue Funds	Grant programs including federal grants, state grants, and private grants. The Town currently maintains eighty (80) special revenue funds which have been classified as non-major Governmental Funds. The details of these funds may be found in the combining non-major fund statements in the other supplementary information section of these financial statements.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MAJOR AND NON-MAJOR FUNDS (CONTINUED)

Non-Major: (Continued)

Capital Project Funds The Town currently maintains seven (7) Capital Project Funds. The details of these funds may be found in the combining non-major fund statements in the other supplementary information section of these financial statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

On the Government-Wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities (proprietary funds) are presented using the economic resources measurement focus as defined in item (b) below and the accrual basis of accounting. In the fund financial statements, the current financial resources measurement focus (modified accrual) or the economic resources measurement focus (full accrual) is used as appropriate:

- (a) All governmental funds utilize a current financial resources measurement focus and a modified accrual basis of accounting. Only current financial assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally included on their balance sheets. Operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- (b) The proprietary fund utilizes an economic resources measurement focus and accrual basis of accounting. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flows. All assets and deferred outflows of resources, and liabilities and deferred inflows of resources (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- (c) Custodial funds are not involved in the measurement of results of operations.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available for liquidating liabilities of the current period. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (usually 60 days). Revenues not considered to be available are recorded as deferred inflows. Expenditures, including capital outlays, are recognized when a related fund liability has been incurred, except for those involving debt service and other long-term obligations that are recognized when due.

Those revenues susceptible to accrual are property taxes, special assessments, federal impact aid, state aid, meals and hotel taxes collected by the State on behalf of the Town, interest and charges for services. Fines, licenses and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash; therefore, they are recognized when received.

Recognition of grant revenues is based on the susceptibility of accrual as determined by the legal and contractual requirements established by each grantor. For grants not restrictive as to specific purposes and revocable only for failure to comply with general prescribed requirements, revenues are recognized when actually received. Where expenditure is the prime factor in determining eligibility, grant revenue is recognized as allowable expenditures are made provided they are collected during the year or within 60 days subsequent to year end. Prior to expenditure, proceeds are recorded as unearned revenues.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All other revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Cash and Cash Equivalents

For purposes of balance sheet presentation, all investments with original maturities of three months or less when purchased are considered to be cash equivalents. Cash and cash equivalents consist of cash on hand, time and demand deposits maturing within three months from the date of acquisition. The Town maintains deposits in various financial institutions, which are separately displayed in the financial statements as "cash and cash equivalents."

Under Rhode Island General Law, as of October 1, 1991, public deposit institutions are required to insure accounts that hold public funds in excess of the \$250,000 that is guaranteed by Federal Deposit Insurance Corporation (FDIC).

Investments

The Town invests in various types of investments, which are stated at fair value. Fair value is defined 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. Realized and unrealized gains and losses are reported as investment income. The Town's investments are held in the Town's Fiduciary Funds.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risks associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of net position and activities.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Accounts Receivable

In the Government-wide statements, receivables consist of all revenues earned at year end and not yet received. Major receivable balances for the governmental activities include property taxes and intergovernmental receivables. Business-type activities report service and special assessment fees as its major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes collected within 60 days of year end and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions earned/measurable but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the Government-wide financial statements in accordance with the accrual basis. Proprietary fund receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. At June 30, 2023 the Town has estimated the allowance for uncollectible receivables for delinquent taxes of \$4,370,053 and an allowance for uncollectible receivables for municipal court receivables and fire rescue receivables of \$817,077. Interest on delinquent taxes is recorded on the cash basis due to uncertainty of collectability.

Property Taxes

Real and personal property taxes are based on values assessed as of each December 31 (lien date), and attach as an enforceable lien on property as of August 1 (levy date). Taxes are due in equal quarterly installments in August 24, October 24, January 24, and April 24. Taxes due and unpaid after the respective due dates are subject to interest at the rate of 12% per annum calculated on the unpaid portion of the total tax. An automatic lien is placed on the taxpayer's property if payment has not been received by the tax due date. Property taxes are recognized as revenue in the year they are levied. Property tax revenues are recorded in accordance with the modified accrual basis of accounting in the fund financial statements.

For 2023, Rhode Island General Law restricts the Town's ability to increase its total tax levy by more than 4.00% over that of the preceding fiscal year.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Leases (as Lessor)

The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The Town uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The Town monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid assets. Prepays recorded in governmental-type funds do not reflect current appropriated resources and, as such are reported as non-spendable fund balance.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in governmental funds.

Certain unexpended and unencumbered appropriations for incomplete projects are carried over to succeeding years. Such continuing appropriations are accounted for similar to encumbrances. Other unencumbered appropriations lapse at year end.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE
(CONTINUED)***

Capital Assets

The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the Government-wide or fund financial statements.

In the Government-wide financial statements, long-lived assets are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets or donated works of art and similar items, which are recorded at acquisition value. Also, capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value.

Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to value of the asset or materially extend asset lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The ranges of estimated useful lives by type of asset are as follows:

Buildings and improvements	10 - 50 years
Land improvements	20 years
Infrastructure	20-100 years
Machinery and equipment	5-10 years
Vehicles	5-10 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the Government-wide statements.

The Town reviews the carrying value of its long-lived assets to ensure that any impairment issues are identified and appropriately reflected in the financial statements. Should the expected cash flows be less than the carrying value, an impairment loss would be recognized to reduce the carrying value. There was no impairment loss recorded during 2023.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Bond Premiums, Discounts and Issuance Costs

In the Government-Wide Statement of Net Position, bond premiums and discounts are deferred and amortized over the term of the related bonds using the straight-line method. Bond premiums and discounts are presented as an addition or deduction to the face amount of the bonds payable. Bond issuance costs are expensed in the year incurred.

In the governmental funds, bond premiums, discounts and issuance costs are treated as period costs in the year the bonds are issued. Bond issuance costs are included in debt service expenditures and bond premiums are reflected as other financing sources in the governmental funds financial statements, while discounts are reported as other financing uses.

Long-Term Obligations

In the Government-wide and proprietary fund financial statements, long-term debt and other long-term obligations (including compensated absences, and accrued claims and judgments) are reported as liabilities in the Statement of Net Position.

In the governmental fund financial statements, long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The face amount of debt issued is reported as other financing sources in the governmental funds financial statements.

Compensated Absences

Under the terms of various contracts and policies, Town employees are granted vacation and sick leave based on length of service. The Town's policy is to recognize the cost of vacation and sick leave in governmental funds when paid and on the accrual basis in proprietary funds. The amount of earned but unpaid vacation and sick leave is recorded as a long-term obligation in the government-wide financial statements. Compensated absence liabilities related to Town employees are typically liquidated in the Town's general fund whereas school compensated absence liabilities are liquidated in the school unrestricted fund.

Judgments and Claims

Liabilities for legal cases and other claims against Governmental funds are recorded when the ultimate liability can be estimated and such cases are expected to be liquidated with expendable available financial resources. Proprietary fund types record these liabilities using the accrual basis of accounting.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate section represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that later date. At June 30, 2023 the Town reported \$45,318,601 of deferred outflows of resources related to pension and OPEB in the Government-Wide Statement of Net Position. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active employees and inactive employees). In addition, at June 30, 2023 the Town also reported \$64,112 of deferred outflows related to deferred loss on refundings in the Government-Wide Statement of Net Position. The deferred loss on refunding is the unamortized balance of the difference between the carrying value of the refunded debt and the new debt.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate section represents the acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until a later date. At June 30, 2023 the Town reported \$78,471,841 of deferred inflows of resources related to pension and OPEB in the Government-Wide Statement of Net Position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension/OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees). In addition, at June 30, 2023 the Town also reported in the Government-Wide Statement of Net Position \$477,383 of deferred inflows related to deferred sewer assessments and \$2,516,577 related to deferred lease revenue.

At June 30, 2023 the Town also had two items that qualified as a deferred inflow of resources in the governmental funds balance sheet, the unavailable tax and EMS revenue of \$4,712,211. The unavailable tax revenue at June 30, 2023 represents property taxes receivables which are assessed on December 31, 2021 and prior and are not collected within 60 days of June 30, 2023. The unearned EMS revenue represents rescue fees for services provided prior to June 30, 2023 but not recognized as revenue since they are considered unavailable as of June 30, 2023. The net unavailable tax and EMS revenue are considered unavailable and will be recognized as an inflow of resources in the year(s) in which the amounts become available.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Interfund Transactions

Interfund activity within and among the funds of the Town have been classified and reported as follows:

Reciprocal interfund activities:

- Interfund loans are reported as interfund receivables in the lending fund and interfund payables in borrower funds.
- Interfund services are reported as revenues in the seller fund and as expenditures or expenses in the purchasing fund.

Non-reciprocal interfund activities:

- Interfund transfers are reported in governmental funds as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds transfers are reported after nonoperating revenues and expenses.
- Interfund reimbursements are repayments from the fund responsible for particular expenditures or expenses to other funds that initially paid for them. Reimbursements are not displayed separately within the financial statements.

Transactions between funds have been eliminated in the Government-wide financial statements but fully presented within the governmental fund of financial statements with no elimination made between or within funds.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due from/to other funds” (current portion) or “advances from/to other funds” (noncurrent portion). All other outstanding balances between funds are reported as “due from/to other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-wide financial statements as “internal balances.”

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Net Position/Fund Balance

Government-Wide Financial Statements

Net position is classified and displayed in the following three components:

- (a) Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings, and deferred inflows of resources, if any, that are attributable to the acquisition, construction, or improvement of those assets, increased by deferred outflows of resources related to those assets, if any.
- (b) Restricted net position – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- (c) Unrestricted net position – The remaining net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Proprietary fund net position is classified the same as in the Government-wide statements.

Governmental Fund Financial Statements

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balance is classified as non-spendable, restricted, committed, assigned, or unassigned. These categories are defined below:

- Non-spendable – amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash within one year.
- Restricted – includes amounts that are restricted for specific purposes. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Net Position/Fund Balance (Continued)

Governmental Fund Financial Statements (Continued)

- Committed – the Town Council and Mayor with the adoption of an ordinance or resolution, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the Town Council removes or changes the specific use through the same type of formal action taken to establish the commitment. This constraint must be imposed prior to the fiscal year end, but the specific amount may be determined at a later date.
- Assigned – amounts that are intended by the Town to be used for specific purposes, but are neither restricted nor committed. The authority to assign fund balance is designated to the Mayor.
- Unassigned – the residual amount in the General Fund available for any purpose.

The Town shall, when possible, expend funds beginning with those funds that have the highest level of restriction first, and will spend those funds with the lowest level of restriction last. It shall be the Finance Director's responsibility to ensure the Town's expenditures are appropriately classified based on the restrictions (both external and internal) of the revenue and fund balance(s) in accordance with the definitions listed above.

PENSIONS

Employees' Retirement System (ERS)

For purposes of measuring the net pension liability, 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 (ERS) and the additions to/deductions from ERS' fiduciary net position have been determined on the same basis as they are reported by ERS. 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.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

PENSIONS (CONTINUED)

Municipal Employees' Retirement System (MERS)

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 Municipal Employees' Retirement System (MERS) of Rhode Island and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. 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.

Teachers' Survivors Benefit plan (TSB)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Survivors Benefit plan (TSB) and the additions to/deductions from TSB fiduciary net position have been determined on the same basis as they are reported by TSB. 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.

Police and Fire Pension

The Pension Trust Fund's financial statements are prepared using the accrual basis of accounting and in accordance with generally accepted accounting principles that apply to governmental accounting for defined benefit plans. Employer contributions are recognized when made because there are no required due dates for contributions. Other additions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan document. Plan expenses, other than benefits and refunds are recognized on the accrual basis in accordance with generally accepted accounting principles.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (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 Town of Johnston's Post Employment Health Insurance Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

RECENTLY ISSUED ACCOUNTING STANDARDS

During the year ended June 30, 2023 the Town adopted GASB Statement No. 96, *Subscription Based Information Technology Agreements*. The impact of this standard was determined to be immaterial to the Town's financial statements.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, and liabilities and deferred inflows, and disclosure of contingent assets and liabilities at the date of the basic financial statements. Estimates also affect the reported amounts of revenues, expenditures and expenses during the reporting period. Significant items subject to such estimates include the pollution remediation obligation and the other postemployment benefit liability. Actual results could differ from those estimates.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 20, 2024, which is the date these financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure in these financial statements.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

CASH AND CASH EQUIVALENTS

At June 30, 2023, the carrying amount of the Town's cash and cash equivalents was \$149,458,179 (including \$703,690 of cash held in fiduciary funds). The Town's entire balance was covered by either FDIC insurance or collateral held in the Town's name.

INVESTMENTS

Investments are stated at fair value which is 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 Town follows the guidance for fair value measurements and disclosures in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

In determining fair value, the Town uses various valuation approaches, as appropriate in the circumstances. GASB Statement No. 72 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability.
- Level 3 – Unobservable inputs for the asset or liability (supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Town are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Town are deemed to be actively traded.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

The following table summarizes the investments of the Town and also held in the Pension and OPEB trust fund, at fair value, as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
Investments by Fair Value Level				
Mutual Funds	<u>\$ 67,841,423</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 67,841,423</u>
Total Investments by Fair Value Level	<u>\$ 67,841,423</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 67,841,423</u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposits may not be returned to it. It is the Town’s policy to follow the requirements contained in Section 35-10.1-7 of the General Laws of the State, dealing with the collateralization of public deposits, which requires that all time deposits with maturities of greater than 60 days and all deposits in institutions that do not meet the minimum capital requirements of its federal regulator must be collateralized. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty or agent of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer. The Town manages its risk by participating in a certificate of deposit pool, maximizing the Federal Deposit Insurance Corporation (FDIC) coverage over deposits by limiting the amount on deposit in any one financial institution, and also by securing full collateralization of any remaining uninsured deposits. As of June 30, 2023, more than 5% of the Town’s fiduciary investments are invested in the following:

Issuer	Investment	Value	% of Fiduciary Investments
Vanguard	Large Cap Index Fund	\$ 16,525,673	24.36%
Vanguard	Total Bond Markets Index Fund	\$ 15,146,075	22.33%
Vanguard	Small Cap Index Fund	\$ 8,521,512	12.56%
Vanguard	Mid-Cap Index Fund	\$ 8,314,087	12.26%
Vanguard	Developed Markets Index Fund	\$ 5,607,421	8.27%

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Credit Risk

Credit risk, the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment, is measured by the assignment of a rating to debt securities by a nationally recognized statistical rating organization.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates and will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in interest rates. The Town manages this risk by investing in certificates of deposit with a maturity date of three months or less.

NOTE 3 - PROPERTY TAXES

The Town is responsible for assessing, collecting and distributing property taxes in accordance with enabling state legislation. Net property taxes levied for fiscal year 2023 were based on a net assessed value of \$2,683,230,244 and amounted to \$72,855,937.

Unpaid property taxes as of June 30, 2023 of \$8,898,850, are recorded as a receivable, net of an allowance for uncollectible property taxes of \$4,370,053. Those net property taxes receivable which were not collected within 60 days immediately following June 30, 2023, are recorded as a deferred inflow in fiscal 2023. Property taxes collected within 60 days following June 30, 2023, are recognized as revenue in the governmental fund financial statements and amounted to \$1,117,686. As of July 1, 2022 the Town levied property taxes for its fiscal year as follows:

	Taxable Assessment	Exemptions	Net Tax Assessment	Rate Per \$1,000	Net Levy
Real property residential	\$ 2,369,066,574	\$ 452,926,409	\$ 1,916,140,165	\$ 23.24	\$ 44,532,210
Real property other	587,547,826	3,357,199	584,190,627	28.34	16,555,962
Tangible property	<u>182,899,450</u>	<u>--</u>	<u>182,899,450</u>	64.34	<u>11,767,764</u>
	<u>\$ 3,139,513,850</u>	<u>\$ 456,283,608</u>	<u>\$ 2,683,230,242</u>		<u>\$ 72,855,936</u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4 - INTERFUND BALANCES AND TRANSFERS

Due to/from balances represent short-term advances from one fund (primarily the General Fund) to another fund. The advances may represent balances resulting from operating advances or reimbursements for expenditures paid by one fund on behalf of another fund. The composition of interfund balances at June 30, 2023, was as follows:

	Due From	Due To
General Fund	\$ 6,517,634	\$ 3,935,701
School Unrestricted	3,936,429	6,517,634
Non-Major Governmental Funds	10,419,050	11,633,504
Internal Service Funds	--	129,381
Sewer	537,932	--
Non-Major Enterprise Funds	<u>851,262</u>	<u>46,087</u>
Total	<u>\$ 22,262,307</u>	<u>\$ 22,262,307</u>

The Town had interfund transfers totaling \$44,104,015 during the year ended June 30, 2023. The composition of these interfund transfers was as follows:

	Transfers In	Transfers Out
General Fund	\$ 200,000	\$ 42,604,015
School Unrestricted	39,829,015	--
Non-Major Governmental Funds	4,075,000	200,000
Internal Service Funds	<u>--</u>	<u>1,300,000</u>
Total	<u>\$ 44,104,015</u>	<u>\$ 44,104,015</u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 5 - CAPITAL ASSETS

	Beginning Balance 7/1/2022	Increases	Decreases	Ending Balance 6/30/2023
Capital Assets Not Being Depreciated				
Land	\$ 8,979,477	\$ --	\$ --	\$ 8,979,477
Construction in progress	<u>873,810</u>	<u>8,758,257</u>	<u>(465,073)</u>	<u>9,166,994</u>
Total Capital Assets Not Being Depreciated	<u>9,853,287</u>	<u>8,758,257</u>	<u>(465,073)</u>	<u>18,146,471</u>
Capital Assets Being Depreciated				
Land improvements	3,356,064	68,545	--	3,424,609
Buildings and improvements	49,955,743	1,474,940	--	51,430,683
Infrastructure	61,781,251	3,704,842	--	65,486,093
Vehicles and equipment	<u>15,490,727</u>	<u>602,194</u>	<u>(548,138)</u>	<u>15,544,783</u>
Total Capital Assets Being Depreciated	<u>130,583,785</u>	<u>5,850,521</u>	<u>(548,138)</u>	<u>135,886,168</u>
Less: Accumulated Depreciation For				
Land improvements	518,658	69,838	--	588,496
Buildings and improvements	26,332,213	1,160,260	--	27,492,473
Infrastructure	53,647,675	562,360	--	54,210,035
Vehicles and equipment	<u>11,751,703</u>	<u>1,402,591</u>	<u>(453,308)</u>	<u>12,700,986</u>
Total Accumulated Depreciation	<u>92,250,249</u>	<u>3,195,049</u>	<u>(453,308)</u>	<u>94,991,990</u>
Governmental Activities Capital Assets, Net	<u>\$ 48,186,823</u>	<u>\$ 11,413,729</u>	<u>\$ (559,903)</u>	<u>\$ 59,040,649</u>

Depreciation was charged to functions as follows:

Governmental Activities:

General government	\$ 283,100
Public safety	998,963
Public works	822,465
Parks and recreation	253,054
Education	746,242
Public libraries	<u>91,225</u>
Total Governmental Activities Depreciation Expense	<u>\$ 3,195,049</u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Business-Type Activities:

	Beginning Balance 7/1/2022	Increases	Decreases	Ending Balance 6/30/2023
Capital Assets Being Depreciated:				
Distribution and collection systems	\$ 3,272,669	\$ --	\$ --	\$ 3,272,669
Machinery and equipment	1,071,553	--	--	1,071,553
Vehicles	<u>317,223</u>	<u>--</u>	<u>--</u>	<u>317,223</u>
Total Capital Assets Being Depreciated	<u>4,661,445</u>	<u>--</u>	<u>--</u>	<u>4,661,445</u>
Less: Accumulated Depreciation For				
Distribution and collection systems	1,109,317	119,705	--	1,229,022
Machinery and equipment	498,356	115,459	--	613,815
Vehicles	<u>274,168</u>	<u>9,065</u>	<u>--</u>	<u>283,233</u>
Total Accumulated Depreciation	<u>1,881,841</u>	<u>244,229</u>	<u>--</u>	<u>2,126,070</u>
Business-Type Activities Capital Assets, Net	<u>\$ 2,779,604</u>	<u>\$ (244,229)</u>	<u>\$ --</u>	<u>\$ 2,535,375</u>

Depreciation was charged to functions as follows:

Business-Type Activities:

Sewer	\$ 233,283
Nutrition Fund	<u>10,946</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 244,229</u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 6 - LONG-TERM OBLIGATIONS

A summary of long-term obligations as of June 30, 2023, is as follows:

	Original Amount	Date of Issue	Date of Maturity	Interest Rate %	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:									
Bonds and Notes:									
Public Offerings									
General obligation bonds	\$ 5,000,000	6/12/2013	6/1/2033	2.00-4.00%	\$ 2,805,000	\$ --	\$ 255,000	\$ 2,550,000	\$ 255,000
Direct Borrowings and Placements:									
General obligation refunding bonds	6,955,000	5/29/2012	6/1/2024	2.85%	1,212,725	--	595,175	617,550	617,550
General obligation bonds	4,000,000	5/1/2014	5/1/2029	2.48%	2,175,000	--	275,000	1,900,000	285,000
General obligation bonds	3,990,000	3/5/2015	6/1/2025	1.89%	1,245,000	--	410,000	835,000	415,000
General obligation bonds	2,500,000	5/24/2016	5/1/2031	2.19%	1,595,000	--	160,000	1,435,000	165,000
General obligation bonds	1,238,000	11/16/2016	11/1/2031	2.63%	874,000	--	78,000	796,000	80,000
Tax increments financing bond	1,400,000	2/15/2017	6/15/2042	4.66%	1,298,000	--	29,000	1,269,000	32,000
General obligation bonds	710,000	8/16/2017	8/15/2027	2.35%	428,571	--	71,429	357,142	71,429
General obligation bonds	5,600,000	6/14/2018	7/15/2028	2.94%	4,120,000	--	530,000	3,590,000	550,000
General obligation refunding bonds	2,800,000	10/16/2019	9/1/2029	2.07%	2,285,000	--	265,000	2,020,000	270,000
RIHEBC revenue bonds, series 2022f	85,000,000	9/29/2022	5/15/2052	5.00%	--	85,000,000	--	85,000,000	--
Total Direct Borrowing and Placements					<u>15,233,296</u>	<u>85,000,000</u>	<u>2,413,604</u>	<u>97,819,692</u>	<u>2,485,979</u>
Total Bonds and Notes					18,038,296	85,000,000	2,668,604	100,369,692	2,740,979
Premiums					92,469	8,549,217	295,511	8,346,175	--
Total Bonds, Notes and Premiums					<u>18,130,765</u>	<u>93,549,217</u>	<u>2,964,115</u>	<u>108,715,867</u>	<u>2,740,979</u>
Capital leases payable					1,125,000	--	185,000	940,000	185,000
Compensated absences					9,113,591	1,645,664	1,482,268	9,276,987	1,855,397
Net pension liability					169,343,408	9,931,006	--	179,274,414	--
Net OPEB liability					152,398,758	--	1,764,384	150,634,374	--
Total Governmental Activities									
Long-Term Liabilities					<u>\$ 350,111,522</u>	<u>\$ 105,125,887</u>	<u>\$ 6,395,767</u>	<u>\$ 448,841,642</u>	<u>\$ 4,781,376</u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate %</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-Type Activities:									
<u>Sewer Fund</u>									
Direct Borrowings and Placements:									
General obligation refunding bonds	\$ 6,955,000	6/29/2012	6/1/2024	2.85%	\$ 142,275	\$ --	\$ 69,825	\$ 72,450	\$ 72,450
RIIB Revolving Fund	750,000	4/1/2002	9/1/2022	0.00%	50,185	--	50,185	--	--
RIIB Revolving Fund	2,500,000	10/6/2009	9/1/2029	2.69%-3.08%	771,000	--	85,000	686,000	69,622
Total Direct Borrowings and Placements					<u>963,460</u>	<u>--</u>	<u>205,010</u>	<u>758,450</u>	<u>142,072</u>
Total Business-Type Activities									
Long-Term Liabilities					<u>\$ 963,460</u>	<u>\$ --</u>	<u>\$ 205,010</u>	<u>\$ 758,450</u>	<u>\$ 142,072</u>

The sewer improvement bonds are supported by means of an assessment program. All obligations are backed by the full faith and credit of the Town.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

The annual debt service requirements of bonds and notes are as follows:

Fiscal Year Ending June 30,	Public Offerings		Direct Borrowings and Placements			
	Governmental Activities		Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 255,000	\$ 88,230	\$ 2,485,979	\$ 4,892,850	\$ 142,072	\$ 19,235
2025	255,000	80,580	1,914,428	4,829,008	69,018	14,841
2026	255,000	72,930	3,069,428	4,781,467	73,264	12,411
2027	255,000	55,335	3,194,429	4,673,105	77,509	9,807
2028	255,000	46,538	3,320,428	4,550,876	76,754	7,115
2029-2033	1,275,000	158,482	12,562,000	20,935,644	319,833	5,782
2034-2038	--	--	12,831,000	18,095,376	--	--
2039-2043	--	--	16,317,000	14,380,782	--	--
2044-2048	--	--	20,885,000	9,417,501	--	--
2049-2052	--	--	21,240,000	2,999,644	--	--
	<u>\$ 2,550,000</u>	<u>\$ 502,095</u>	<u>\$ 97,819,692</u>	<u>\$ 89,556,253</u>	<u>\$ 758,450</u>	<u>\$ 69,191</u>

TAX INCREMENT FINANCING BONDS

Tax increment financing (TIF) is an economic development tool in which a municipality earmarks a portion of its property taxes to help finance development in a particular area or site. During fiscal year 2017, the Town of Johnston participated in a tax incremental financing agreement with a local real estate developer to advance empty space along Hartford Avenue. The types of businesses that have been or will be completed on this site include: a supermarket, a bank, two restaurants and a gasoline station. All of the bond proceeds will go toward site improvement.

In fiscal year 2017, the Town issued \$1,400,000 in special obligation tax increment revenue bonds. The debt service on these bonds is payable solely from the tax increment generated by the property within the project area. The Town and its taxpayer are not liable for such bonds, except to the extent of the additional property taxes generated within the project area are dedicated to repayment of the bonds. If the project does not generate enough additional taxes to pay the debt service on the bonds, the bondholders do not have any rights for claims against the Town's other taxes and revenues. The special obligation tax increment revenue bonds are not general obligations of the Town nor do they count against the Town's statutory debt limit. Total principal and interest remaining on the bonds is \$1,949,267 payable through 2041. For the current year, principal and interest paid was \$29,000 and \$60,487, respectively.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

TAX INCREMENT FINANCING BONDS (CONTINUED)

In fiscal year 2022, the Town issued \$550,000 in special obligation tax increment revenue bonds. The debt service on these bonds is payable solely from the tax increment generated by the property within the project area. The Town and its taxpayer are not liable for such bonds, except to the extent of the additional property taxes generated within the project area and dedicated to repayment of the bonds. If the project does not generate enough additional taxes to pay the debt service on the bonds, the bondholders do not have any rights for claims against the Town's other taxes and revenues. The special obligation tax increment revenue bonds are not general obligations of the Town nor do they count against the Town's statutory debt limit. Total principal and interest remaining on the bonds is \$785,781 payable through 2046. For the current year, principal and interest paid was \$9,000 and \$17,615, respectively.

CAPITAL LEASES

At June 30, 2023, scheduled annual debt service requirements to maturity for governmental capital leases are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activity</u>
2024	\$ 195,340
2025	193,082
2026	195,795
2027	193,477
2028	191,159
Total minimum lease payments	968,853
Less: amount for interest	(28,853)
Present value of Minimum Lease Payments	<u>\$ 940,000</u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - FUND BALANCES

The Town has classified governmental fund balances at June 30, 2023 as follows:

Non-Spendable:

General Fund - prepaid items and advances to other funds	\$ 2,349,087
School Unrestricted Fund - prepaid expenditures	154,427
Total Non-Spendable	\$ 2,503,514

Restricted:

School Special Revenue - grant funds	\$ 654,138
Town Special Revenue - grant funds	1,180,714
Capital Projects	1,823,902
School Bond Fund	88,997,669
Total Restricted Fund Balance	\$ 92,656,423

Committed:

Town Special Revenue - nongrant funds	\$ 3,440,418
Capital Projects	2,384,836
Total Committed Fund Balance	\$ 5,825,254

Assigned

ARPA funds	\$ 145,054
Total Assigned Fund Balance	\$ 145,054

Unassigned:

General Fund	\$ 40,835,683
School Special Revenue - deficit fund balances	(121,692)
School Unrestricted Fund - deficit fund balance	(1,709,893)
Total Unassigned Fund Balance	\$ 39,004,098

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - FUND BALANCES (CONTINUED)

For the year ended June 30, 2023, the following funds recognized an operating deficit:

Governmental Funds:

School Special Revenue Funds:

RISCA JHS	\$	1,033
Janice Mele Scholarship		500
Senators Grant		3,480
STEM Mini		1,361
Total School Department Funds		<u>6,374</u>

Town Special Revenue Funds:

Police Federal		6,659
Memorial Park		22,016
Fire Plan Rescue		184,630
Total Town Special Revenue Funds		<u>213,305</u>

Capital Project Funds:

Fire Equipment		251,184 *
RIDEM Dams Escrow		1,416 *
Capital Project Funds:		144,613 *
Capital Lease Fund		115,899 *
Rainone Gym		522,215 *
Total Capital Project Funds		<u>1,035,327</u>

General Fund		1,654,001
School Unrestricted		683,470

Total Operating Deficits - Governmental Funds \$ 1,938,476

Proprietary Funds:

Internal Service Funds	\$	737,583 **
------------------------	----	------------

Total Operating Deficits - Proprietary Funds \$ 737,583

* Fund spent down accumulated funding in conjunction with capital plan

** Deficit due to transfer to school department

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - FUND BALANCES (CONTINUED)

At June 30, 2023, the following funds had a deficit (negative) fund balance or deficit net position, as applicable:

Proprietary Funds:

Non-Major Proprietary Funds:

Summer School	\$	46,087	*
---------------	----	--------	---

Total Cummulative Deficits - Proprietary Funds	\$	46,087	
-------------------------------------------------------	-----------	---------------	--

Governmental Funds:

School Unrestricted Fund	\$	1,555,466	**
--------------------------	----	-----------	----

School Special Revenue Funds:

IDEA Pre K	\$	1,213	**
------------	----	-------	----

Student Support		6,200	**
-----------------	--	-------	----

CTE Consultant		300	**
----------------	--	-----	----

Janice Mele Scholarship		485	**
-------------------------	--	-----	----

STEM Mini		315	**
-----------	--	-----	----

RTTT		1,000	**
------	--	-------	----

EL Categorical		6,944	**
----------------	--	-------	----

SBA Tech		96,529	**
----------	--	--------	----

Feinstein Grant		553	**
-----------------	--	-----	----

Target Grant		3,786	**
--------------	--	-------	----

Misc. Donations		144	**
-----------------	--	-----	----

AJR Grant		4,223	**
-----------	--	-------	----

Total School Special Revenue Funds		121,692	
------------------------------------	--	---------	--

Total Cummulative Deficits - Governmental Funds	\$	1,677,158	
--------------------------------------------------------	-----------	------------------	--

* Deficit will be covered via user fees

** Deficit will be covered via transfer of funds or additional revenue sources

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS

All eligible employees of the Town are covered by one of two pension plans: the Municipal Employees' Retirement System of the State of Rhode Island (Municipal Plan), or the Employees' Retirement System of the State of Rhode Island (Teachers' Plan). The Teachers' Plan covers all School Department personnel certified by the Rhode Island Department of Education who are or have been engaged in teaching as a principal occupation. The Municipal Plan covers all Town Hall employees sworn in on or after January 1, 2000, all Fire Department employees hired on or after January 1, 2001, and all School Department clerks, custodians and teacher assistants.

MUNICIPAL PLAN

Plan Description

The Municipal Employees' Retirement System (MERS) – an agent multiple-employer defined benefit pension plan – provides certain retirement, disability and death benefits to plan members and beneficiaries. MERS was established under Rhode Island General Laws and placed under the management of the Employees' Retirement System of Rhode Island (ERSRI) Board to provide retirement allowances to employees of municipalities, housing authorities, water and sewer districts, and municipal police and fire personnel that have elected to participate. Benefit provisions are subject to amendment by the General Assembly.

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the ERSRI website at www.ersri.org.

Benefits Provided

General employees, police officers and firefighters employed by electing municipalities participate in MERS. Eligible employees become members at their date of employment. Anyone employed by a municipality at the time the municipality joins MERS may elect not to be covered. Elected officials may opt to be covered by MERS. Employees covered under another plan maintained by the municipality may not become members of MERS. Police officers and/or firefighters may be designated as such by the municipality, in which case the special contribution and benefit provisions described below will apply to them, or they may be designated as general employees with no special benefits. Members designated as police officers and/or firefighters are treated as belonging to a unit separate from the general employees, with separate contribution rates applicable.

Salary: Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay, and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under IRC Section 414(h), are not excluded from salary.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

MUNICIPAL PLAN (CONTINUED)

Benefits Provided (Continued)

Service: Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods by making an additional contribution to purchase the additional service. Special rules and limits govern the purchase of additional service and the contribution required.

Final Compensation: Prior to July 1, 2012 and for general employee members eligible to retire as of June 30, 2012, the average was based on the member's highest three consecutive annual salaries. Effective July 1, 2012, the average was based on the member's highest five consecutive annual salaries. Once a member retires or is terminated, the applicable FAC will be the greater of the member's highest three-year FAC as of July 1, 2012 or the five-year FAC as of the retirement/termination date. Monthly benefits are based on one-twelfth of this amount.

General Employees

Members with less than five years of contributory service as of June 30, 2012 and members hired on or after that date are eligible for retirement on or after their Social Security normal retirement age (SSNRA).

Members who had at least five years of contributory service as of June 30, 2012 will be eligible for retirement at an individually determined age. This age is the result of interpolating between the member's prior Retirement Date, described below, and the retirement age applicable to members hired after June 30, 2012 as described above. The interpolation is based on service as of June 30, 2012 divided by projected service at the member's prior Retirement Date. The minimum retirement age is 59.

Members with 10 or more years of contributory service on June 30, 2012 may choose to retire at their prior Retirement Date if they continue to work and contribute until that date. If this option is elected, the retirement benefit will be calculated using the benefits accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.

Effective July 1, 2015, members will be eligible to retire with full benefits at the earlier of their current Rhode Island Retirement Security Act (RIRSA) date described above or upon the attainment of age 65 with 30 years of service, age 64 with 31 years of service, age 63 with 32 years of service, or age 62 with 33 years of service.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

MUNICIPAL PLAN (CONTINUED)

Benefits Provided (Continued)

General Employees (Continued)

A member who is within five years of reaching their retirement eligibility date and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.

Prior to July 1, 2012, members were eligible for retirement on or after age 58 if they had credit for 10 or more years of service, or at any age if they had credit for at least 30 years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.

The annual benefit is equal to 2.00% of the member's monthly FAC for each year of service prior to July 1, 2012 and 1.00% of the member's monthly FAC for each year of service from July 1, 2012 through June 30, 2015. For all service after June 30, 2015, the annual benefit is equal to 1.0% per year unless the member had 20 or more years of service as of June 30, 2012 in which case the benefit accrual is 2.0% per year for service after June 30, 2015. The benefit cannot exceed 75% of the member's FAC. Benefits are paid monthly.

Police and Fire Employees

Members are eligible to retire when they are at least 50 years old and have a minimum of 25 years of contributing service or if they have 27 years of contributing service at any age. Members with less than 25 years of contributing service are eligible for retirement on or after their Social Security normal retirement age.

Members who, as of June 30, 2012, had at least 10 years of contributing service, had attained age 45, and had a prior Retirement Date before age 52 may retire at age 52.

Active members on June 30, 2012 may choose to retire at their prior Retirement Date if they continue to work and contribute until that date. If option is elected, the retirement benefit will be calculated using the benefits accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.

A member who is within five years of reaching their retirement eligibility date, as described in this section, and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

MUNICIPAL PLAN (CONTINUED)

Benefits Provided (Continued)

Police and Fire Employees (Continued)

Prior to July 1, 2012, members designated as police officers or firefighters were eligible for retirement at or after age 55 with credit for at least 10 years of service or at any age with credit for 25 or more years of service. Members were also eligible to retire and receive a reduced benefit if they are at least age 50 and have at least 20 years of service. If the municipality elected to adopt the 20-year retirement provisions for police officers and/or firefighters, then such a member was eligible to retire at any age with 20 or more years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.

A monthly benefit is paid equal to 2.00% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum). If the optional 20-year retirement provisions were adopted by the municipality prior to July 1, 2012: benefits are based on 2.50% of the member's FAC for each year of service prior to July 1, 2012 and 2.00% of the member's FAC for each year of service after July 1, 2012. The benefit cannot exceed 75% of the member's FAC.

Active members (including future hires), members who retire after July 1, 2015 and after attaining age 57 with 30 years of service will have a benefit equal to the greater of their current benefit described above and one calculated based on a 2.25% multiplier for all years of service.

Other Benefit Provisions

Death and disability benefits are also provided to members. A member is eligible for a disability retirement provided he/she has credit for at least five years of service or if the disability is work-related. Members are not eligible for an ordinary disability benefit if they are eligible for unreduced retirement.

Joint and survivor benefit options are available to retirees. For some employees, a Social Security option is also available where an annuity is paid at one amount prior to age 62, and at a reduced amount after age 62, designed to provide a level total income when combined with the member's age 62 Social Security benefit. Benefits cease upon the member's death.

Post-retirement benefit increases are paid to members who retire after June 30, 2012. Members will be eligible to receive cost of living increases at the later of the member's third anniversary of retirement and the month following their SSNRA (age 55 for members designated as police officers and/or firefighters). When a municipality elects coverage, it may elect either COLA C (covering only current and future active members and excluding members already retired) or COLA B (covering current retired members as well as current and future active members).

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

MUNICIPAL PLAN (CONTINUED)

Benefits Provided (Continued)

Other Benefit Provisions (Continued)

a. The COLA will be suspended for any unit whose funding level is less than 80%; however, an interim COLA may be granted in four-year intervals while the COLA is suspended. The first interim COLA may begin January 1, 2018.

b. Effective July 1, 2015, the COLA is determined based on 50% of the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's CPI-U increase for a total maximum increase of 3.50%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%.

c. The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on the every fourth year provision described in (a) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$27,184 for 2020, \$27,608 for 2021, and \$27,901 for 2022.

Employees Covered by Benefit Terms

At the July 1, 2021 valuation date, the following employees were covered by the benefit terms:

	General	Police	Fire
Retirees and beneficiaries	251	0	6
Inactive, nonretired members	137	2	4
Active members	197	25	72
	<u>585</u>	<u>27</u>	<u>82</u>

Contributions

The amounts of employee and employer contributions have been established under Rhode Island General Laws Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012, are required to contribute 2% of their salaries. General employees with more than 20 years of service as of June 30, 2012,

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

MUNICIPAL PLAN (CONTINUED)

Contributions (Continued)

are required to contribute 8.25%. Public safety employees are required to contribute 10% of their salaries. The Town contributes at a rate of covered payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town contributed \$1,357,556, \$275,427 and \$669,346 for general, police and fire, respectively, in the year ended June 30, 2023, which was 16.78%, 17.57% and 12.09% of covered payroll, respectively.

Net Pension Liability

The total pension liability was determined by actuarial valuations performed as of June 30, 2021, and rolled forward to June 30, 2022, using the following actuarial assumptions applied to all periods included in the measurement:

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2022 measurement date (June 30, 2021 valuation rolled forward to June 30, 2022)	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed.
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	General Employees - 3.50% to 7.50%; Police & Fire Employees - 4.00% to 14.00%.
Inflation	2.5 %
Mortality	Mortality – variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.
Cost of Living Adjustments	All future COLAs were assumed to be 2.1% per annum for all MERS units with the COLA provision.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

MUNICIPAL PLAN (CONTINUED)

Net Pension Liability (Continued)

The actuarial assumptions used in the June 30, 2021 valuation rolled forward to June 30, 2022, and the calculation of the total pension liability at June 30, 2021, were consistent with the results of an actuarial experience study performed as of June 30, 2019 as approved by the System's Board on May 22, 2020.

The long-term expected rate of return best-estimate on pension plan investments were determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 40 sources. The June 30, 2022, expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

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 the arithmetic basis.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

MUNICIPAL PLAN (CONTINUED)

Net Pension Liability (Continued)

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
<i>GROWTH</i>		
Global Equity:		
U.S. Equity	24.30%	5.52%
International Developed Equity	11.10%	6.04%
Emerging Markets Equity	4.60%	7.83%
Sub-Total	40.00%	
Private Growth:		
Private Equity	12.50%	9.42%
Non-Core RE	2.50%	4.80%
Sub-Total	15.00%	
<i>INCOME</i>		
Equity Options	2.00%	5.25%
EMD (50/50 Blend)	2.00%	1.82%
Liquid Credit	3.00%	2.95%
Private Credit	3.00%	2.95%
Collateralized Loan Obligations (CLO)	2.00%	2.95%
Sub-Total	12.00%	
<i>STABILITY</i>		
Crisis Protection Class:		
Treasury Duration	5.00%	-0.44%
Systematic Trend	5.00%	3.33%
Sub-Total	10.00%	
Inflation Protection:		
Core Real Estate	4.00%	4.80%
Private Infrastructure	4.00%	5.65%
Sub-Total	8.00%	
Volatility Protection:		
IG Fixed Income	3.25%	1.18%
Securitized Credit	3.25%	1.18%
Absolute Return	6.50%	3.33%
Cash	2.00%	-0.44%
Sub-Total	15.00%	
Total	100.00%	

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

MUNICIPAL PLAN (CONTINUED)

Changes in the Net Pension Liability

Changes in the Net Pension Liability

	General	Police	Fire	Total
Pension Liability:				
Balances as of July 1, 2021	\$ 47,906,539	\$ 1,748,410	\$ 15,603,109	\$ 65,258,058
Changes for the year:				
Service cost	613,418	268,393	948,913	1,830,724
Interest on the total pension liability	3,252,666	131,182	1,113,863	4,497,711
Difference between expected and actual experience	1,353,323	(32,831)	(341,273)	979,219
Benefit payments	(3,493,173)	(17,154)	(330,460)	(3,840,787)
Balances as of June 30, 2022	49,632,773	2,098,000	16,994,152	68,724,925
Fiduciary Net Position:				
Balances as of July 1, 2021	38,742,586	2,129,954	15,678,891	56,551,431
Employer contributions	1,305,625	139,753	671,503	2,116,881
Employee contributions	184,023	137,013	483,867	804,903
Pension plan net investment income	(1,002,861)	(63,535)	(450,812)	(1,517,208)
Benefit payments	(3,493,173)	(17,154)	(330,460)	(3,840,787)
Pension plan administrative expense	(34,188)	(2,166)	(15,368)	(51,722)
Other changes	113,103	(54,839)	62,161	120,425
Balances as of June 30, 2022	35,815,115	2,269,026	16,099,782	54,183,923
Net Pension Liability (Asset)	\$ 13,817,658	\$ (171,026)	\$ 894,370	\$ 14,541,002

Discount Rate

The discount rate used to measure the total pension liability of the plan was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from the 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, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

MUNICIPAL PLAN (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.0 percent, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is a 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
General employee plan	\$ 18,615,687	\$ 13,817,658	\$ 9,458,105
Police employee plan	20,264	(171,026)	(344,676)
Fire employee plan	2,456,296	894,370	(524,135)
Total	<u>\$ 21,092,247</u>	<u>\$ 14,541,002</u>	<u>\$ 8,589,294</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2023, the Town recognized pension expense of \$910,881, \$133,845 and \$327,445 for their General, Police and Fire Plans, respectively.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

MUNICIPAL PLAN (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The Town reported deferred outflows and inflows or resources related to pensions from the following sources:

	General	Police	Fire	Total
Deferred Outflows of Resources:				
Contributions after the measurement period	\$ 1,357,556	\$ 275,427	\$ 669,346	\$ 2,302,329
Differences between expected and actual experience	1,593,070	19,880	1,114,125	2,727,075
Changes in assumptions	--	48,027	363,557	411,584
Net differences between projected and actual earnings on pension plan investments	3,375,169	189,922	1,398,830	4,963,921
	\$ 6,325,795	\$ 533,256	\$ 3,545,858	\$ 10,404,909
Deferred Inflows of Resources:				
Differences between expected and actual experience	\$ 60,249	\$ 151,078	\$ 835,912	\$ 1,047,239
Changes in assumptions	151,872	21,574	54,683	228,129
Net differences between projected and actual earnings on pension plan investments	3,711,895	212,395	1,534,436	5,458,726
	\$ 3,924,016	\$ 385,047	\$ 2,425,031	\$ 6,734,094

An amount of \$2,302,329 reported as deferred outflows of resources related to pensions resulting from the Town's contributions in fiscal year 2023 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

MUNICIPAL PLAN (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

Year Ended June 30,	Net Deferred Outflows/(Inflows) of Resources			
	General	Police	Fire	Total
2024	\$ 160,861	\$ (26,756)	\$ (54,817)	\$ 79,288
2025	248,576	(26,336)	(58,324)	163,916
2026	(111,618)	(33,406)	(124,450)	(269,474)
2027	746,404	37,249	387,029	1,170,682
2028	--	(6,694)	71,261	64,567
Thereafter	--	(71,275)	230,782	159,507
Total	\$ 1,044,223	\$ (127,218)	\$ 451,481	\$ 1,368,486

The police and fire plan liabilities are typically liquidated in the Town’s general fund whereas the general plan is liquidated through a combination of the Town’s general fund and the School’s unrestricted fund.

TEACHERS’ PLAN

Plan Description

Certain employees of the Town participate in a cost-sharing multiple-employer defined benefit pension plan – the Employees’ Retirement System plan (ERS) – administered by the Employees’ Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for 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 and death benefits to plan members and beneficiaries.

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 <http://www.ersi.org>.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

TEACHERS' PLAN (CONTINUED)

Benefit Provisions

The level of benefits provided to participants is established by Chapter 36-10 of the General Laws, which is subject to amendment by the General Assembly. Member benefit provisions vary based on service credits accumulated at dates specified in various amendments to the General Laws outlining minimum retirement age, benefit accrual rates and maximum benefit provisions. In general, members accumulate service credits for each year of service subject to maximum benefit accruals of 80% or 75%. For those hired after June 30, 2012, the benefit accrual rate is 1% per year with a maximum benefit accrual of 40%. 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 five years of service as of July 1, 2012. Members are vested after five 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 but are currently suspended until the collective plans administered by ERSRI reach a funded status of 80%. Until the plans reach an 80% funded status, interim cost of living adjustments are provided at four-year intervals commencing with the plan year ended June 30, 2016. The plan also provides nonservice-connected disability benefits after five 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 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2019, the Town's teachers were required to contribute 3.75% of their annual covered salary, except that teachers with twenty or more years of service as of June 30, 2012, must contribute 11% of their annual covered salary. The State of Rhode Island (State) and the Town are required to contribute at an actuarially determined rate, 40% of which is to be paid by the State and the remaining 60% is to be paid by the Town; the rates were 11.02% and 15.04% of annual covered payroll for the fiscal year ended June 30, 2022, for the State and the Town, respectively. The Town contributed \$3,759,731, \$3,685,054, and \$3,577,433 for the fiscal years ended June 30, 2023, 2022, and 2021, respectively, equal to 100% of the required contributions for each year. The State's share of contribution for fiscal 2023 was \$2,879,472 and is reported as on-behalf payments and included in both revenue and expenditures on the financial statements.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

TEACHERS' PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2023, the Town reported a liability of \$36,587,875 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the State. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ 36,587,875
State's proportionate share of the net pension liability	<u>27,059,304</u>
Total Net Pension Liability	<u>\$ 63,647,179</u>

The net pension liability was measured as of June 30, 2022, 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, 2021, rolled forward to June 30, 2022. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State, actuarially determined. At June 30, 2022, the Town's proportion was 1.35%.

For the year ended June 30, 2023, the Town recognized gross pension expense of \$4,378,002 and revenue of \$2,026,408 for support provided by the State.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

TEACHERS' PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources

Contributions subsequent to the measurement date	\$ 3,759,731
Difference between expected and actual experience	541,907
Changes in assumptions	737,928
Net difference between projected and actual earnings on pension plan investments	5,563,167
Change in proportion and differences between employer contributions and proportionate share of contributions	<u>1,148,933</u>

Total \$ 11,751,666

Deferred Inflows of Resources

Difference between expected and actual experience	\$ 711,635
Changes in assumptions	548,550
Net difference between projected and actual earnings on pension plan investments	6,328,727
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>1,851,300</u>

Total \$ 9,440,212

An amount of \$3,759,731 reported as deferred outflows of resources related to pensions resulting from the School's contributions in fiscal year 2023 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

TEACHERS' PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Year Ended June 30,	
2024	\$ (339,916)
2025	(668,012)
2026	(1,310,842)
2027	805,917
2028	(52,046)
Thereafter	<u>116,622</u>
Total	<u>\$ (1,448,277)</u>

Actuarial Assumptions

The total pension liability was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.0% to 13.0%
Investment rate of return	7.0%

Mortality – variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.

The actuarial assumptions used in the June 30, 2021 valuation rolled forward to June 30, 2022 and the calculation of the total pension liability at June 30, 2022 were consistent with the results of an actuarial experience study performed as of June 30, 2019, as approved by the System's Board on May 22, 2020.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

TEACHERS' PLAN (CONTINUED)

Actuarial Assumptions (Continued)

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 40 sources. The June 30, 2022, expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

TEACHERS' PLAN (CONTINUED)

Actuarial Assumptions (Continued)

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
<i>GROWTH</i>		
Global Equity:		
U.S. Equity	24.30%	5.52%
International Developed Equity	11.10%	6.04%
Emerging Markets Equity	4.60%	7.83%
Sub-Total	40.00%	
Private Growth:		
Private Equity	12.50%	9.42%
Non-Core RE	2.50%	4.80%
Sub-Total	15.00%	
<i>INCOME</i>		
Equity Options	2.00%	5.25%
EMD (50/50 Blend)	2.00%	1.82%
Liquid Credit	3.00%	2.95%
Private Credit	3.00%	2.95%
Collateralized Loan Obligations (CLO)	2.00%	2.95%
Sub-Total	12.00%	
<i>STABILITY</i>		
Crisis Protection Class:		
Treasury Duration	5.00%	-0.44%
Systematic Trend	5.00%	3.33%
Sub-Total	10.00%	
Inflation Protection:		
Core Real Estate	4.00%	4.80%
Private Infrastructure	4.00%	5.65%
Sub-Total	8.00%	
Volatility Protection:		
IG Fixed Income	3.25%	1.18%
Securitized Credit	3.25%	1.18%
Absolute Return	6.50%	3.33%
Cash	2.00%	-0.44%
Sub-Total	15.00%	
Total	100.00%	

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

TEACHERS' PLAN (CONTINUED)

Actuarial Assumptions (Continued)

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 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability calculated using the discount rate of 7.0 percent as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
\$ 45,902,495	\$ 36,587,875	\$ 28,124,493

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

The teachers' plan liabilities are typically liquidated in the School's unrestricted fund.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT

Plan Description

Certain employees of the School Department participate in a cost-sharing multiple-employer defined benefit pension plan - the Teachers' Survivors Benefit plan - administered by the Employees' Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides a survivor benefit to public school teachers in lieu of Social Security since not all school districts participate in Social Security.

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 <http://www.ersri.org>.

Benefit Provisions

The plan provides a survivor benefit to public school teachers in lieu of Social Security since not all school districts participate in the plan. Specific eligibility criteria and the amount of the benefit is subject to the provisions of Chapter 16-16 of the Rhode Island General Laws which are subject to amendment by the General Assembly. Spouse, parents, family and children's benefits are payable following the death of a member. A spouse shall be entitled to benefits upon attaining the age of sixty (60) years. Children's benefits are payable to the child, including a stepchild or adopted child of a deceased member if the child is unmarried and under the age of eighteen (18) years or twenty-three (23) years and a full-time student, and was dependent upon the member at the time of the member's death. Family benefits are provided if at the time of the member's death the surviving spouse has in his or her care a child of the deceased member entitled to child benefits. Parent's benefits are payable to the parent or parents of a deceased member if the member did not leave a widow, widower, or child who could ever qualify for monthly benefits on the member's wages and the parent has reached the age of 60 years, has not remarried, and received support from the member.

In January, a yearly cost-of-living adjustment for spouse's benefits is paid and based on the annual social security adjustment.

Survivors are eligible for benefits if the member has made contributions for at least six months prior to death or retirement.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT (CONTINUED)

Benefit Provisions (Continued)

The TSB plan provides benefits based on the highest salary at the time of retirement of the teacher. Benefits are payable in accordance with the following table:

<u>Highest Annual Salary</u>	<u>Basic Monthly Spouses' benefit</u>
\$17,000 or less	\$ 825.00
\$17,001 to \$25,000	\$ 862.50
\$25,001 to \$33,000	\$ 1,100.00
\$33,001 to \$40,000	\$ 1,237.50
\$40,001 and over	\$ 1,375.00

Benefits payable to children and families are equal to the spousal benefit multiplied by the percentage below:

<u>Parent and 1 Child</u>	<u>Parent and 2 or more Children</u>	<u>One Child Alone</u>	<u>Two Children Alone</u>	<u>Three or more Children Alone</u>	<u>Dependent Parent</u>
150%	175%	75%	150%	175%	100%

Contributions

The contribution requirements of active employees and the participating school districts were established under Chapter 16-16 of the Rhode Island General Laws, which may be amended by the General Assembly. The cost of the benefits provided by the plan are two percent (2%) of the member's annual salary up to but not exceeding an annual salary of \$11,500; one-half (1/2) of the cost is contributed by the member by deductions from his or her salary, and the other half (1/2) is contributed and paid by the respective school district by which the member is employed. These contributions are in addition to the contributions required for regular pension benefits. The Town contributed \$0, \$39,691 and \$37,661 for the fiscal years ended June 30, 2023, 2022 and 2021, respectively, equal to 100% of the required contributions for each year.

Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2023 the Town reported an asset of \$9,232,018 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2022, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022. The Town's proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2022 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2022 the Town's proportion was 5.25%.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT (CONTINUED)

Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

For the year ended June 30, 2023, the Town recognized pension expense of \$2,296,086.

At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources

Contributions subsequent to the measurement date	\$	--
Difference between expected and actual experience		226,870
Changes in assumptions		224,329
Net difference between projected and actual earnings on pension plan investments		1,944,384
Change in proportion and differences between employer contributions and proportionate share of contributions		<u>353,666</u>
Total	\$	<u>2,749,249</u>

Deferred Inflows of Resources

Difference between expected and actual experience	\$	1,188,935
Changes in assumptions		309,220
Net difference between projected and actual earnings on pension plan investments		2,157,905
Changes in proportion and differences between employer contributions and proportionate share of contributions		<u>523,345</u>
Total	\$	<u>4,179,405</u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT (CONTINUED)

Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

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

	Year Ended June 30,	
	2023	\$ (355,085)
	2024	(453,095)
	2025	(543,056)
	2026	176,054
	2027	(156,722)
	Thereafter	<u>(98,252)</u>
	Total	<u>\$ (1,430,156)</u>

Actuarial Assumptions

The total pension liability was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.0% to 13.0%
Investment rate of return	7.0%

Mortality – variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.

The actuarial assumptions used in the June 30, 2021 valuation rolled forward to June 30, 2022 and the calculation of the total pension liability at June 30, 2022 were consistent with the results of an actuarial experience study performed as of June 30, 2019, as approved by the Board on May 22, 2020.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT (CONTINUED)

Actuarial Assumptions (Continued)

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 40 sources. The June 30, 2022, expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT (CONTINUED)

Actuarial Assumptions (Continued)

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
<i>GROWTH</i>		
Global Equity:		
U.S. Equity	24.30%	5.52%
International Developed Equity	11.10%	6.04%
Emerging Markets Equity	4.60%	7.83%
Sub-Total	40.00%	
Private Growth:		
Private Equity	12.50%	9.42%
Non-Core RE	2.50%	4.80%
Sub-Total	15.00%	
<i>INCOME</i>		
Equity Options	2.00%	5.25%
EMD (50/50 Blend)	2.00%	1.82%
Liquid Credit	3.00%	2.95%
Private Credit	3.00%	2.95%
Collateralized Loan Obligations (CLO)	2.00%	2.95%
Sub-Total	12.00%	
<i>STABILITY</i>		
Crisis Protection Class:		
Treasury Duration	5.00%	-0.44%
Systematic Trend	5.00%	3.33%
Sub-Total	10.00%	
Inflation Protection:		
Core Real Estate	4.00%	4.80%
Private Infrastructure	4.00%	5.65%
Sub-Total	8.00%	
Volatility Protection:		
IG Fixed Income	3.25%	1.18%
Securitized Credit	3.25%	1.18%
Absolute Return	6.50%	3.33%
Cash	2.00%	-0.44%
Sub-Total	15.00%	
Total	100.00%	

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT (CONTINUED)

Actuarial Assumptions (Continued)

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 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset calculated using the discount rate of 7.0 percent as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
\$ 8,104,262	\$ 9,232,018	\$ 10,256,651

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

The teachers' survivors benefit plan liabilities are typically liquidated in the Town's general fund.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

LOCAL POLICE AND FIRE PENSION PLAN

The Town administers and contributes to the Police and Fire Pension Plan, a single-employer retirement plan. The assets of the Police and Fire Pension Plan are held in a Trust which is reported in the fiduciary fund on the Town's annual financial statements. The Police and Fire Pension Plan was established by the Town in accordance with the Town Charter. The plan does not issue stand-alone financial statements.

Police and fire department employees are covered under this pension plan, except for firefighters hired after July 1, 1999 and police employees hired after July 1, 2010 who are covered under the State of Rhode Island MERS retirement system.

Any police officer or firefighter currently receiving a pension in the Town of Johnston Local Police Officers and Firefighters Pension Plan are entitled to a 1.25% compounded annual COLA commencing on July 1, 2022 in accordance to the Police and Firefighter contracts and as adopted and approved by the State of RI in the Town's Funding Improvement Plan.

COLA was suspended from July 1, 2017 to June 30, 2022 under the provisions of the Funding Improvement Plan and agreed upon in the provisions of the Labor Contracts with the stipulation the COLA be reinstated at the rate of 1.25% annually compounded on July 1, 2022.

Plan Membership – The Plan consisted of the following as of the date of the latest actuarial valuation of July 1, 2022:

Police:

Inactive employees or beneficiaries currently receiving benefit payments	117
Vested terminated members entitled to but not yet receiving benefits	1
Active employees	30
Total	<u>148</u>

Fire:

Inactive employees or beneficiaries currently receiving benefit payments	101
Active employees	12
Total	<u>113</u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

LOCAL POLICE AND FIRE PENSION PLAN (CONTINUED)

Benefits Provided – In April 2011, the Town established an irrevocable Police and Fire Pension Trust Fund.

Effective July 1, 2021 and July 1, 1992, the required contribution rate for the pay-as-you-go police and fire pension plan, respectively is 8% by the employees and 12% by the Town. The contribution is calculated on the employee's annual salary, holiday pay, overtime pay, etc.

The police officer pay-as-you-go plan provides retirement benefits as well as death and disability benefits. All members of the police department hired before July 1, 2010 are eligible to participate. Participants in the plan are eligible to retire after 18 years of service. Benefits are equal to a percentage of the employee's final average salary, documented on the W-2 tax form, over a three-year period (see chart below). Employees are vested in their retirement benefits upon completion of 10 years of service. All police officers who retire on disability receive sixty-six and two-thirds percent of their salary as defined in their collective bargaining agreement, at the time of disability. For retirements prior to July 1, 2005, pensions for retirees are indexed to one-half of the negotiated base pay increases for active police after benefit commencement. For retirements after July 1, 2005, pensions for retirees shall increase by a 3.00% compounded cost of living adjustment (COLA). The COLA shall begin the 25th month following the date of the officer's retirement.

The firefighter pay-as-you-go plan provides retirement benefits as well as death and disability benefits. All members of the fire department hired before July 1, 1999 are eligible to participate. Participants in the plan are eligible to retire after 20 years of service. Benefits are equal to a percentage of the final average of the employee's three highest consecutive years of compensation based on the base salary, holiday, longevity, clothing allowance, clothing maintenance allowance, "severance pay" (unused sick and vacation pay distributed at retirement), and seventy-five percent of overtime pay (see chart below). Employees shall be able to accrue an additional 2 1/2% in benefits for each year of service credited over 20 years up to a maximum of 30 years for a benefit of 75% of final average salary. Employees are vested in their retirement benefits on completion of 10 years of service and attainment of age 55. All firefighters who retire on disability receive sixty-six and two-thirds percent of their final average salary. Retirees receive a COLA of one-half of the negotiated pay increases for active firefighters.

Effective July 1, 2022 COLA provisions for all police and fire, including those in the Fire and Police MERS plans are 1.25% compounded.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

LOCAL POLICE AND FIRE PENSION PLAN (CONTINUED)

Benefits Provided (Continued)

<u>Years of Service</u>	<u>Percentage of Final Average Salary</u>	
	<u>Police</u>	<u>Fire</u>
18	45.00%	
19	47.50%	
20	50.00%	50.00%
21	52.50%	52.50%
22	55.00%	55.00%
23	57.50%	57.50%
24	60.00%	60.00%
25	65.00%	62.50%
26	66.00%	65.00%
27	67.00%	67.50%
28	68.00%	70.00%
29	69.00%	72.50%
30+	70.00%	75.00%

Contributions – The amount of employee contributions has been established under the plan. For the police department, employee contributions are equal to 8% of gross pay. Police employees terminated before retirement may withdraw the employee-provided account and forfeit their right to pension benefits. The Town of Johnston has adopted a policy to increase the prior year’s employer contribution 2.75% annually.

For the fire department, employee contributions are equal to 8% of salary including base, holiday, longevity, clothing allowance, clothing maintenance allowance, severance and overtime. The Town of Johnston has adopted a policy to increase the prior year’s employer contribution 2.75% annually.

Summary of Significant Accounting Policies

Basis of Accounting – The Plan is accounted for using the accrual basis of accounting. Revenues (contributions and investment income) are recognized when they are earned and expenses (benefits, administration and refunds) are recognized when due and payable in accordance with the terms of the Plan. Liabilities are recorded when due and payable in accordance with the terms of the Plan. Administrative costs of the Plan are funded by the Plan.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

LOCAL POLICE AND FIRE PENSION PLAN (CONTINUED)

Investments – Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. By contract, an independent appraisal is obtained once every year to determine the fair market value of the assets.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	60.00%	6.91%
International equity - developed markets	10.00%	7.21%
International equity - emerging markets	5.00%	8.71%
Fixed income - core	25.00%	1.61%

Rate of return – For the year ended June 30, 2023 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 9.05%. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the change in the net pension asset of the Town Plan for the year ended June 30, 2023, were as follows:

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

LOCAL POLICE AND FIRE PENSION PLAN (CONTINUED)

Police Plan

Pension Liability:	
Balance at July 1, 2022	\$ 85,127,537
Changes for the year:	
Service cost	1,379,984
Interest	5,859,447
Differences in experience	2,517,192
Benefit payments	<u>(5,602,264)</u>
Net changes	<u>4,154,359</u>
Balance at June 30, 2023	<u>\$ 89,281,896</u>
Fiduciary Net Position:	
Balance at July 1, 2022	\$ 28,616,341
Changes for the year:	
Employer contributions	5,463,322
Member contributions	250,699
Net investment income	2,591,174
Benefit payments	(5,602,264)
Administrative expense	(66,360)
Other	<u>1,647</u>
Net changes	<u>2,638,218</u>
Balance at June 30, 2023	<u>\$ 31,254,559</u>
Town's Net Pension Liability	<u>\$ 58,027,337</u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

LOCAL POLICE AND FIRE PENSION PLAN (CONTINUED)

Fire Plan

Pension Liability:	
Balance at July 1, 2022	\$ 85,658,966
Changes for the year:	
Service cost	655,019
Interest	5,852,868
Differences in experience	(662,411)
Benefit payments	<u>(5,403,173)</u>
Net changes	<u>442,303</u>
Balance at June 30, 2023	<u>\$ 86,101,269</u>
Fiduciary Net Position:	
Balance at July 1, 2022	\$ 25,327,994
Changes for the year:	
Employer contributions	4,686,123
Member contributions	128,551
Net investment income	2,261,910
Benefit payments	(5,403,173)
Administrative expense	<u>(66,360)</u>
Net changes	<u>1,607,051</u>
Balance at June 30, 2023	<u>\$ 26,935,045</u>
Town's Net Pension Liability	<u>\$ 59,166,224</u>

Actuarial assumptions – The total pension liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 2.50 percent

Salary increases 3.25 percent

Discount rate 7.00 percent

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

LOCAL POLICE AND FIRE PENSION PLAN (CONTINUED)

Actuarial assumptions (Continued)

Investment rate of return 7.25 percent, net of pension plan investment expense, including inflation

Mortality – Sex-distinct PubG-2010 General Employee Amount-weighted Mortality Table

Discount rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Town’s contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. 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 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 to changes in the discount rate – The following presents the net pension liability of the Town, calculated using the discount rate of 7.0%, as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%).

Police Plan:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 68,953,748	\$ 58,027,337	\$ 49,054,108

Fire Plan:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 68,983,125	\$ 59,166,224	\$ 51,013,413

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

LOCAL POLICE AND FIRE PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, the Town recognized pension expense related to the Police Plan of \$8,122,123 and pension expense related to the Fire Plan of \$4,560,271. At June 30, 2023, the Town reported deferred outflows and inflows of resources related to the Plan from the following sources:

Police Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual earnings on investments	\$ 1,491,316	\$ --

Fire Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual earnings on investments	\$ 1,318,386	\$ --

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

Police Plan

Year Ended June 30:	
2024	\$ 408,052
2025	80,407
2026	1,120,134
2027	(117,277)
	\$ 1,491,316

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

LOCAL POLICE AND FIRE PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows and Inflows of Resources (Continued)

Fire Plan

	Year Ended June 30:		
	2024	\$	360,359
	2025		13,957
	2026		1,046,444
	2027		(102,374)
		\$	<u>1,318,386</u>

Payable to the Plan

The Town does not have a reported payable liability to the Plan as of June 30, 2023.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

The following schedules present the net position held in trust for pension and OPEB benefits at June 30, 2023 and the changes in net position for the year ended June 30, 2023.

	Police / Fire Pension Trust	Town OPEB Trust	Total
Assets			
Cash and cash equivalents	\$ 422,733	\$ --	\$ 422,733
Investments, at fair value:			
Money market mutual funds	57,084,151	10,757,272	67,841,423
Prepaid items	<u>902,641</u>	<u>--</u>	<u>902,641</u>
Total Assets	<u>58,409,525</u>	<u>10,757,272</u>	<u>69,166,797</u>
Accrued expenses	112,472	--	112,472
Deposits held in custody for others	<u>107,449</u>	<u>--</u>	<u>107,449</u>
Total Liabilities	<u>219,921</u>	<u>--</u>	<u>219,921</u>
Net Position			
Restricted for other post-employment benefits	--	10,757,272	10,757,272
Restricted for pension benefits	<u>58,189,604</u>	<u>--</u>	<u>58,189,604</u>
Total Net Position	<u>\$ 58,189,604</u>	<u>\$ 10,757,272</u>	<u>\$ 68,946,876</u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

	Police / Fire Pension Trust	Town OPEB Trust	Total
Additions			
Contributions:			
Employer contributions	\$ 10,149,445	\$ 7,699,818	\$ 17,849,263
Plan member contributions	379,250	--	379,250
Other income	1,647	--	1,647
Total Contributions	<u>10,530,342</u>	<u>7,699,818</u>	<u>18,230,160</u>
Investment earnings:			
Net change in fair value of investments	3,565,696	--	3,565,696
Interest and dividends	1,287,389	1,044,234	2,331,623
Total Investment Earnings	<u>4,853,085</u>	<u>1,044,234</u>	<u>5,897,319</u>
Total Additions	<u>15,383,427</u>	<u>8,744,052</u>	<u>24,127,479</u>
Deductions			
Benefits paid	10,776,750	7,449,818	18,226,568
Administration	361,407	31,440	392,847
Total Deductions	<u>11,138,157</u>	<u>7,481,258</u>	<u>18,619,415</u>
Change in Net Position	4,245,270	1,262,794	5,508,064
Net Position - Beginning of Year	<u>53,944,334</u>	<u>9,494,478</u>	<u>63,438,812</u>
Net Position - End of Year	<u>\$ 58,189,604</u>	<u>\$ 10,757,272</u>	<u>\$ 68,946,876</u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

DEFINED CONTRIBUTION PLAN

Plan Description

Certain employees participating in the Municipal Plan or Teachers' Plan with less than 20 years of service as of June 30, 2012, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS Section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 5% of their annual covered salary and employers contribute between 1% and 1.5% of annual covered salary depending on the employee's total years of service as of June 30, 2012. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly. Amounts in the defined contribution plan are available to participants in accordance with IRS guidelines for such plans.

The Town recognized pension expense of \$816,762 for the fiscal year ended June 30, 2023. The System 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 <https://www.ersi.org>.

FIRE LONGEVITY PLAN

The Town administers a Fire Longevity Plan, a single-employer retirement plan. The Fire Longevity Plan was established by the Town in accordance with the Town Charter. The plan does not issue stand-alone financial statements.

Plan Membership – The Plan consisted of the following as of the date of the latest actuarial valuation of July 1, 2022:

Retired members and beneficiaries	79
Active employees	88
Total	<u>167</u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

FIRE LONGEVITY PLAN (CONTINUED)

Benefits Provided –

Effective July 1, 1987, all employees who retire after twenty (20) years of service on the Johnston Fire Department that are members of the local pension plan shall receive a longevity payment of five and one-half (5½) percent of their annual salary at the time of retirement. Such longevity payment shall be paid beginning with the first anniversary following the first year of retirement, and shall continue each anniversary date thereafter.

Effective July 1, 2022 COLA provisions for all police and fire, including those in the Fire and Police MERS plans are 1.25% compounded.

Summary of Significant Accounting Policies

Basis of Accounting – The Plan is accounted for using the accrual basis of accounting. Revenues (contributions and investment income) are recognized when they are earned and expenses (benefits, administration and refunds) are recognized when due and payable in accordance with the terms of the Plan. Liabilities are recorded when due and payable in accordance with the terms of the Plan.

Total Pension Liability

The components of the change in the total pension liability of the Town Plan for the year ended June 30, 2023, were as follows:

Pension Liability:	
Balance at July 1, 2022	\$ 9,294,999
Changes for the year:	
Service cost	274,740
Interest	203,980
Changes in assumptions	(1,948,771)
Differences in experience	(60,915)
Benefit payments	<u>(252,405)</u>
Net changes	<u>(1,783,371)</u>
Total Pension Liability	<u>\$ 7,511,628</u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

FIRE LONGEVITY PLAN (CONTINUED)

Actuarial assumptions – The total pension liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 2.50 percent

Salary increases 3.25 percent

Discount rate 3.65 percent

Mortality – Sex-distinct PubG-2010 General Employee Amount-weighted Mortality Table, projected generationally with Scale MP-2016

Sensitivity of the total pension liability to changes in the discount rate – The following presents the total pension liability of the Town, calculated using the discount rate of 2.16%, as well as what the Town’s total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%).

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total Pension Liability	\$ 8,737,943	\$ 7,511,628	\$ 6,543,490

Pension Expense

For the year ended June 30, 2023, the Town recognized pension expense related to the Fire Longevity Plan of (\$191,176).

Payable to the Plan

The Town does not have a reported payable liability to the Plan as of June 30, 2023.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

POLICE COST OF LIVING ADJUSTMENT PLAN

The Town administers a Police Cost of Living Adjustment (COLA) Plan, a single-employer retirement plan. The Police COLA Plan was established by the Town in accordance with the Town Charter. The Plan is open to Town of Johnston, Rhode Island police officers who participate in the Rhode Island Municipal Employees' Retirement System (MERS). The plan does not issue stand-alone financial statements.

Plan Membership – The Plan consisted of the following as of the date of the latest actuarial valuation of July 1, 2023:

Retired members and beneficiaries	--
Active employees	<u>32</u>
Total	<u><u>32</u></u>

Benefits Provided –

Annual cost-of-living allowance (COLA) on benefits, as calculated in the MERS Plan. Commencing July 1, 2022 the annual COLA will be 1.25%, compounded annually. Prior to July 1, 2012, the average was based on the member's highest three consecutive annual salaries. Effective July 1, 2012, the average was based on the members highest five consecutive annual salaries. Once a member retires or is terminated, the applicable FAC will be the greater of the members highest three-year FAC as of July 1, 2012 or the five-year FAC as of the retirement/termination date. Monthly benefits are based on one-twelfth of this amount.

Effective July 1, 2023 COLA provisions for all police and fire, including those in the Fire and Police MERS plans are 1.25% compounded.

Summary of Significant Accounting Policies

Basis of Accounting – The Plan is accounted for using the accrual basis of accounting. Revenues (contributions and investment income) are recognized when they are earned and expenses (benefits, administration and refunds) are recognized when due and payable in accordance with the terms of the Plan. Liabilities are recorded when due and payable in accordance with the terms of the Plan.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

POLICE COST OF LIVING ADJUSTMENT PLAN (CONTINUED)

Total Pension Liability

The components of the change in the total pension liability of the Town Plan for the year ended June 30, 2023, were as follows:

Pension Liability:

Balance at July 1, 2022	\$ 313,241
Changes for the year:	
Service cost	92,760
Benefit payments	<u>(92,760)</u>
Net changes	<u>--</u>
Total Pension Liability	<u>\$ 313,241</u>

Actuarial assumptions – The total pension liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 2.50 percent

Salary increases 3.00 percent

Mortality – Pub-2010 Healthy Retirees, amount weighted, general, median table, loaded 115% for males and 111% for females

Pension Expense

For the year ended June 30, 2023, the Town recognized pension expense related to the Plan of \$61,801.

Payable to the Plan

The Town does not have a reported payable liability to the Plan as of June 30, 2023.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

FIRE COST OF LIVING ADJUSTMENT PLAN

The Town administers a Police Cost of Living Adjustment (COLA) Plan, a single-employer retirement plan. The Police COLA Plan was established by the Town in accordance with the Town Charter. The Plan is open to Town of Johnston, Rhode Island firefighters who participate in the Rhode Island Municipal Employees' Retirement System (MERS). The plan does not issue stand-alone financial statements.

Plan Membership – The Plan consisted of the following as of the date of the latest actuarial valuation of July 1, 2023:

Retired members and beneficiaries	10
Active employees	74
Total	<u>84</u>

Benefits Provided –

Annual cost-of-living allowance (COLA) on benefits, as calculated in the MERS Plan. Commencing July 1, 2022 the annual COLA will be 1.25%, compounded annually. Prior to July 1, 2012, the average was based on the member's highest three consecutive annual salaries. Effective July 1, 2012, the average was based on the members highest five consecutive annual salaries. Once a member retires or is terminated, the applicable FAC will be the greater of the members highest three-year FAC as of July 1, 2012 or the five-year FAC as of the retirement/termination date. Monthly benefits are based on one-twelfth of this amount.

Summary of Significant Accounting Policies

Basis of Accounting – The Plan is accounted for using the accrual basis of accounting. Revenues (contributions and investment income) are recognized when they are earned and expenses (benefits, administration and refunds) are recognized when due and payable in accordance with the terms of the Plan. Liabilities are recorded when due and payable in accordance with the terms of the Plan.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

FIRE COST OF LIVING ADJUSTMENT PLAN (CONTINUED)

Total Pension Liability

The components of the change in the total pension liability of the Town Plan for the year ended June 30, 2023, were as follows:

Pension Liability:	
Balance at July 1, 2022	\$ 2,956,081
Changes for the year:	
Service cost	430,645
Benefit payments	<u>(430,645)</u>
Net changes	<u> --</u>
 Total Pension Liability	 <u><u>\$ 2,956,081</u></u>

Actuarial assumptions – The total pension liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 2.50 percent

Salary increases 3.00 percent

Mortality – Pub-2010 Healthy Retirees, amount weighted, general, median table, loaded 115% for males and 111% for females

Pension Expense

For the year ended June 30, 2023, the Town recognized pension expense related to the Plan of \$181,634.

Payable to the Plan

The Town does not have a reported payable liability to the Plan as of June 30, 2023.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS (CONTINUED)

SUMMARY OF PENSION EXPENSE, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO ALL PENSIONS OF THE TOWN

	MERS General Plan	MERS Police Plan	MERS Fire Plan	Town Police Plan	Town Fire Plan	ERS Teachers Plan	TSB Teachers Plan	Fire Longevity Plan	Police COLA Plan	Fire COLA Plan	Total
Deferred outflows	\$ 6,325,795	\$ 533,256	\$ 3,545,858	\$ 1,491,316	\$ 1,318,386	\$ 11,751,666	\$ 2,749,249	\$ --	\$ --	\$ --	\$ 27,715,526
Deferred inflows	3,924,016	385,047	2,425,031	--	--	9,440,212	4,179,405	1,339,790	--	--	21,693,501
Net pension liability	13,817,658	--	894,370	58,027,337	59,166,224	36,587,875	--	7,511,628	313,241	2,956,081	179,274,414
Net pension asset	--	171,026	--	--	--	--	9,232,018	--	--	--	9,403,044
Pension expense	910,881	133,845	327,445	8,122,123	4,560,271	2,296,086	(963,009)	(191,176)	61,801	181,634	15,439,901

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The Town provides post-employment health benefits for Firefighters, Police Officers, Teachers and certain other retirees. This benefit is provided per various bargaining agreements. The Town pays for 100% of retiree and spouse costs. The Town is also required to provide dental insurance to certain other retirees until the retirees reach the age of 65 or unless covered elsewhere. The post-employment benefits plan is a single-employer defined benefit healthcare plan administered by the Town. The post-employment benefits plan is considered to be part of the Town’s financial reporting entity and is included in the Town’s financial report as the Other Post-Employment Benefits Trust Fund. The Town does not issue a separate stand-alone financial statement for this program. Management of the post-employment benefits plan is vested with the Town.

Covered Participants

At June 30, 2023, the date of the latest actuarial valuation, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments	641
Active employees	596
Total	<u>1,237</u>

Funding Policy and Benefits Provided

The Town has established a trust fund to irrevocably segregate assets to fund the liability associated with post-employment benefits. The fund is reported as a trust fund in accordance with GASB guidelines. The annual actuarially determined contribution payment is transferred into this account annually from the General Fund and budgeted as part of the budgeting process, which is approved by the Town Council.

Firefighters are eligible for lifetime retiree health benefits upon attainment of 20 years of service.

Police officers are eligible for lifetime retiree health benefits upon attainment of 18 years of service.

Town general employees are eligible for lifetime retiree health benefits upon attainment of age 58 with 10 years of service or 26 years of service with no age requirement. For Laborers’ Local 808, only employees hired prior to April 19, 2012 are eligible for retiree health benefits.

School Certified employees are eligible for retiree health benefits upon meeting Rhode Island Employees Retirement System eligibility requirements as described in the next section. Retirees electing spousal coverage are required to pay the full incremental spouse cost. No spousal coverage is available once the retiree reaches Medicare eligibility.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Funding Policy and Benefits Provided (Continued)

School Noncertified employees are eligible for retiree health benefits according to the requirements below:

Hired prior to September 1, 1999: age 58 with 15 years of service or 25 years of service.

Hired on/after September 1, 1999: age 60 with 20 years of service or age 55 with 25 years of service.

There is no spousal coverage available at retirement (pre- or post-Medicare).

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022. The following actuarial assumptions applied to all periods in the measurements:

- Actuarial cost method – Entry Age Normal
- Healthcare Cost Trend Rates – 8.00 percent decreasing to an ultimate rate of 4.50 percent
- Discount rate – The discount rate used to measure the OPEB liability 5.2% for Town. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to and above the expected benefit payments. Based on those assumptions, the OPEB plan’s net fiduciary position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected payments to determine the total OPEB liability.

The long-term expected rate of return on OPEB plan investments is based on the real rates of returns, the asset allocation percentages. The June 30, 2023, real returns and target asset allocation by major asset class are as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	41.00%	6.20%
Non-U.S. Equity	26.00%	8.30%
U.S. Aggregate Bonds	10.00%	4.50%
Intermediate-Term Credit	7.00%	4.90%
Short-Term Credit	3.00%	4.50%
Non-U.S. Bonds	5.00%	4.20%
REITs	8.00%	6.60%

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Net OPEB Liability

OPEB Liability:	
Balance at July 1, 2022	\$ 161,893,236
Changes for the year:	
Service cost	3,381,241
Interest	7,918,112
Changes in assumptions	(3,695,057)
Differences in experience	(656,068)
Benefit payments	<u>(7,449,818)</u>
Net changes	<u>(501,590)</u>
Balance at June 30, 2023	<u>\$ 161,391,646</u>
Fiduciary Net Position:	
Balance at July 1, 2022	\$ 9,494,478
Changes for the year:	
Employer contributions	7,699,818
Net investment income	1,044,234
Benefit payments	(7,449,818)
Administrative expense	<u>(31,440)</u>
Net changes	<u>1,262,794</u>
Balance at June 30, 2023	<u>\$ 10,757,272</u>
Town's Net OPEB Liability	<u>\$ 150,634,374</u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability calculated using the discount rate of 5.20 percent for the Town as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Town	\$ 174,478,883	\$ 150,634,374	\$ 131,489,937

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability calculated using the healthcare cost trend for the Town as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease (6.50%)	Current Health Care Trend Rates (7.50%)	1% Increase (8.50%)
Town	\$ 130,717,344	\$ 150,634,374	\$ 175,486,101

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the Town recognized OPEB expense of (\$6,473,682). At June 30, 2023, the Town reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,851,600	\$ 10,849,424
Net difference between projected actual earnings	413,033	--
Changes in assumptions	13,338,442	45,928,916
Total	\$ 17,603,075	\$ 56,778,340

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

OPEB Expense and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows and inflows or resources related to the Town OPEB plan will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	
2024	\$ (13,761,974)
2025	(11,124,410)
2026	(13,336,555)
2027	<u>(952,326)</u>
	<u>\$ (39,175,265)</u>

The Town's OPEB liabilities are typically liquidated in the Town's general fund.

NOTE 10 - CONTINGENCIES AND COMMITMENTS

Litigation

The Town is a defendant in various lawsuits and the outcome of these lawsuits is not presently determinable. In the opinion of the Town attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10 - CONTINGENCIES AND COMMITMENTS (CONTINUED)

Grants

The Town has received federal and state grants for specific purposes that are subject to audit by the grantors or their representatives. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant, Town officials believe such disallowances, if any, would be immaterial.

NOTE 11 - RISK MANAGEMENT

Healthcare

Effective July 1, 2008 the Town of Johnston established a healthcare management fund (an internal service fund) to account for its healthcare coverage programs for current active and retired employees. In addition, effective July 1, 2008, the Town became a member of Rhode Island Municipal Insurance Corporation (RIMIC), a collaborative of various municipal entities, for health insurance claims. All departments of the Town participate in the self-insurance program (cost plus basis) through RIMIC. Effective fiscal year 2011, the Town also became self-insured for dental insurance.

The Town currently maintains stop loss insurance to protect the taxpayers from catastrophic loss resulting from excessive health insurance claims. At June 30, 2023 the stop loss insurance contract covered all claims exceeding \$250,000 per individual on an annual basis. In addition, specific stop loss maximum for the Town for the year is maintained at approximately \$1,750,000. Settlements have not exceeded coverage in any of the last three years.

The Town's finance department oversees the self-insured program for all Town employees and claims payment services are provided by Blue Cross Blue Shield of Rhode Island and Delta Dental of Rhode Island (Plan Administration). All funds of the Town make payments to the Healthcare Management Fund (an internal service fund) based on actual claims of estimated working rates.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 11 - RISK MANAGEMENT (CONTINUED)

An analysis of the activity in the claims liability for the medical insurance fund is as follows:

Medical Insurance								
		Current Year						
		Claims and						
Liability		Changes in		Claims				
July 1,		Estimates		Payments				
				Liability				
				June 30,				
	\$	1,371,277	\$	19,810,572	\$	(20,327,012)	\$	854,837
2021-22		854,837		21,740,039		(21,413,589)		1,181,287
2022-23								

Unemployment

The Town is self-insured for unemployment benefits.

Other Insurance

The Town is a member of the Rhode Island Inter-Local Risk Management Trust. This cooperative pool with other Rhode Island cities and towns provides insurance coverage for the Town risks of loss.

The Trust provides all property and liability insurance coverage for the Town. Property and liability claims are subject to a \$2,500 per occurrence deductible with the exception of public officials’ liability claims, which are subject to a \$5,000 per occurrence deductible. The Trust’s self-insured retention levels range from \$100,000 to \$500,000 depending on the type of coverage provided. In addition to the self-insurance provided by the Trust, there is also reinsurance through third-party sources for claims up to \$4,000,000.

The Trust is a nonprofit organization which is governed by a Board of Trustees composed of officials of member organizations or their representatives. In addition to insurance coverage, the Trust provides risk management services with emphasis on loss control, risk management, education and training, claims administrations, and other services to its members. Upon joining the Trust, members sign a participation agreement which outlines the rights and responsibilities of both members and the Trust. The agreement states that for premiums paid by members, the Trust will assume financial responsibility for member’s losses up to a maximum amount of insurance purchased, minus member’s deductible amounts. Additionally, should a member decide to withdraw from a Trust, the participation agreement requires three months’ notice and the payment of a severance penalty.

Net Position

At June 30, 2023, net position is split between the Town and School Department at \$3,411,669 and \$1,410,672, respectively.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 12 - OTHER AGREEMENTS

In March, 1996, the Town entered into an agreement with the Rhode Island Solid Waste Management Corporation (the Corporation). The agreement shall remain in effect for as long as the Corporation, its successor or assignee, owns or operates solid waste management facilities and landfills on the property in the Town.

The terms of the agreement are as follows:

- The Town received \$3,150,000 in April 1996 as settlement of all disputed amounts owed to the Town by the Corporation from the beginning of time up to the effective date of the agreement.
- Annual payments shall be made to the Town in the amount of \$1,500,000 plus 3 1/2% of the Corporation's gross revenue. However, the annual payment must not be less than \$1,500,000 nor greater than 10% of the Corporation's gross revenue.
- The annual payments are due on a quarterly basis beginning July 1996. If the Corporation fails to make a payment within thirty (30) days after the due date, interest shall accrue from the expiration of the due date at the rate of six percent (6%) per annum.
- For the contract year beginning April 1, 2001, and every five (5) years thereafter, the amount paid to the Town shall be increased ten percent (10%).

On March 16, 2015, the Town and Energy Rhode Island State Energy L.P. (ERISE) entered into an agreement regarding the supply of energy to certain parts of the Town. In May 1999, the Town entered into the original agreement regarding this matter with predecessors' organizations. The current agreement commenced on January 2015 and expires on December 31, 2035.

ERISE agrees to provide energy at a significant benefit to the industrial customers located in the industrial park site where the energy facility is constructed. Also, the agreement provides additional benefits to the Town through the provision of discounted generation supply to the Town for use in its municipal facilities.

The agreement allows for an evaluation of the escalation rate every fifth year. Annual payments are due on or before January 31 of each year of the term.

Total revenue of \$3,446,057 was received under the terms of the agreement for the year ended June 30, 2023.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 13 - TAX ABATEMENTS

The Town of Johnston, Rhode Island, may, from time-to-time, enter into Tax Stabilization agreement (tax treaty agreements) with local businesses in accordance with provisions of Rhode Island Public Laws, 1960, Chapter 7, and various provisions of the General Laws of the State of Rhode Island. In accordance with the applicable Public Law and the General Laws of the State of Rhode Island, the Town may enter into tax treaty agreements which provide stabilization of taxes as a means to induce businesses to locate to the Town of Johnston. These agreements are considered to be in the best public interest of the Town as they provide incentives for businesses to locate in the Town of Johnston, which will result in an increase in the tax base of the Town, provide increased tax revenue, enhance property values in the Town, help the overall economic climate of the Town, and, in some instances, create employment opportunity for the residents of the Town of Johnston.

As of June 30, 2023, the Town maintained five tax treaty/tax stabilization agreements. These agreements provided tax relief to businesses in the form of stabilization agreements for real and tangible property taxes. Listed below is a summary of information pertaining to these agreements for the fiscal year ended June 30, 2023.

Tax Treaty Agreements

- Agreement with Citizens Bank National Association entered into April 11, 2016, regarding the stabilized tax agreement at a new development site. The agreement shall be for a time period of 20 years. The developer and/or any other successor Project Owner shall make stabilized tax payments to the Town in the amount of \$250,000 per tax year, in lieu of any and all other real and personal property taxes during the term. The total taxes abated for the fiscal year ended June 30, 2023 were \$1,116,684.
- Agreement was entered into on March 21, 2007 between the Town and A. Duie Pyle, Inc., regarding tax stabilization. The term of the agreement is for the period of 17 years. The Corporation made a one-time payment of \$650,000 due during the 17-year period. The total taxes abated for the fiscal year ended June 30, 2023 were \$57,031.
- Agreement was entered into on June 29, 2017 between the Town and WED Developers for seven wind turbines at \$20,000 per year, regarding tax stabilization. The term of the agreement is for the period of 20 years at \$140,000 per year.
- A tax stabilization agreement was entered into on November 19, 2021 between the Town and Amazon.com Services, LLC, a Delaware limited liability company. The term of the agreement is 20 years with the first payment due on January 1, 2024. Each payment is due on the first of each calendar year. Payments begin at \$5,700,000 in year one escalating up to \$9,112,306 by year twenty for a total payment schedule of \$145,604,548.
- In addition, on November 19, 2021, the Town and Amazon.com Services LLC entered into a Community Partnership Agreement. Amazon, as a result of this project, intends to create 1,500 new permanent full-time positions at its facility at 2120 Hartford Avenue, Johnston, RI. Amazon is committed to approximately \$290 million investment in the project with the personal property value yet to be determined.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 14 - LEASE RECEIVABLES

The Town is reporting Lease receivables of \$2,467,177 at June 30, 2023. For fiscal year 2023, the Town reported lease revenue of \$120,770 related to lease payments received. These leases are summarized as follows:

Lease	Lease Receivable	Lease Revenue
Verizon Wireless	\$ 318,015	\$ 23,578
AT&T	564,719	28,277
TMobile Northeast LLC	395,574	18,159
TMobile Northeast LLC	660,972	30,154
TMobile Northeast LLC	527,898	20,602
	<u>\$2,467,177</u>	<u>\$ 120,770</u>

Verizon Wireless – On July 1, 2015, the Town entered into a lease agreement with Verizon Wireless for the lease of a Cell Tower. Based on this agreement, the Town is receiving monthly payments through July 1, 2040. There is a renewal option included in this lease agreement.

AT&T – On August 25, 2017, the Town entered into a lease agreement with AT&T for the lease of a Cell Tower. Based on this agreement, the Town is receiving monthly payments through August 25, 2047. There is a renewal option included in this lease agreement.

TMobile Northeast, LLC – On November 1, 1997, the Town entered into a lease agreement with TMobile Northeast, LLC. for the lease of a Cell Tower. Based on this agreement, the Town is receiving monthly payments through November 1, 2052. There is a renewal option included in this lease agreement.

TMobile Northeast, LLC – On January 20, 1998, the Town entered into a lease agreement with TMobile Northeast, LLC. for the lease of a Cell Tower. Based on this agreement, the Town is receiving monthly payments through February 1, 2053. There is a renewal option included in this lease agreement.

TMobile Northeast, LLC – On June 30, 1997, the Town entered into a lease agreement with TMobile Northeast, LLC. for the lease of a Cell Tower. Based on this agreement, the Town is receiving monthly payments through June 30, 2052. There is a renewal option included in this lease agreement.

REQUIRED SUPPLEMENTARY INFORMATION

This section presents the Schedule of Changes and Related Ratios for the Town and School's Pension and OPEB Plans, and budgetary comparison schedules for the Town's General Fund and School Unrestricted Fund. These schedules are not a required part of the basic financial statements, but are required supplementary information required by the Governmental Accounting Standards Board.

TOWN OF JOHNSTON, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN TOWN'S NET OPEB LIABILITY AND RELATED RATIOS

LAST SEVEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service cost	\$ 3,381,241	\$ 7,087,431	\$ 6,181,660	\$ 5,219,371	\$ 6,198,704	\$ 7,067,566	\$ 8,833,235
Interest	7,918,112	5,603,598	6,561,633	6,899,657	7,987,364	7,777,513	6,598,353
Change of benefit terms	--	--	--	--	--	1,555,927	--
Differences between expected and actual experience	(656,068)	6,419,332	(20,513,927)	(508,457)	(11,697,088)	(7,400,008)	2,971,612
Changes of assumptions	(3,695,057)	(70,403,877)	19,536,911	16,571,033	(4,383,253)	(12,833,741)	(26,076,367)
Benefit payments	(7,449,818)	(7,691,989)	(6,803,660)	(7,173,184)	(6,718,528)	(8,027,130)	(5,793,237)
Net change in total OPEB liability	(501,590)	(58,985,505)	4,962,617	21,008,420	(8,612,801)	(11,859,873)	(13,466,404)
Total OPEB Liability - Beginning	<u>161,893,236</u>	<u>220,878,741</u>	<u>215,916,124</u>	<u>194,907,704</u>	<u>203,520,505</u>	<u>215,380,378</u>	<u>228,846,782</u>
Total OPEB Liability - Ending	<u>\$ 161,391,646</u>	<u>\$ 161,893,236</u>	<u>\$ 220,878,741</u>	<u>\$ 215,916,124</u>	<u>\$ 194,907,704</u>	<u>\$ 203,520,505</u>	<u>\$ 215,380,378</u>
Plan Fiduciary Net Position							
Contributions - employer	\$ 7,699,818	\$ 11,513,989	\$ 6,803,660	\$ 7,673,184	\$ 7,618,528	\$ 9,367,130	\$ 6,043,237
Net investment income	1,044,234	(1,467,244)	1,708,469	(28,426)	330,700	15,818	102,793
Benefit payments	(7,449,818)	(7,691,989)	(6,803,660)	(7,173,184)	(6,718,528)	(8,027,130)	(5,793,237)
Administrative expenses	(31,440)	(24,650)	(18,934)	(13,388)	(10,877)	(6,309)	(5,466)
Net change in plan fiduciary net position	1,262,794	2,330,106	1,689,535	458,186	1,219,823	1,349,509	347,327
Plan Fiduciary Net Position - Beginning	<u>9,494,478</u>	<u>7,164,372</u>	<u>5,474,837</u>	<u>5,016,651</u>	<u>3,796,828</u>	<u>2,447,319</u>	<u>2,099,992</u>
Plan Fiduciary Net Position - Ending	<u>\$ 10,757,272</u>	<u>\$ 9,494,478</u>	<u>\$ 7,164,372</u>	<u>\$ 5,474,837</u>	<u>\$ 5,016,651</u>	<u>\$ 3,796,828</u>	<u>\$ 2,447,319</u>
Town's Net OPEB Liability - Ending	<u>\$ 150,634,374</u>	<u>\$ 152,398,758</u>	<u>\$ 213,714,369</u>	<u>\$ 210,441,287</u>	<u>\$ 189,891,053</u>	<u>\$ 199,723,677</u>	<u>\$ 212,933,059</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.67%	5.86%	3.24%	2.54%	2.57%	1.87%	1.14%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town's Net OPEB Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF JOHNSTON, RHODE ISLAND

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN'S OPEB CONTRIBUTIONS**

LAST TEN FISCAL YEARS

Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution (Deficiency) Excess	Covered Payroll	Actual Contribution as a % of Covered Payroll
2023	\$ 12,695,501	\$ 7,699,818	\$ (4,995,683)	N/A	N/A
2022	\$ 12,184,751	\$ 11,513,989	\$ (670,762)	N/A	N/A
2021	\$ 12,180,877	\$ 6,803,660	\$ (5,377,217)	N/A	N/A
2020	\$ 15,779,391	\$ 7,673,184	\$ (8,106,207)	N/A	N/A
2019	\$ 18,140,760	\$ 7,618,528	\$ (10,522,232)	N/A	N/A
2018	\$ 18,051,553	\$ 9,367,130	\$ (8,684,423)	N/A	N/A
2017	\$ 16,785,322	\$ 6,043,237	\$ (10,742,085)	N/A	N/A
2016	\$ 16,032,814	\$ 6,167,417	\$ (9,865,397)	N/A	N/A
2015	\$ 15,214,424	\$ 4,764,265	\$ (10,450,159)	N/A	N/A
2014	\$ 15,214,424	\$ 4,764,265	\$ (10,450,159)	N/A	N/A

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF JOHNSTON, RHODE ISLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN'S OPEB INVESTMENT RETURNS

LAST SEVEN FISCAL YEARS

OPEB Trust Fund - Town	Year Ended June 30	Money Weighted Rate of Return
	2023	11.00%
	2022	-20.48%
	2021	31.21%
	2020	-0.57%
	2019	8.01%
	2018	0.56%
	2017	3.56%

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF JOHNSTON, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM – GENERAL EMPLOYEES

LAST NINE FISCAL YEARS

Measurement Date:	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014
Total Pension Liability									
Service cost	\$ 613,418	\$ 634,732	\$ 676,854	\$ 772,077	\$ 766,931	\$ 737,891	\$ 724,766	\$ 726,120	\$ 742,315
Interest	3,252,666	3,151,783	3,152,442	3,149,856	3,099,262	3,141,434	3,069,317	2,976,813	2,908,421
Changes of benefit terms	--	--	--	--	--	--	--	817,330	--
Differences between expected and actual experience	1,353,323	1,085,623	(65,758)	(773,499)	(240,905)	(911,415)	38,342	(474,099)	--
Changes of assumptions	--	--	(488,463)	--	--	2,265,521	--	--	30,100
Benefit payments	(3,493,173)	(3,347,412)	(3,179,445)	(2,948,308)	(2,861,885)	(2,855,249)	(2,899,591)	(2,724,611)	(2,797,073)
Net change in total pension liability	1,726,234	1,524,726	95,630	200,126	763,403	2,378,182	932,834	1,321,553	883,763
Total Pension Liability - Beginning	<u>47,906,539</u>	<u>46,381,813</u>	<u>46,286,183</u>	<u>46,086,057</u>	<u>45,322,654</u>	<u>42,944,472</u>	<u>42,011,638</u>	<u>40,690,085</u>	<u>39,806,322</u>
Total Pension Liability - Ending	<u>\$ 49,632,773</u>	<u>\$ 47,906,539</u>	<u>\$ 46,381,813</u>	<u>\$ 46,286,183</u>	<u>\$ 46,086,057</u>	<u>\$ 45,322,654</u>	<u>\$ 42,944,472</u>	<u>\$ 42,011,638</u>	<u>\$ 40,690,085</u>
Plan Fiduciary Net Position									
Contributions - employer	\$ 1,305,625	\$ 1,276,570	\$ 1,293,724	\$ 1,361,051	\$ 1,279,294	\$ 1,313,489	\$ 1,241,203	\$ 1,254,378	\$ 1,050,131
Contributions - employee	184,023	180,496	188,607	215,773	220,303	233,647	220,343	162,213	145,488
Net investment income	(1,002,861)	8,379,483	1,178,978	2,029,157	2,405,314	3,324,653	8,614	721,793	4,198,765
Benefit payments, including refunds of employee contributions	(3,493,173)	(3,347,412)	(3,179,445)	(2,948,308)	(2,861,885)	(2,855,249)	(2,899,591)	(2,724,611)	(2,797,073)
Administrative expenses	(34,188)	(31,928)	(32,484)	(32,016)	(32,021)	(31,410)	(46,174)	(28,933)	(26,293)
Other	113,103	(8,382)	73,323	840	(173,048)	(2,573)	(2)	(110,090)	253,162
Net change in plan fiduciary net position	(2,927,471)	6,448,827	(477,297)	626,497	837,957	1,982,557	(1,475,607)	(725,250)	2,824,180
Plan Fiduciary Net Position - Beginning	<u>38,742,586</u>	<u>32,293,759</u>	<u>32,771,056</u>	<u>32,144,559</u>	<u>31,306,602</u>	<u>29,324,045</u>	<u>30,799,652</u>	<u>31,524,902</u>	<u>28,700,722</u>
Plan Fiduciary Net Position - Ending	<u>\$ 35,815,115</u>	<u>\$ 38,742,586</u>	<u>\$ 32,293,759</u>	<u>\$ 32,771,056</u>	<u>\$ 32,144,559</u>	<u>\$ 31,306,602</u>	<u>\$ 29,324,045</u>	<u>\$ 30,799,652</u>	<u>\$ 31,524,902</u>
Plan's Net Pension Liability - Ending	<u>\$ 13,817,658</u>	<u>\$ 9,163,953</u>	<u>\$ 14,088,054</u>	<u>\$ 13,515,127</u>	<u>\$ 13,941,498</u>	<u>\$ 14,016,052</u>	<u>\$ 13,620,427</u>	<u>\$ 11,211,986</u>	<u>\$ 9,165,183</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.16%	80.87%	69.63%	70.80%	69.75%	69.07%	68.28%	73.31%	77.48%
Covered Payroll	\$ 7,854,266	\$ 7,656,599	\$ 7,815,866	\$ 8,437,995	\$ 8,005,543	\$ 8,020,555	\$ 7,835,304	\$ 7,996,917	\$ 7,748,594
Net Pension Liability as a Percentage of Covered Payroll	175.93%	119.69%	180.25%	160.17%	174.15%	174.75%	173.83%	140.20%	118.28%

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF JOHNSTON, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM – POLICE EMPLOYEES

LAST NINE FISCAL YEARS

Measurement Date:	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014
Total Pension Liability									
Service cost	\$ 268,393	\$ 266,164	\$ 229,209	\$ 210,311	\$ 166,174	\$ 125,451	\$ 110,120	\$ 93,320	\$ 79,271
Interest	131,182	107,731	88,496	70,696	55,621	41,289	30,769	17,733	10,616
Changes of benefit terms	--	--	--	--	--	--	--	16,739	--
Differences between expected and actual experience	(32,831)	(31,411)	(36,268)	(36,170)	(28,509)	(17,348)	(8,279)	37,616	--
Changes of assumptions	--	--	(25,130)	--	--	74,307	--	--	(2,021)
Benefit payments	(17,154)	--	--	--	--	--	--	--	(7)
Net change in total pension liability	349,590	342,484	256,307	244,837	193,286	223,699	132,610	165,408	87,859
Total Pension Liability - Beginning	<u>1,748,410</u>	<u>1,405,926</u>	<u>1,149,619</u>	<u>904,782</u>	<u>711,496</u>	<u>487,797</u>	<u>355,187</u>	<u>189,779</u>	<u>101,920</u>
Total Pension Liability - Ending	<u>\$ 2,098,000</u>	<u>\$ 1,748,410</u>	<u>\$ 1,405,926</u>	<u>\$ 1,149,619</u>	<u>\$ 904,782</u>	<u>\$ 711,496</u>	<u>\$ 487,797</u>	<u>\$ 355,187</u>	<u>\$ 189,779</u>
Plan Fiduciary Net Position									
Contributions - employer	\$ 139,753	\$ 135,257	\$ 111,070	\$ 78,612	\$ 65,893	\$ 65,378	\$ 61,293	\$ 56,198	\$ 35,823
Contributions - employee	137,013	134,957	111,688	102,536	81,237	70,238	61,429	42,390	35,823
Net investment income	(63,535)	460,678	51,069	69,449	65,258	70,152	(158)	7,812	30,268
Benefit payments, including refunds of employee contributions	(17,154)	--	--	--	--	--	--	--	(7)
Administrative expenses	(2,166)	(1,755)	(1,407)	(1,096)	(869)	(663)	(425)	(312)	(190)
Other	(54,839)	1,956	4,840	(2)	--	(1)	(1)	(1)	37,680
Net change in plan fiduciary net position	139,072	731,093	277,260	249,499	211,519	205,104	122,138	106,087	139,397
Plan Fiduciary Net Position - Beginning	<u>2,129,954</u>	<u>1,398,861</u>	<u>1,121,601</u>	<u>872,102</u>	<u>660,583</u>	<u>455,479</u>	<u>333,341</u>	<u>227,254</u>	<u>87,857</u>
Plan Fiduciary Net Position - Ending	<u>\$ 2,269,026</u>	<u>\$ 2,129,954</u>	<u>\$ 1,398,861</u>	<u>\$ 1,121,601</u>	<u>\$ 872,102</u>	<u>\$ 660,583</u>	<u>\$ 455,479</u>	<u>\$ 333,341</u>	<u>\$ 227,254</u>
Plan's Net Pension Liability (Asset) - Ending	<u>\$ (171,026)</u>	<u>\$ (381,544)</u>	<u>\$ 7,065</u>	<u>\$ 28,018</u>	<u>\$ 32,680</u>	<u>\$ 50,913</u>	<u>\$ 32,318</u>	<u>\$ 21,846</u>	<u>\$ (37,475)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	108.15%	121.82%	99.50%	97.56%	96.39%	92.84%	93.37%	93.85%	119.75%
Covered Payroll	\$ 1,522,366	\$ 1,499,516	\$ 1,240,982	\$ 1,139,280	\$ 902,628	\$ 780,165	\$ 678,916	\$ 605,582	\$ 511,759
Net Pension Liability as a Percentage of Covered Payroll	-11.23%	-25.44%	0.57%	2.46%	3.62%	6.53%	4.76%	3.61%	-7.32%

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF JOHNSTON, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM – FIRE EMPLOYEES

LAST NINE FISCAL YEARS

Measurement Date:	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014
Total Pension Liability									
Service cost	\$ 948,913	\$ 898,029	\$ 914,417	\$ 881,187	\$ 846,595	\$ 719,151	\$ 657,278	\$ 543,904	\$ 516,218
Interest	1,113,863	1,009,292	833,886	760,619	624,347	535,882	457,138	390,096	340,281
Changes of benefit terms	--	--	--	--	--	--	--	187,802	--
Differences between expected and actual experience	(341,273)	(159,421)	958,842	(417,107)	602,544	(5,835)	6,024	(206,476)	--
Changes of assumptions	--	--	34,904	--	--	583,764	--	--	(134,099)
Benefit payments	(330,460)	(228,461)	(227,646)	(161,651)	(126,426)	(118,651)	(84,257)	(71,970)	(72,130)
Net change in total pension liability	1,391,043	1,519,439	2,514,403	1,063,048	1,947,060	1,714,311	1,036,183	843,356	650,270
Total Pension Liability - Beginning	<u>15,603,109</u>	<u>14,083,670</u>	<u>11,569,267</u>	<u>10,506,219</u>	<u>8,559,159</u>	<u>6,844,848</u>	<u>5,808,665</u>	<u>4,965,309</u>	<u>4,315,039</u>
Total Pension Liability - Ending	<u>\$ 16,994,152</u>	<u>\$ 15,603,109</u>	<u>\$ 14,083,670</u>	<u>\$ 11,569,267</u>	<u>\$ 10,506,219</u>	<u>\$ 8,559,159</u>	<u>\$ 6,844,848</u>	<u>\$ 5,808,665</u>	<u>\$ 4,965,309</u>
Plan Fiduciary Net Position									
Contributions - employer	\$ 671,503	\$ 539,324	\$ 516,401	\$ 358,292	\$ 338,814	\$ 334,335	\$ 352,791	\$ 330,728	\$ 276,573
Contributions - employee	483,867	456,625	438,449	422,066	407,671	400,601	341,251	239,904	231,191
Net investment income (loss)	(450,812)	3,391,126	421,053	641,756	681,992	842,725	(2,251)	134,680	681,794
Benefit payments, including refunds of employee contributions	(330,460)	(228,461)	(227,646)	(161,651)	(126,426)	(118,651)	(84,257)	(71,970)	(72,130)
Administrative expenses	(15,368)	(12,921)	(11,601)	(10,126)	(9,079)	(7,962)	(6,055)	(5,394)	(4,269)
Other	62,161	--	32,080	--	(114,369)	(18)	136,054	12	(1)
Net change in plan fiduciary net position	420,891	4,145,693	1,168,736	1,250,337	1,178,603	1,451,030	737,533	627,960	1,113,158
Plan Fiduciary Net Position - Beginning	<u>15,678,891</u>	<u>11,533,198</u>	<u>10,364,462</u>	<u>9,114,125</u>	<u>7,935,522</u>	<u>6,484,492</u>	<u>5,746,959</u>	<u>5,118,999</u>	<u>4,005,841</u>
Plan Fiduciary Net Position - Ending	<u>\$ 16,099,782</u>	<u>\$ 15,678,891</u>	<u>\$ 11,533,198</u>	<u>\$ 10,364,462</u>	<u>\$ 9,114,125</u>	<u>\$ 7,935,522</u>	<u>\$ 6,484,492</u>	<u>\$ 5,746,959</u>	<u>\$ 5,118,999</u>
Plan's Net Pension Liability (Asset) - Ending	<u>\$ 894,370</u>	<u>\$ (75,782)</u>	<u>\$ 2,550,472</u>	<u>\$ 1,204,805</u>	<u>\$ 1,392,094</u>	<u>\$ 623,637</u>	<u>\$ 360,356</u>	<u>\$ 61,706</u>	<u>\$ (153,690)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.74%	100.49%	81.89%	89.59%	86.75%	92.71%	94.74%	98.94%	103.10%
Covered Payroll	\$ 5,376,280	\$ 5,073,608	\$ 4,871,693	\$ 4,689,661	\$ 4,529,668	\$ 4,273,030	\$ 3,990,758	\$ 3,427,246	\$ 3,302,741
Net Pension Liability as a Percentage of Covered Payroll	16.64%	-1.49%	52.35%	25.69%	30.73%	14.59%	9.03%	1.80%	-4.65%

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF JOHNSTON, RHODE ISLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN'S CONTRIBUTIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution (Deficiency) Excess	Covered Payroll	Actual Contribution as a % of Covered Payroll
General Employees Plan	2023	\$ 1,357,556	\$ 1,357,556	\$ --	\$ 8,089,894	16.78%
	2022	\$ 1,305,625	\$ 1,305,625	\$ --	\$ 7,854,266	16.62%
	2021	\$ 1,276,570	\$ 1,276,570	\$ --	\$ 7,656,599	16.67%
	2020	\$ 1,293,724	\$ 1,293,724	\$ --	\$ 7,915,866	16.34%
	2019	\$ 1,361,051	\$ 1,361,051	\$ --	\$ 8,437,995	16.13%
	2018	\$ 1,279,294	\$ 1,279,294	\$ --	\$ 8,005,543	15.98%
	2017	\$ 1,313,489	\$ 1,313,489	\$ --	\$ 8,020,555	16.38%
	2016	\$ 1,241,203	\$ 1,241,203	\$ --	\$ 7,835,304	15.84%
	2015	\$ 1,254,378	\$ 1,254,378	\$ --	\$ 7,996,917	15.69%
	2014	\$ 1,050,131	\$ 1,050,131	\$ --	\$ 7,748,594	13.55%
Police Employees Plan	2023	\$ 275,427	\$ 275,427	\$ --	\$ 1,568,037	17.57%
	2022	\$ 139,753	\$ 139,753	\$ --	\$ 1,522,366	9.18%
	2021	\$ 135,257	\$ 135,257	\$ --	\$ 1,499,516	9.02%
	2020	\$ 111,070	\$ 111,070	\$ --	\$ 1,240,982	8.95%
	2019	\$ 78,612	\$ 78,612	\$ --	\$ 1,139,280	6.90%
	2018	\$ 65,893	\$ 65,893	\$ --	\$ 902,628	7.30%
	2017	\$ 65,378	\$ 65,378	\$ --	\$ 780,165	8.38%
	2016	\$ 61,293	\$ 61,293	\$ --	\$ 678,916	9.03%
	2015	\$ 56,198	\$ 56,198	\$ --	\$ 605,582	9.28%
	2014	\$ 35,823	\$ 35,823	\$ --	\$ 511,759	7.00%
Fire Employees Plan	2023	\$ 669,346	\$ 669,346	\$ --	\$ 5,537,568	12.09%
	2022	\$ 671,503	\$ 671,503	\$ --	\$ 5,376,280	12.49%
	2021	\$ 539,324	\$ 539,324	\$ --	\$ 5,073,608	10.63%
	2020	\$ 516,401	\$ 516,401	\$ --	\$ 4,871,693	10.60%
	2019	\$ 358,292	\$ 358,292	\$ --	\$ 4,689,661	7.64%
	2018	\$ 338,814	\$ 338,814	\$ --	\$ 4,529,668	7.48%
	2017	\$ 334,335	\$ 334,335	\$ --	\$ 4,273,030	7.82%
	2016	\$ 352,791	\$ 352,791	\$ --	\$ 3,990,758	8.84%
	2015	\$ 330,728	\$ 330,728	\$ --	\$ 3,427,246	9.65%
	2014	\$ 276,573	\$ 276,573	\$ --	\$ 3,302,741	8.37%

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF JOHNSTON, RHODE ISLAND

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY – ERS**

LAST NINE FISCAL YEARS

Measurement Date:	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014
Town's proportion of the net pension liability	1.35%	1.32%	1.68%	1.40%	1.39%	1.35%	1.41%	1.40%	1.30%
Town's proportionate share of the net pension liability	\$36,587,875	\$30,967,192	\$ 43,614,392	\$44,624,312	\$44,322,186	\$ 42,724,384	\$ 42,089,055	\$ 37,498,898	\$ 31,616,141
State's proportionate share of the net pension liability associated with the Town	<u>27,059,304</u>	<u>22,964,949</u>	<u>32,406,561</u>	<u>33,428,231</u>	<u>33,061,167</u>	<u>32,289,369</u>	<u>28,824,823</u>	<u>25,618,070</u>	<u>21,680,644</u>
Total	<u>\$63,647,179</u>	<u>\$53,932,141</u>	<u>\$ 76,020,953</u>	<u>\$78,052,543</u>	<u>\$77,383,353</u>	<u>\$ 75,013,753</u>	<u>\$ 70,913,878</u>	<u>\$ 63,116,968</u>	<u>\$ 53,296,785</u>
Town's covered payroll	<u>\$26,837,571</u>	<u>\$26,571,852</u>	<u>\$ 26,308,765</u>	<u>\$26,048,282</u>	<u>\$26,137,866</u>	<u>\$ 25,310,860</u>	<u>\$ 23,089,090</u>	<u>\$ 22,674,661</u>	<u>\$ 26,384,676</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	136.33%	116.54%	165.78%	171.31%	169.57%	168.80%	182.29%	165.38%	119.83%
Plan fiduciary net position as a percentage of the total pension liability	62.10%	66.50%	54.30%	54.60%	54.30%	54.00%	54.06%	57.55%	61.40%

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF JOHNSTON, RHODE ISLAND

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN'S CONTRIBUTIONS – ERS**

LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 3,759,731	\$ 3,685,054	\$ 3,577,433	\$ 4,247,379	\$ 3,588,539	\$ 3,558,216	\$ 3,182,090	\$ 2,968,073	\$ 3,538,185	\$ 3,432,039
Contributions in relation to the actuarially determined contribution	<u>3,759,731</u>	<u>3,685,054</u>	<u>3,577,433</u>	<u>4,247,379</u>	<u>3,588,539</u>	<u>3,558,216</u>	<u>3,182,090</u>	<u>2,968,073</u>	<u>3,538,185</u>	<u>3,432,039</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered payroll	<u>\$ 26,837,571</u>	<u>\$ 26,571,852</u>	<u>\$ 26,308,765</u>	<u>\$ 26,048,282</u>	<u>\$ 26,137,866</u>	<u>\$ 25,310,860</u>	<u>\$ 23,089,090</u>	<u>\$ 22,674,661</u>	<u>\$ 26,384,676</u>	<u>\$ 25,725,059</u>
Contributions as a percentage of covered payroll	14.01%	13.87%	13.60%	16.31%	13.73%	14.06%	13.78%	13.09%	13.41%	13.34%

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF JOHNSTON, RHODE ISLAND

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF
THE NET PENSION ASSET – TSB**

LAST NINE FISCAL YEARS

Measurement Date:	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014
Town's proportion of the net pension asset	5.25%	5.12%	5.55%	5.13%	5.13%	5.08%	4.98%	4.93%	4.65%
Town's proportionate share of the net pension asset	\$ 9,232,018	\$ 10,010,912	\$ 6,589,596	\$ 5,972,304	\$ 4,578,176	\$ 4,205,570	\$ 4,958,163	\$ 4,604,566	\$ 5,779,628
Town's covered payroll	\$ 26,837,571	\$ 26,571,852	\$ 26,308,765	\$ 26,048,282	\$26,137,866	\$ 25,310,860	\$ 23,089,090	\$ 22,674,661	\$ 26,384,676
Town's proportionate share of the net pension asset as a percentage of its covered payroll	34.40%	37.67%	25.05%	22.93%	17.52%	16.62%	21.47%	20.31%	21.91%
Plan fiduciary net position as a percentage of the total pension liability	177.70%	185.70%	153.10%	137.40%	137.40%	136.10%	153.30%	146.60%	173.30%

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF JOHNSTON, RHODE ISLAND

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN'S CONTRIBUTIONS – TSB**

LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2016	2015	2016	2015	2014
Actuarially determined contribution	\$ --	\$ 39,691	\$ 37,661	\$ 41,379	\$ 39,265	\$ 38,175	\$ 29,988	\$ 29,761	\$ 29,256	\$ 30,134
Contributions in relation to the actuarially determined contribution	<u>--</u>	<u>39,691</u>	<u>37,661</u>	<u>41,379</u>	<u>39,265</u>	<u>38,175</u>	<u>29,988</u>	<u>29,761</u>	<u>29,256</u>	<u>30,134</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered payroll	<u>\$ 26,837,571</u>	<u>\$ 26,571,852</u>	<u>\$ 26,308,765</u>	<u>\$ 26,048,282</u>	<u>\$ 26,137,866</u>	<u>\$ 25,310,860</u>	<u>\$ 23,089,090</u>	<u>\$ 22,674,661</u>	<u>\$ 26,384,676</u>	<u>\$ 25,725,059</u>
Contributions as a percentage of covered payroll	0.00%	0.15%	0.14%	0.16%	0.15%	0.15%	0.13%	0.13%	0.11%	0.12%

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF JOHNSTON, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN TOWN'S POLICE NET PENSION LIABILITY AND RELATED RATIOS

LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 1,379,984	\$ 1,403,357	\$ 1,378,435	\$ 1,502,837	\$ 1,477,049	\$ 1,494,639	\$ 5,820,728	\$ 4,354,675	\$ 3,237,765	\$ 3,486,338
Interest	5,859,447	5,740,655	5,705,789	5,590,184	5,447,208	5,264,762	5,023,358	5,462,015	5,320,690	4,843,141
Change in benefit terms	--	--	--	--	--	--	(15,869,440)	--	--	--
Differences between expected and actual experience	2,517,192	(363,254)	(1,499,958)	(941,623)	(588,200)	(608,109)	(853,055)	(3,200,839)	1,627,147	5,744,046
Changes of assumptions	--	--	2,198,486	--	--	3,182,625	(87,523,217)	29,239,726	15,613,100	--
Benefit payments	(5,602,264)	(4,518,454)	(4,479,240)	(4,385,639)	(4,393,907)	(4,364,593)	(4,100,493)	(4,002,706)	(3,982,881)	(3,929,063)
Net change in total pension liability	4,154,359	2,262,304	3,303,512	1,765,759	1,942,150	4,969,324	(97,502,119)	31,852,871	21,815,821	10,144,462
Total Pension Liability - Beginning	85,127,537	82,865,233	79,561,721	77,795,962	75,853,812	70,884,488	168,386,607	136,533,736	114,717,915	104,573,453
Total Pension Liability - Ending	<u>\$ 89,281,896</u>	<u>\$ 85,127,537</u>	<u>\$ 82,865,233</u>	<u>\$ 79,561,721</u>	<u>\$ 77,795,962</u>	<u>\$ 75,853,812</u>	<u>\$ 70,884,488</u>	<u>\$ 168,386,607</u>	<u>\$ 136,533,736</u>	<u>\$ 114,717,915</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 5,463,322	\$ 5,304,197	\$ 5,149,705	\$ 4,999,713	\$ 4,854,090	\$ 4,714,480	\$ 4,797,069	\$ 2,783,429	\$ 2,786,367	\$ 2,711,326
Contributions - employee	250,699	283,687	300,138	302,388	314,146	363,787	426,286	394,051	388,335	369,825
Net investment income (loss)	2,591,174	(3,977,449)	6,880,535	(19,621)	763,639	1,512,485	1,753,780	21,130	141,369	2,301,494
Benefit payments, including refunds of employee contributions	(5,602,264)	(4,518,454)	(4,479,240)	(4,385,639)	(4,393,907)	(4,364,593)	(4,100,493)	(4,002,706)	(3,982,881)	(3,929,063)
Administrative expenses	(66,360)	(50,875)	(55,175)	(50,096)	(66,174)	(73,110)	(84,157)	(77,728)	(71,000)	(127,317)
Other	1,647	1,037,474	1,797	1,754	37,077	4,215	(49,245)	--	(40,576)	--
Net change in plan fiduciary net position	2,638,218	(1,921,420)	7,797,760	848,499	1,508,871	2,157,264	2,743,240	(881,824)	(778,386)	1,326,265
Plan Fiduciary Net Position - Beginning	28,616,341	30,537,761	22,740,001	21,891,502	20,382,631	18,225,367	15,482,127	16,363,951	17,142,337	15,816,072
Plan Fiduciary Net Position - Ending	<u>\$ 31,254,559</u>	<u>\$ 28,616,341</u>	<u>\$ 30,537,761</u>	<u>\$ 22,740,001</u>	<u>\$ 21,891,502</u>	<u>\$ 20,382,631</u>	<u>\$ 18,225,367</u>	<u>\$ 15,482,127</u>	<u>\$ 16,363,951</u>	<u>\$ 17,142,337</u>
Plan's net pension liability - Ending	<u>\$ 58,027,337</u>	<u>\$ 56,511,196</u>	<u>\$ 52,327,472</u>	<u>\$ 56,821,720</u>	<u>\$ 55,904,460</u>	<u>\$ 55,471,181</u>	<u>\$ 52,659,121</u>	<u>\$ 152,904,480</u>	<u>\$ 120,169,785</u>	<u>\$ 97,575,578</u>
Plan fiduciary net position as a percentage of the total pension liability	35.01%	33.62%	36.85%	28.58%	28.14%	26.87%	25.71%	9.19%	11.99%	14.94%
Covered-employee payroll	\$ 3,531,801	\$ 4,194,009	\$ 4,401,235	\$ 4,615,136	\$ 4,671,254	\$ 4,741,461	\$ 5,019,760	\$ 5,054,901	\$ 5,049,628	\$ 4,573,055
Net pension liability as a percentage of covered-employee payroll	1643.00%	1347.43%	1188.93%	1231.20%	1196.78%	1169.92%	1049.04%	3024.88%	2379.78%	2133.71%

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF JOHNSTON, RHODE ISLAND

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN'S POLICE PENSION CONTRIBUTIONS AND INVESTMENT RETURNS**

LAST TEN FISCAL YEARS

Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution (Deficiency) Excess	Covered Payroll	Actual Contribution as a % of Covered Payroll	Weighted Rate of Return
2023	\$ 5,463,322	\$ 5,463,322	\$ --	\$ 3,531,801	154.69%	9.05%
2022	\$ 5,304,196	\$ 5,304,197	\$ 1	\$ 4,194,009	126.47%	-13.02%
2021	\$ 5,149,705	\$ 5,149,705	\$ --	\$ 4,401,235	117.01%	30.26%
2020	\$ 4,999,713	\$ 4,999,713	\$ --	\$ 4,615,136	108.33%	-0.09%
2019	\$ 4,854,090	\$ 4,854,090	\$ --	\$ 4,671,254	103.91%	3.61%
2018	\$ 8,509,584	\$ 4,714,480	\$ (3,795,104)	\$ 4,741,461	99.43%	7.84%
2017	\$ 8,073,936	\$ 4,797,069	\$ (3,276,867)	\$ 5,019,760	95.56%	0.01%
2016	\$ 7,197,627	\$ 2,783,429	\$ (4,414,198)	\$ 5,054,901	55.06%	-0.01%
2015	\$ 6,579,139	\$ 2,786,367	\$ (3,792,772)	\$ 5,049,628	55.18%	0.53%
2014	\$ 6,633,618	\$ 2,711,326	\$ (3,922,292)	\$ 4,573,055	59.29%	14.72%

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF JOHNSTON, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN TOWN'S FIRE NET PENSION LIABILITY AND RELATED RATIOS

LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 655,019	\$ 731,813	\$ 653,960	\$ 651,848	\$ 621,647	\$ 528,576	\$ 2,268,136	\$ 2,314,587	\$ 1,991,455	\$ 2,208,787
Interest	5,852,868	5,781,189	5,698,225	5,630,730	5,644,481	5,808,544	4,778,023	5,227,209	5,462,967	5,185,774
Change in benefit terms	--	--	--	--	--	--	(8,256,305)	--	--	--
Differences between expected and actual experience	(662,411)	(105,403)	116,928	(347,071)	(1,558,937)	(4,039,743)	(3,153,677)	2,235,932	(2,195,103)	2,570,343
Changes of assumptions	--	--	2,590,059	--	--	2,939,026	(72,009,127)	24,437,339	12,115,339	--
Benefit payments	(5,403,173)	(5,210,462)	(5,079,175)	(4,934,125)	(4,920,012)	(4,923,617)	(4,918,521)	(4,584,209)	(4,148,770)	(4,035,577)
Net change in total pension liability	442,303	1,197,137	3,979,997	1,001,382	(212,821)	312,786	(81,291,471)	29,630,858	13,225,888	5,929,327
Total Pension Liability - Beginning	85,658,966	84,461,829	80,481,832	79,480,450	79,693,271	79,380,485	160,671,956	131,041,098	117,815,210	111,885,883
Total Pension Liability - Ending	<u>\$ 86,101,269</u>	<u>\$ 85,658,966</u>	<u>\$ 84,461,829</u>	<u>\$ 80,481,832</u>	<u>\$ 79,480,450</u>	<u>\$ 79,693,271</u>	<u>\$ 79,380,485</u>	<u>\$ 160,671,956</u>	<u>\$ 131,041,098</u>	<u>\$ 117,815,210</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 4,686,123	\$ 4,549,634	\$ 4,417,120	\$ 4,288,466	\$ 4,163,560	\$ 4,041,720	\$ 3,924,059	\$ 2,576,831	\$ 2,620,273	\$ 2,706,157
Contributions - employee	128,551	141,434	159,733	161,588	171,202	160,257	185,921	233,585	295,539	356,584
Net investment income (loss)	2,261,910	(3,692,682)	6,832,623	(20,744)	858,655	1,814,122	2,283,935	29,412	199,660	3,228,280
Benefit payments, including refunds of employee contributions	(5,403,173)	(5,210,462)	(5,079,175)	(4,934,125)	(4,920,012)	(4,923,617)	(4,918,521)	(4,584,209)	(4,148,770)	(4,035,577)
Administrative expenses	(66,360)	(50,875)	(55,175)	(50,097)	(66,174)	(73,110)	(84,157)	(77,829)	(71,000)	(127,317)
Net change in plan fiduciary net position	1,607,051	(4,262,951)	6,275,126	(554,912)	207,231	1,019,372	1,391,237	(1,822,210)	(1,104,298)	2,128,127
Plan Fiduciary Net Position - Beginning	25,327,994	29,590,945	23,315,819	23,870,731	23,663,500	22,644,128	21,252,891	23,075,101	24,179,399	22,051,272
Plan Fiduciary Net Position - Ending	<u>\$ 26,935,045</u>	<u>\$ 25,327,994</u>	<u>\$ 29,590,945</u>	<u>\$ 23,315,819</u>	<u>\$ 23,870,731</u>	<u>\$ 23,663,500</u>	<u>\$ 22,644,128</u>	<u>\$ 21,252,891</u>	<u>\$ 23,075,101</u>	<u>\$ 24,179,399</u>
Plan's net pension liability - Ending	<u>\$ 59,166,224</u>	<u>\$ 60,330,972</u>	<u>\$ 54,870,884</u>	<u>\$ 57,166,013</u>	<u>\$ 55,609,719</u>	<u>\$ 56,029,771</u>	<u>\$ 56,736,357</u>	<u>\$ 139,419,065</u>	<u>\$ 107,965,997</u>	<u>\$ 93,635,811</u>
Plan fiduciary net position as a percentage of the total pension liability	31.28%	29.57%	35.03%	28.97%	30.03%	29.69%	28.53%	13.23%	17.61%	20.52%
Covered-employee payroll	\$ 1,797,343	\$ 2,109,436	\$ 2,230,342	\$ 2,267,624	\$ 2,285,342	\$ 2,200,925	\$ 1,988,230	\$ 2,205,173	\$ 2,977,948	\$ 3,023,153
Net pension liability as a percentage of covered-employee payroll	3291.87%	2860.05%	2460.20%	2520.97%	2433.32%	2545.74%	2853.61%	6322.36%	3625.52%	3097.29%

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF JOHNSTON, RHODE ISLAND

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN'S FIRE PENSION CONTRIBUTIONS AND INVESTMENT RETURNS**

LAST TEN FISCAL YEARS

Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution (Deficiency) Excess	Covered Payroll	Actual Contribution as a % of Covered Payroll	Weighted Rate of Return
2023	\$ 4,686,123	\$ 4,686,123	\$ --	\$ 1,797,343	260.73%	8.93%
2022	\$ 4,549,634	\$ 4,549,634	\$ --	\$ 2,109,436	215.68%	-13.02%
2021	\$ 4,417,120	\$ 4,417,120	\$ --	\$ 2,230,342	198.05%	30.26%
2020	\$ 4,288,466	\$ 4,288,466	\$ --	\$ 2,267,624	189.12%	-0.09%
2019	\$ 4,163,560	\$ 4,163,560	\$ --	\$ 2,285,342	182.19%	3.61%
2018	\$ 7,430,222	\$ 4,041,720	\$ (3,388,502)	\$ 2,200,925	183.64%	7.84%
2017	\$ 6,954,295	\$ 3,924,059	\$ (3,030,236)	\$ 1,988,230	197.36%	0.01%
2016	\$ 6,607,532	\$ 2,576,831	\$ (4,030,701)	\$ 2,205,173	116.85%	-0.01%
2015	\$ 6,331,388	\$ 2,620,273	\$ (3,711,115)	\$ 2,977,948	87.99%	0.53%
2014	\$ 6,325,477	\$ 2,706,157	\$ (3,619,320)	\$ 3,023,153	89.51%	14.72%

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF JOHNSTON, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN TOWN'S FIRE LONGEVITY PENSION LIABILITY AND RELATED RATIOS

LAST TWO FISCAL YEARS

	2023	2022
Total Pension Liability		
Service cost	\$ 274,740	\$ 362,488
Interest	203,980	--
Differences between expected and actual experience	(60,915)	3,604,621
Changes of assumptions	(1,948,771)	--
Benefit payments	(252,405)	(235,589)
Net change in total pension liability	(1,783,371)	3,731,520
Total Pension Liability - Beginning	9,294,999	5,563,479
Total Pension Liability - Ending	<u>\$ 7,511,628</u>	<u>\$ 9,294,999</u>
Covered-employee payroll	\$ 5,270,672	\$ 5,270,672
Net pension liability as a percentage of covered-employee payroll	142.52%	176.35%

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF JOHNSTON, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN TOWN'S POLICE COLA PENSION LIABILITY AND RELATED RATIOS

LAST TWO FISCAL YEARS

	2023	2022
Total Pension Liability		
Service cost	\$ 132,956	\$ 67,666
Benefit payments	(61,801)	(67,666)
Net change in total pension liability	71,155	--
Total Pension Liability - Beginning	242,086	242,086
Total Pension Liability - Ending	<u>\$ 313,241</u>	<u>\$ 242,086</u>
Covered-employee payroll	\$ 2,270,576	\$ 1,512,198
Net pension liability as a percentage of covered-employee payroll	13.80%	16.01%

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF JOHNSTON, RHODE ISLAND

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOWN'S FIRE COLA PENSION LIABILITY AND RELATED RATIOS**

LAST TWO FISCAL YEARS

	<u>2023</u>	<u>2022</u>
Total Pension Liability		
Service cost	\$ 304,705	\$ 388,794
Benefit payments	<u>(181,634)</u>	<u>(388,794)</u>
Net change in total pension liability	123,071	--
Total Pension Liability - Beginning	<u>2,833,010</u>	<u>2,833,010</u>
Total Pension Liability - Ending	<u><u>\$ 2,956,081</u></u>	<u><u>\$ 2,833,010</u></u>
Covered-employee payroll	\$ 5,111,776	\$ 5,270,672
Net pension liability as a percentage of covered-employee payroll	57.83%	53.75%

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

The amounts presented for each fiscal year were determined as of the June 30 fiscal year end.

The schedules are intended to show information for 10 years; additional years will be displayed as they become available.

The following actuarial methods and assumptions were used to determine contribution amounts:

- Actuarial cost method – Entry Age Normal
- Healthcare Cost Trend Rates – 4.5%
- Discount rate – The discount rate used to measure the OPEB liability 4.90% for Town. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to and above the expected benefit payments. Based on those assumptions, the OPEB plan’s net fiduciary position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected payments to determine the total OPEB liability.

MUNICIPAL PLAN (MERS), TEACHERS’ PLAN (ERS) AND TEACHERS’ SURVIVORS BENEFIT PLAN (TSB)

The amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year end. The schedules are intended to show information for 10 years – additional years will be displayed as they become available.

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.

Employers participating in the Municipal Employees’ Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.

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.

TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

**MUNICIPAL PLAN (MERS), TEACHERS' PLAN (ERS) AND TEACHERS' SURVIVORS BENEFIT PLAN (TSB)
(CONTINUED)**

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.

June 30, 2019 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, 2019 measurement date compared to the June 30, 2018 measurement date.

June 30, 2018 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, 2018 measurement date compared to the June 30, 2017 measurement date.

June 30, 2017 measurement date –

As part of the 2017 Actuarial Experience Investigation Study for the six-year period ending June 30, 2016 as approved by the System Board on May 15, 2017, certain assumptions were modified and reflected in the determination of the net pension liability (asset) at the June 30, 2017 measurement date. The following summarizes the more significant changes in assumptions:

- 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
- Updated the post-retirement mortality tables to variants of the RP-2014 table. For the improvement scale, updated to the ultimate rates of the MP-2016 projection scale.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2023

MUNICIPAL PLAN (MERS), TEACHERS' PLAN (ERS) AND TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)

June 30, 2016 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, 2016 measurement date compared to the June 30, 2015 measurement date.

June 30, 2015 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, 2015 measurement date compared to the June 30, 2014 measurement date.

The June 30, 2015 measurement date determination of the net pension liability for the ERS and MERS plans reflects changes in benefit changes resulting from the settlement of litigation challenging the various pension reform measures enacted in previous years by the General Assembly. The final settlement approved by the Court on July 8, 2015 also included enactment of the pension settlement provisions by the General Assembly. These amended benefit provisions, are summarized below:

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rates to 11% for state employees and municipal general employees will contribute 8.25% (9.25% for units with a COLA provision) and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- MERS public safety employees may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS public safety employees will contribute 9.00% (10.00% for units with a COLA provision).
- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan. Also, members who earn less than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.
- Members who retired from a COLA eligible plan before July 1, 2012 will receive a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4-year rather than 5-year intervals.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2023

MUNICIPAL PLAN (MERS), TEACHERS' PLAN (ERS) AND TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)

- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5yr Return - 5.5%, with a max of 4%) and 50% calculated using previous year's CPI-U (max of 3%) for a total max COLA of 3.5%. This COLA is calculated on the first \$25,855, effective 01/01/16, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

POLICE AND FIRE PLAN

Actuarial assumptions – The total pension liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 2.50 percent

Salary increases 3.25 percent

Discount rate 7.00 percent

Investment rate of return 7.00 percent, net of pension plan investment expense, including inflation

Mortality – Sex-distinct PubG-2010 General Employee Amount-weighted Mortality Table

Discount rate – The discount rate used to measure the total pension liability was 7.00%

TOWN OF JOHNSTON, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	\$ 71,918,014	\$ 71,918,014	\$ 73,108,478	\$ 1,190,464
Stabilization agreements	3,836,056	3,836,056	3,861,052	24,996
Host Community Service Revenue - RIRRC	4,382,104	4,382,104	4,474,140	92,036
Interest and penalties on taxes	775,000	775,000	623,148	(151,852)
Intergovernmental	11,561,207	11,561,207	12,131,692	570,485
School aid - state, medicaid and other miscellaneous revenue	21,587,201	21,587,201	21,595,297	8,096
Investment income	210,000	210,000	1,133,639	923,639
Departmental fees and revenues	3,982,950	3,982,950	4,129,986	147,036
Miscellaneous	1,335,000	1,335,000	1,977,578	642,578
Total Revenues	<u>119,587,532</u>	<u>119,587,532</u>	<u>123,035,010</u>	<u>3,447,478</u>
Expenditures				
Town council	47,423	47,423	41,169	6,254
Mayor	293,954	293,954	380,716	(86,762)
Courts	19,763	19,763	19,589	174
Canvassers	115,852	115,852	144,285	(28,433)
Legal	542,917	542,917	548,627	(5,710)
Town clerk	390,627	390,627	421,033	(30,406)
Zoning Board	19,281	19,281	17,192	2,089
Human resources	103,900	103,900	135,868	(31,968)
Finance	1,367,650	1,367,650	1,325,644	42,006
Assessor	734,973	734,973	709,853	25,120
Police department	19,150,916	19,150,916	18,741,497	409,419
Municipal court	298,289	298,289	291,239	7,050
Fire	22,619,742	22,619,742	23,366,688	(746,946)
Emergency management	16,148	16,148	16,148	--
Street and highways	1,824,587	1,824,587	1,737,257	87,330
Building maintenance	291,297	291,297	348,668	(57,371)
Public works administration	2,369,902	2,369,902	2,344,309	25,593
Sewer department	147,093	147,093	178,232	(31,139)
Fleet maintenance	490,643	490,643	385,808	104,835
Inspector's fees	330,716	330,716	276,811	53,905
Parks and recreation	1,157,527	1,157,527	1,287,078	(129,551)
Municipal land trust	11,754	11,754	6,174	5,580
General public assistance	3,634	3,634	2,584	1,050
Personnel	101,912	101,912	14,650	87,262
Administrative and miscellaneous appropriations	2,948,784	2,948,784	2,986,514	(37,730)
Planning board	140,441	140,441	187,494	(47,053)
Assessment board	2,745	2,745	2,745	--
Library	577,695	663,313	623,043	40,270
Debt services	3,753,886	3,753,886	3,637,315	116,571
Senior services	232,500	232,500	239,659	(7,159)
Total Expenditures	<u>60,106,551</u>	<u>60,192,169</u>	<u>60,417,889</u>	<u>(225,720)</u>

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF JOHNSTON, RHODE ISLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
Excess of Revenues Over Expenditures Before				
Other Financing Sources (Uses)	<u>59,480,981</u>	<u>59,395,363</u>	<u>62,617,121</u>	<u>3,221,758</u>
Other Financing Uses				
Use of fund balance	960,235	4,045,853	4,045,853	--
Transfers out	<u>(60,441,216)</u>	<u>(63,441,216)</u>	<u>(63,449,312)</u>	<u>(8,096)</u>
Total Other Financing Uses	<u>(59,480,981)</u>	<u>(59,395,363)</u>	<u>(59,403,459)</u>	<u>(8,096)</u>
Excess of Revenues and Other Financing Sources Over				
Expenditures and Other Financing Uses - Budgetary Basis	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 3,213,662</u>	<u>\$ 3,213,662</u>
Reconciliation to GAAP Basis				
Use of Fund balance reserves not considered an other financing source for GAAP basis reporting			(4,045,853)	
Property tax revenue for prior years reported in Compensated Absence Retirement Escrow Fund in accordance with Ordinance 2022-4 not included in fiscal 2023 budget			(250,000)	
Investment income reported directly in the Capital Projects Fund in accordance with Ordinance 2022-5 not included in the fiscal 2023 budget			(500,000)	
Inclusion of net loss of Town grants fund, Police Detail Fund and Fire Detail fund with the General Fund, for GAAP purposes not part of budget			<u>(71,810)</u>	
			<u>\$ (1,654,001)</u>	
Net Change in Fund Balance			<u>\$ (1,654,001)</u>	

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF JOHNSTON, RHODE ISLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

SCHOOL UNRESTRICTED FUND

FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues				
State aid	\$ 20,505,201	\$ 20,505,201	\$ 20,505,201	\$ --
Medicaid	900,000	900,000	738,385	(161,615)
Other revenues	500,000	500,000	351,711	(148,289)
Total Revenues	<u>21,905,201</u>	<u>21,905,201</u>	<u>21,595,297</u>	<u>(309,904)</u>
Expenditures				
Salaries	30,838,941	30,838,941	30,462,070	376,871
Fringe benefits	14,426,671	14,426,671	15,911,579	(1,484,908)
Professional services	13,441,243	13,441,243	14,512,556	(1,071,313)
Supplies and materials	1,337,765	1,337,765	1,062,611	275,154
Capital outlay	389,596	389,596	158,966	230,630
Total Expenditures	<u>60,434,216</u>	<u>60,434,216</u>	<u>62,107,782</u>	<u>(1,673,566)</u>
Deficiency of Revenues Under Expenditures				
Before Other Financing Sources (Uses)	<u>(38,529,015)</u>	<u>(38,529,015)</u>	<u>(40,512,485)</u>	<u>(1,983,470)</u>
Other Financing Sources (Uses)				
Operating transfer from Town	38,529,015	38,529,015	38,529,015	--
Transfers in	--	--	1,300,000	1,300,000
Total Other Financing Sources (Uses)	<u>38,529,015</u>	<u>38,529,015</u>	<u>39,829,015</u>	<u>1,300,000</u>
Excess of Expenditures and Other Financing Uses				
Over Revenue and Other Financing Sources	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (683,470)</u>	<u>\$ (683,470)</u>

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2023

BUDGETARY DATA AND BUDGETARY COMPLIANCE

Budgetary to GAAP Basis Reconciliation

Annual operating budgets are in conformity with the legal enacted budgetary basis, which differs from accounting principles generally accepted in the United States of America (U.S. GAAP) in several regards. Budgets are adopted on the modified accrual basis with certain exceptions. Budgetary revenues may include re-appropriations from fund equity previously recognized under the U.S. GAAP. Budgetary expenditures include capital asset additions, debt service issuance costs and debt service principal payments not recognized under U.S. GAAP but exclude depreciation and amortization, U.S. GAAP basis expense.

The following reconciliations summarize the differences between the budgetary basis and U.S. GAAP basis for the year ended June 30, 2023 for the School Unrestricted Fund:

Excess of Expenditures and Other Financing Uses	
Over Revenue and Other Financing Sources	\$ (683,470)
ERSRI on behalf pension revenue	2,879,472
ERSRI on behalf pension expenditures	<u>(2,879,472)</u>
Excess of Expenditures and Other Financing Uses Under Revenues	
and Other Financing Sources - GAAP Basis - School Unrestricted Fund	<u><u>\$ (683,470)</u></u>

OTHER SUPPLEMENTARY INFORMATION

This section presents the Tax Collector's Annual Report, Annual Supplemental Transparency Portal (MTP2), Combining Non-Major Governmental Funds and Combining Non-Major Enterprise Funds. These schedules are not a required part of the basic financial statements.

TOWN OF JOHNSTON, RHODE ISLAND

TAX COLLECTOR'S ANNUAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

Real estate and personal property taxes receivable:

Fiscal Year	July 1, 2022	Current Year		Refunds / Adjustments	Amount to be Collected	FY 2023 Collections	June 30, 2023	FY 2023 Collections Summary			July - August 2023 (FY24) Collections Subject to 60-day FY23 Accrual	
		Assessment	Additions					Abatements	July - August 2022 (FY23) Collections Subject to 60-day FY22 Accrual	September -2022 to June 2023 Collections		Total FY 2023 Collections
2022	\$ --	\$ 72,855,936	\$ 654,134	\$ (497,740)	\$ (11,239)	\$ 73,001,091	\$ 69,993,460	\$ 3,007,631	\$ --	\$ 69,993,460	\$ 69,993,460	\$ 735,879
2021	3,042,552	--	26,077	(50,281)	206,874	3,225,222	2,444,064	781,158	762,603	1,681,461	2,444,064	277,878
2020	750,113	--	--	(32,974)	11,388	728,527	247,846	480,681	41,094	206,752	247,846	41,562
2019	414,758	--	5,965	(2,743)	(13,987)	403,993	45,142	358,851	3,415	41,727	45,142	7,825
2018	475,680	--	--	(3,366)	(14,350)	457,964	19,950	438,014	3,024	16,926	19,950	969
2017	430,423	--	--	(3,420)	(13,184)	413,819	11,971	401,848	1,538	10,433	11,971	1,611
2016	480,941	--	--	(2,026)	(14,445)	464,470	10,328	454,142	644	9,684	10,328	411
2015	500,070	--	--	(383)	(14,228)	485,459	5,859	479,600	303	5,556	5,859	220
2014	396,695	--	--	(53)	(13,677)	382,965	6,094	376,871	118	5,976	6,094	248
2013	394,496	--	--	(53)	(9,549)	384,894	7,657	377,237	52	7,605	7,657	4,387
2012 and prior	1,826,505	--	--	(815)	(66,717)	1,758,973	16,156	1,742,817	4,944	11,212	16,156	46,696
	<u>\$ 8,712,233</u>	<u>\$ 72,855,936</u>	<u>\$ 686,176</u>	<u>\$ (593,854)</u>	<u>\$ 46,886</u>	<u>\$ 81,707,377</u>	<u>\$ 72,808,527</u>	<u>\$ 8,898,850</u>	<u>\$ 817,735</u>	<u>\$ 71,990,792</u>	<u>\$ 72,808,527</u>	<u>\$ 1,117,686</u>
<i>Allowance for Uncollectible Accounts</i>	(4,414,219)							(4,370,053)				
<i>Tax sale receivable</i>	--							--				
<i>Net Property Tax Receivable</i>	<u>\$ 4,298,014</u>							<u>\$ 4,528,797</u>				

TOWN OF JOHNSTON, RHODE ISLAND
TAX COLLECTOR'S ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

Schedule of Net Assessed Property, Value by Category		
<u>Description of Property</u>	Valuations	
	December 31, 2021	Levy July 1, 2022
Real Property	\$ 2,956,614,400	\$ 61,088,173
Motor Vehicle	--	--
Tangible	<u>182,899,450</u>	<u>11,767,763</u>
Total	3,139,513,850	72,855,936
Exemptions	<u>(456,283,606)</u>	<u>--</u>
Net Assessed Value	<u><u>\$ 2,683,230,244</u></u>	<u><u>\$ 72,855,936</u></u>

Reconciliation of Current Year Property Tax Revenue	
Current Year Collections	\$ 72,808,527
July - August 2023 Collections Subject to 60-day FY23 Accrual	<u>1,117,686</u>
	73,926,213
July - August 2022 Collections Subject to 60-day FY22 Accrual	<u>(817,735)</u>
Current year general fund tax revenue	<u><u>\$ 73,108,478</u></u>

TOWN OF JOHNSTON, RHODE ISLAND
ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
FOR THE YEAR ENDED JUNE 30, 2023

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 70,729,339	\$ -
Last Year's Levy Tax Collection	1,959,339	-
Prior Years Property Tax Collection	419,800	-
Interest & Penalty	623,148	-
PILOT & Tax Treaty (excluded from levy) Collection	3,861,052	-
Other Local Property Taxes	-	-
Licenses and Permits	207,151	-
Fines and Forfeitures	280,538	-
Investment Income	1,395,333	-
Departmental	7,889,719	-
Rescue Run Revenue	1,481,123	-
Police & Fire Detail	1,338,481	-
Other Local Non-Property Tax Revenues	-	-
Tuition	-	116,642
Impact Aid	-	-
Medicaid	-	738,385
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	812,504
CDBG	-	-
COPS Grants	145,801	-
SAFER Grants	-	-
Other Federal Aid Funds	-	2,652,497
COVID - ESSER	-	4,454,321
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	9,050
COVID - ARPA	3,401,603	-
MV Excise Tax Reimbursement	437,352	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	131,840	-
Library Construction Aid	-	-
Public Service Corporation Tax	391,636	-
Meals & Beverage Tax / Hotel Tax	1,004,777	-
LEA Aid	-	20,505,201
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	178,472	-
State Food Service Revenue	-	132,640
Incentive Aid	17,129	-
Property Revaluation Reimbursement	-	-
Other State Revenue	126,407	502,166
Motor Vehicle Phase Out	9,945,433	-
Other Revenue	551,885	1,695,276
Local Appropriation for Education	-	38,529,015
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 106,517,358	\$ 70,147,697
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	700,000	1,300,000
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ 700,000	\$ 1,300,000

TOWN OF JOHNSTON, RHODE ISLAND

ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)

FOR THE YEAR ENDED JUNE 30, 2023

<u>EXPENDITURES</u>	<u>General</u>		<u>Social</u>	<u>Centralized</u>		<u>Libraries</u>	<u>Public</u>	<u>Parks and</u>	<u>Police</u>
	<u>Government</u>	<u>Finance</u>	<u>Services</u>	<u>IT</u>	<u>Planning</u>		<u>Works</u>	<u>Rec</u>	<u>Department</u>
Compensation- Group A	\$ 1,035,971	\$ 745,636	\$ 2,400	\$ -	\$ 16,846	\$ 287,803	\$ 1,354,309	\$ 733,572	\$ 5,765,864
Compensation - Group B	-	-	-	-	-	-	-	-	692,345
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	17,418	81,134	-	-	2,343	-	171,520	61,596	1,080,726
Overtime - Group B	-	-	-	-	-	-	-	-	53,211
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	1,387,289
Active Medical Insurance - Group A	566,478	496,455	-	-	10,059	141,177	398,830	138,434	1,254,767
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	294,328
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	9,867	9,180	-	-	344	5,541	17,491	6,229	59,900
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	14,051
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	81,700	63,585	184	-	9,823	21,795	109,827	60,232	564,545
Life Insurance	1,445	1,426	-	-	119	693	2,574	1,406	108,991
State Defined Contribution- Group A	6,438	7,644	-	-	658	2,396	13,031	5,409	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	6,422
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	372,883	131,055	-	-	-	-	-	-	150,000
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	112,246	-	-	-	-	-	-	-	5,463,322
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group A	-	-	-	-	15,725	38,333	221,172	111,362	116,246
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	159,181
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	451,838	303,879	-	-	4,586	-	33,350	-	8,029
Materials/Supplies	41,804	72,724	-	-	1,639	7,522	64,071	6,976	56,562
Software Licenses	-	40,673	-	-	-	56,392	-	-	47,910
Capital Outlays	3,361,745	2,654	-	-	-	3,708	3,768,888	3,709	9,860
Insurance	639,475	-	-	-	-	-	-	-	-
Maintenance	47,286	-	-	-	1,376	20,570	36,454	46,434	49,471
Vehicle Operations	-	-	-	-	-	-	174,030	21,408	129,600
Utilities	32,916	7,545	-	-	-	35,035	42,266	77,459	68,174
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	722,702	-	-
Revaluation	-	442,532	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	128,978	-	-
Trash Removal & Recycling	-	-	-	-	-	-	1,743,987	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	40,095	-	-	-	-	-	-	-	-
Other Operation Expenditures	392,442	5,074	239,658	-	13,783	2,823	24,451	130,065	219,403
Tipping Fees	-	-	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 7,212,047	\$ 2,411,196	\$ 242,242	\$ -	\$ 77,301	\$ 623,788	\$ 9,027,931	\$ 1,404,291	\$ 17,760,197

TOWN OF JOHNSTON, RHODE ISLAND

ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)

FOR THE YEAR ENDED JUNE 30, 2023

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ 7,464,190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,405,591	\$ 26,905,873
Compensation - Group B	129,008	-	-	-	-	-	821,353	2,736,096
Compensation - Group C	-	-	-	-	-	-	-	4,095,277
Compensation-Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	3,738,995	-	-	-	-	-	5,153,732	-
Overtime - Group B	1,163	-	-	-	-	-	54,374	-
Overtime - Group C	-	-	-	-	-	-	-	221,917
Police & Fire Detail	-	-	-	-	-	-	1,387,289	-
Active Medical Insurance - Group A	1,619,968	-	-	-	-	-	4,626,168	5,608,602
Active Medical Insurance- Group B	41,294	-	-	-	-	-	335,622	765,492
Active Medical Insurance- Group C	-	-	-	-	-	-	-	2,012,958
Active Dental Insurance- Group A	83,604	-	-	-	-	-	192,156	233,912
Active Dental Insurance- Group B	2,008	-	-	-	-	-	16,059	25,200
Active Dental Insurance- Group C	-	-	-	-	-	-	-	52,896
Payroll Taxes	790,864	-	-	-	-	-	1,702,555	783,661
Life Insurance	37,038	-	-	-	-	-	153,692	131,640
State Defined Contribution- Group A	-	-	-	-	-	-	-	858,285
State Defined Contribution - Group B	679	-	-	-	-	-	7,101	73,229
State Defined Contribution - Group C	-	-	-	-	-	-	-	37,030
Other Benefits- Group A	90,000	-	-	-	-	-	743,938	42,209
Other Benefits- Group B	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	4,686,123	-	-	-	-	-	10,261,691	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group A	666,027	-	-	-	-	-	1,168,865	4,125,651
State Defined Benefit Pension - Group B	21,310	-	-	-	-	-	180,491	454,547
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	687,853
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	3,499	-	-	-	-	-	805,181	16,916,573
Materials/Supplies	270,254	-	-	-	-	-	521,552	1,128,207
Software Licenses	-	-	-	-	-	-	164,975	100,325
Capital Outlay	1,039	-	-	-	-	-	7,151,603	489,559
Insurance	-	-	-	-	-	-	639,475	453,238
Maintenance	159,958	-	-	-	-	-	361,549	265,719
Vehicle Operations	418,240	-	-	-	-	-	744,278	26,186
Utilities	178,158	-	-	-	-	-	441,553	788,041
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	722,702	-
Revaluation	-	-	-	-	-	-	442,532	-
Snow Removal-raw Material & External Contracts	-	-	-	-	-	-	128,978	-
Trash Removal & Recycling	-	-	-	-	-	-	1,743,947	-
Claims & Settlements	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	40,095	-
Other Operation Expenditures	398,389	-	-	-	-	-	1,426,088	286,715
Tipping Fees	-	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	38,529,015	-	-	38,529,015	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	2,862,604	-	2,862,604	-
Municipal Debt- Interest	-	-	-	-	524,711	-	524,711	-
School Debt- Principal	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	5,663,895	5,663,895	-
Retiree Dental Insurance- Total	-	-	-	-	-	192,378	192,378	27,868
OPEB Contribution- Total	-	-	-	-	-	250,000	250,000	1,542,230
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 20,802,808	\$ -	\$ -	\$ 38,529,015	\$ 3,387,315	\$ 6,106,273	\$ 107,584,404	\$ 71,877,687

Financing Use: Transfer to Capital Funds	\$ 3,575,000	\$ -
Financing Use: Transfer to Other Funds	700,000	-
Financing Use: Payment to Bond Escrow Agent	-	-
Financing Use: Other	-	-
Total Other Financing Uses	\$ 4,275,000	\$ -
Net Change in Fund Balance¹	(4,642,046)	(429,990)
Fund Balance¹ - beginning of year	\$50,873,548	\$666,807
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	-	-
Fund Balance¹ - beginning of year adjusted	50,873,548	666,807
Rounding	-	-
Fund Balance¹ - end of year	\$ 46,231,502	\$ 236,817

¹ and Net Position if Enterprise Fund activity is included in the transparency portal report.

TOWN OF JOHNSTON, RHODE ISLAND

COMBINING SCHEDULE OF REPORTABLE GOVERNMENTAL SERVICES WITH RECONCILIATION TO MTP2

MUNICIPAL

FOR THE YEAR ENDED JUNE 30, 2023

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2022 adjusted						\$ 50,873,548	-	\$ 50,873,548	
<i>No funds removed from RGS for fiscal 2022</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2022</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2022</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2023 adjusted						\$ 50,873,548	-	\$ 50,873,548	
General Fund	\$ 102,423,620	\$ 200,000	\$ 61,673,606	\$ 42,604,015	\$ (1,654,001)	\$ 44,838,771	\$ -	\$ 44,838,771	\$ 43,184,770
Scholarship Fund - 205	16,226	-	15,000	-	1,226	275,096	-	275,096	276,322
Johnston Memorial Library Fund - 305	8,286	-	2,823	-	5,463	144,648	-	144,648	150,111
Police Seizure Fund - Federal - 318	695	-	7,354	-	(6,659)	28,434	-	28,434	21,775
ARPA Funding	3,545,750	-	3,401,603	-	144,147	907	-	907	145,054
Police Seizure Fund - Other Than Federal funds - 328	35,484	-	1,109	-	34,375	2,157	-	2,157	36,532
Memorial Park Recreation Fields Restoration Fund - 329	26,412	-	48,428	-	(22,016)	66,507	-	66,507	44,491
Fire Prevention Fund - 330	9,328	-	-	-	9,328	71,619	-	71,619	80,947
Indoor Athletic Complex Fund - 331	130,442	-	77,767	-	52,675	292,957	-	292,957	345,632
Blue Riptide Grant Fund - 340	5,531	-	5,531	-	-	-	-	-	-
Fire Plan Review Fund - 360	69,680	-	54,310	200,000	(184,630)	735,195	-	735,195	550,565
Historical Records Fund - 500	36,119	-	12,406	-	23,713	216,631	-	216,631	240,344
Opioid Litigation - 256	132,232	-	2,147	-	130,085	200,107	-	200,107	330,192
Compensated Absences - 257	43,861	500,000	-	-	543,861	2,000,360	-	2,000,360	2,544,221
Capital Projects - 668	33,692	3,575,000	3,753,305	-	(144,613)	2,000,159	-	2,000,159	1,855,546
Totals per audited financial statements	\$ 106,517,358	\$ 4,275,000	\$ 69,055,389	\$ 42,804,015	\$ (1,067,046)	\$ 50,873,548	\$ -	\$ 50,873,548	\$ 49,806,502
Reconciliation from financial statements to MTP2									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	-	\$ 38,529,015	\$ (38,529,015)	-	-	-	-	-
Removal of non property taxes activity from capital projects fund	-	(3,575,000)	-	-	(3,575,000)	-	-	-	(3,575,000)
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	\$ 106,517,358	\$ 700,000	\$ 107,584,404	\$ 4,275,000	\$ (4,642,046)	\$ 50,873,548	\$ -	\$ 50,873,548	\$ 46,231,502

TOWN OF JOHNSTON, RHODE ISLAND

COMBINING SCHEDULE OF REPORTABLE GOVERNMENTAL SERVICES WITH RECONCILIATION TO MTP2

EDUCATION DEPARTMENT

FOR THE YEAR ENDED JUNE 30, 2023

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance ¹ - per MTP-2 at June 30, 2022 adjusted <i>No misc. adjustments made for fiscal 2022</i>						\$ 666,807	-	\$ 666,807	
Fund Balance ¹ - per MTP-2 at June 30, 2023 adjusted						<u>\$ 666,807</u>	-	<u>\$ 666,807</u>	
School Unrestricted Fund	\$ 24,474,769	\$ 39,829,015	\$ 64,987,254	\$ -	\$ (683,470)	\$ (871,996)	\$ -	\$ (871,996)	\$ (1,555,466)
Enterprise Fund ⁴	2,060,714	-	1,904,164	-	156,550	1,130,656	-	1,130,656	1,287,206
School Special Revenue Funds	7,962,671	-	7,876,687	-	85,984	446,462	-	446,462	532,446
Totals per audited financial statements	<u>\$ 34,498,154</u>	<u>\$ 39,829,015</u>	<u>\$ 74,768,105</u>	<u>\$ -</u>	<u>\$ (440,936)</u>	<u>\$ 705,122</u>	<u>\$ -</u>	<u>\$ 705,122</u>	<u>\$ 264,186</u>
Reconciliation from financial statements to MTP2									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 38,529,015	\$ (38,529,015)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(2,879,472)	-	(2,879,472)	-	-	-	\$ -	\$ -	-
Adjustment for capital assets net of depreciation	-	-	(10,946)	-	10,946	(38,315)	\$ -	(38,315)	\$ (27,369)
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 70,147,697</u>	<u>\$ 1,300,000</u>	<u>\$ 71,877,687</u>	<u>\$ -</u>	<u>\$ (429,990)</u>	<u>\$ 666,807</u>	<u>-</u>	<u>\$ 666,807</u>	<u>\$ 236,817</u>
Reconciliation from MTP2 to UCOA									
Miscellaneous variance between MTP2 and UCOA	<u>\$ -</u>		<u>\$ -</u>						
Totals per UCOA Validated Totals Report Dated 2/14/24	<u>\$ 70,147,697</u>		<u>\$ 71,877,687</u>						

⁴ and Net Position if Enterprise Fund activity is included in the transparency portal report.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO SUPPLEMENTARY INFORMATION – ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1. Basis of Presentation

The *Annual Supplemental Transparency Report (MTP2)* is a supplemental schedule required by the State of Rhode Island General Laws 45-12-22.2 and 44-35-10. This supplementary schedule included within the audit report is part of a broader project to create a municipal transparency portal (MTP) website to host municipal financial information in a centralized location. The format of the *Annual Supplemental Transparency Report (MTP2)* was prescribed by the State Department of Revenue (Division of Municipal Finance), Office of the Auditor General, and the Department of Education.

NOTE 2. Reportable Government Services

Data consistency and comparability are among the key objectives of the State's Municipal Transparency portal. Consistent with that goal, the State has defined "reportable government services", RGS, to include those operational revenues, expenditures, and transfers related to activities which are essential to the achievement of municipal operations. The determination of RGS may be different from the activities included within the legally adopted budget of the municipality. In practice, some communities report certain RGS in separate funds (e.g., special revenue funds, enterprise funds) rather than the municipality's general fund. The *Annual Supplemental Transparency Report (MTP2)* includes a reconciliation to the fund level statements.

NOTE 3. Allocations

The State reporting requires expenditures to be reported by departments, as defined by the State. Some of the departmental groupings are not consistent with the departments reflected in the City's (or Town's) budget and accounting system. To report these costs, the City (or Town) made allocations of costs to the State's departmental groupings based on a reasonable basis.

NOTE 4. Employee Groups - Compensation and Benefit Costs

Compensation includes salaries, longevity, stipends, clothing allowance/maintenance, shift differential, out-of-rank, holiday pay and bonuses.

For Public Safety departments (i.e., police, fire, and centralized dispatch) and the Education Department, compensation and most benefit costs are reported in the following employee groupings:

Group A: This group consists of employees who serve the primary function of the department.

- Police Department - police officers (e.g., uniform personnel - including, leadership positions)
- Fire Department - firefighters (e.g., uniform personnel - including, leadership positions)
- Centralized Dispatch Department - civilian dispatchers only
- Education Department - professional staff providing direct services to students
- For the remaining departments - all employees' compensation and benefits are reported under Group A

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO SUPPLEMENTARY INFORMATION – ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4. Employee Groups - Compensation and Benefit Costs (Continued)

Group B: For Police and Fire Departments, compensation and benefits paid to its administrative employees and civilian dispatch employees are reported under Group B. The Education Department reports compensation and benefits paid to executive/mid-level educational administration employees under Group B.

Group C: This group is only used for the Education Department and it includes administrative and support staff.

Other post-employment benefits (OPEB) are not reported by employee groups on the MTP2. They are reported in total as either (1) contributions to a qualified OPEB trust or (2) the amount paid for medical and dental insurance for retirees when an OPEB trust fund has not been established. The detail employee group information for the Education Department can be found on the State's Municipal Transparency portal website.

NOTE 5. Education Revenue and Expenditures

The revenues and expenditures presented on the MTP2 under the Education Department is consistent with existing Uniform Chart of Accounts (UCOA) guidelines. Each MTP account code has been mapped to the corresponding UCOA code or group of UCOA codes to facilitate the preparation of the MTP reporting.

Additional guidance and definitions regarding the State's Municipal Transparency Portal can be found on the State Division of Municipal Finance website: <http://www.municipalfinance.ri.gov/>.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2023

	TOWN SPECIAL REVENUE FUNDS						
	205	305	318	326	328	329	330
	Mayor's Scholarship	Memorial Library	Police Federal	Police Grant	Police State	Memorial Park	Fire Prevention
Assets							
Cash and cash equivalents	\$ 276,322	\$ 151,244	\$ 107,389	\$ --	\$ 5,352	\$ 53,005	\$ --
Due from federal & state governments	--	--	--	--	--	--	--
Due from other funds	--	--	--	--	31,180	--	80,947
Other receivables, net	--	--	--	--	--	--	--
Total Assets	<u>\$ 276,322</u>	<u>\$ 151,244</u>	<u>\$ 107,389</u>	<u>\$ --</u>	<u>\$ 36,532</u>	<u>\$ 53,005</u>	<u>\$ 80,947</u>
Liabilities							
Accounts payable and accrued liabilities	\$ --	\$ 1,133	\$ --	\$ --	\$ --	\$ 8,514	\$ --
Escrow deposits	--	--	85,614	--	--	--	--
Due to other funds	--	--	--	--	--	--	--
Total Liabilities	<u>--</u>	<u>1,133</u>	<u>85,614</u>	<u>--</u>	<u>--</u>	<u>8,514</u>	<u>--</u>
Fund Balances							
Restricted	276,322	150,111	21,775	--	36,532	44,491	80,947
Committed	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balances	<u>276,322</u>	<u>150,111</u>	<u>21,775</u>	<u>--</u>	<u>36,532</u>	<u>44,491</u>	<u>80,947</u>
Total Liabilities Deferred Inflows of Resources and Fund Balances	<u>\$ 276,322</u>	<u>\$ 151,244</u>	<u>\$ 107,389</u>	<u>\$ --</u>	<u>\$ 36,532</u>	<u>\$ 53,005</u>	<u>\$ 80,947</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	TOWN SPECIAL REVENUE FUNDS						Total Town Special Revenue
	331	340	360	256	257	500	
	Indoor Athletic	Blue RIPTIDE	Fire Plan Review	Opioid Litigation	Compensated Absences	Historical Trust	
Assets							
Cash and cash equivalents	\$ 349,264	\$ --	\$ --	\$ 330,192	\$ 1,677,186	\$ 238,747	\$ 3,188,701
Due from federal & state governments	--	--	--	--	--	--	--
Due from other funds	--	--	550,565	--	867,035	1,597	1,531,324
Other receivables, net	--	--	--	--	--	--	--
Total Assets	<u>\$ 349,264</u>	<u>\$ --</u>	<u>\$ 550,565</u>	<u>\$ 330,192</u>	<u>\$ 2,544,221</u>	<u>\$ 240,344</u>	<u>\$ 4,720,025</u>
Liabilities							
Accounts payable and accrued liabilities	\$ 2,807	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 12,454
Escrow deposits	--	--	--	--	--	--	85,614
Due to other funds	825	--	--	--	--	--	825
Total Liabilities	<u>3,632</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>98,893</u>
Fund Balances							
Restricted	--	--	--	330,192	--	240,344	1,180,714
Committed	345,632	--	550,565	--	2,544,221	--	3,440,418
Unassigned	--	--	--	--	--	--	--
Total Fund Balances	<u>345,632</u>	<u>--</u>	<u>550,565</u>	<u>330,192</u>	<u>2,544,221</u>	<u>240,344</u>	<u>4,621,132</u>
Total Liabilities Deferred Inflows of Resources and Fund Balances	<u>\$ 349,264</u>	<u>\$ --</u>	<u>\$ 550,565</u>	<u>\$ 330,192</u>	<u>\$ 2,544,221</u>	<u>\$ 240,344</u>	<u>\$ 4,720,025</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	SCHOOL SPECIAL REVENUE FUNDS					
	21011100	21011200	21013100	21014100	21021100	21023102
	IDEA Part B	IDEA Pre-K	Student Support	CTE Consultant	Title I	ATSI Grant
Assets						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	385,974	16,034	--	--	15,724	--
Due from other funds	1,301,993	46,217	9,990	--	1,366,989	1,701
Other receivables	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$ 1,687,967</u>	<u>\$ 62,251</u>	<u>\$ 9,990</u>	<u>\$ --</u>	<u>\$ 1,382,713</u>	<u>\$ 1,701</u>
Liabilities						
Accounts payable and accrued liabilities	\$ 5,592	\$ --	\$ --	\$ 300	\$ --	\$ --
Due to other funds	<u>1,682,375</u>	<u>63,464</u>	<u>16,190</u>	<u>--</u>	<u>1,382,713</u>	<u>--</u>
Total Liabilities	<u>1,687,967</u>	<u>63,464</u>	<u>16,190</u>	<u>300</u>	<u>1,382,713</u>	<u>--</u>
Fund Balances						
Restricted	--	--	--	--	--	1,701
Assigned	--	--	--	--	--	--
Unassigned	<u>--</u>	<u>(1,213)</u>	<u>(6,200)</u>	<u>(300)</u>	<u>--</u>	<u>--</u>
Total Fund Balances	<u>--</u>	<u>(1,213)</u>	<u>(6,200)</u>	<u>(300)</u>	<u>--</u>	<u>1,701</u>
Total Liabilities and Fund Balances	<u>\$ 1,687,967</u>	<u>\$ 62,251</u>	<u>\$ 9,990</u>	<u>\$ --</u>	<u>\$ 1,382,713</u>	<u>\$ 1,701</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

SCHOOL SPECIAL REVENUE FUNDS

	21031100	21041100	21051100	21091100	21162100	21251100
	Title II	Title III	Title IV	Perkins	FFVP	ESSER
Assets						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	4,000	10,199	28,380	50,146	3,340	--
Due from other funds	321,252	34,221	225,414	137,720	44,092	21,212
Other receivables	--	--	--	--	--	--
Total Assets	<u>\$ 325,252</u>	<u>\$ 44,420</u>	<u>\$ 253,794</u>	<u>\$ 187,866</u>	<u>\$ 47,432</u>	<u>\$ 21,212</u>
Liabilities						
Accounts payable and accrued liabilities	\$ --	\$ --	\$ 5,058	\$ 18,221	\$ --	\$ --
Due to other funds	321,514	44,083	248,729	167,674	47,432	16,009
Total Liabilities	<u>321,514</u>	<u>44,083</u>	<u>253,787</u>	<u>185,895</u>	<u>47,432</u>	<u>16,009</u>
Fund Balances						
Restricted	3,738	337	7	1,971	--	5,203
Assigned	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balances	<u>3,738</u>	<u>337</u>	<u>7</u>	<u>1,971</u>	<u>--</u>	<u>5,203</u>
Total Liabilities and Fund Balances	<u>\$ 325,252</u>	<u>\$ 44,420</u>	<u>\$ 253,794</u>	<u>\$ 187,866</u>	<u>\$ 47,432</u>	<u>\$ 21,212</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

SCHOOL SPECIAL REVENUE FUNDS

	21251600 Rethink Savaas	21251304 CRF Sub/Tech	21264107 RTTT	21413100 Rising Star	21422100 Pre-K	21422101 School Climate
Assets						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	--	--	--	--	13,059	--
Due from other funds	6,485	114	--	2,000	16,564	1,401
Other receivables	9,050	--	--	--	--	--
Total Assets	<u>\$ 15,535</u>	<u>\$ 114</u>	<u>\$ --</u>	<u>\$ 2,000</u>	<u>\$ 29,623</u>	<u>\$ 1,401</u>
Liabilities						
Accounts payable and accrued liabilities	\$ 9,050	\$ --	\$ --	\$ --	\$ 2,517	\$ 1,279
Due to other funds	6,485	114	1,000	--	27,106	--
Total Liabilities	<u>15,535</u>	<u>114</u>	<u>1,000</u>	<u>--</u>	<u>29,623</u>	<u>1,279</u>
Fund Balances						
Restricted	--	--	--	2,000	--	122
Assigned	--	--	--	--	--	--
Unassigned	--	--	(1,000)	--	--	--
Total Fund Balances	<u>--</u>	<u>--</u>	<u>(1,000)</u>	<u>2,000</u>	<u>--</u>	<u>122</u>
Total Liabilities and Fund Balances	<u>\$ 15,535</u>	<u>\$ 114</u>	<u>\$ --</u>	<u>\$ 2,000</u>	<u>\$ 29,623</u>	<u>\$ 1,401</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

SCHOOL SPECIAL REVENUE FUNDS

	21422300	21422400	22192000	23031000	23153001	23183001
	Literacy	CS4RI Spring	Healthier Schools	Student Equity	Pre-K Grant	RISCA
Assets						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	--	--	--	--	--	--
Due from other funds	52,598	11,593	2,000	7,684	2,126	4,825
Other receivables	--	--	--	--	--	--
Total Assets	<u>\$ 52,598</u>	<u>\$ 11,593</u>	<u>\$ 2,000</u>	<u>\$ 7,684</u>	<u>\$ 2,126</u>	<u>\$ 4,825</u>
Liabilities						
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due to other funds	52,459	--	--	--	--	--
Total Liabilities	<u>52,459</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances						
Restricted	139	11,593	2,000	7,684	2,126	4,825
Assigned	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balances	<u>139</u>	<u>11,593</u>	<u>2,000</u>	<u>7,684</u>	<u>2,126</u>	<u>4,825</u>
Total Liabilities and Fund Balances	<u>\$ 52,598</u>	<u>\$ 11,593</u>	<u>\$ 2,000</u>	<u>\$ 7,684</u>	<u>\$ 2,126</u>	<u>\$ 4,825</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

SCHOOL SPECIAL REVENUE FUNDS

	23183002 RISCA JHS	23493000 Electrify RI	23581001 CTE Categorical	23591003 CS4RI	23671000 EL Categorical	23682001 Science Mini
Assets						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	--	--	--	--	8,716	--
Due from other funds	1,500	559	1,500	8,627	29,220	750
Other receivables	--	--	--	--	--	--
Total Assets	<u>\$ 1,500</u>	<u>\$ 559</u>	<u>\$ 1,500</u>	<u>\$ 8,627</u>	<u>\$ 37,936</u>	<u>\$ 750</u>
Liabilities						
Accounts payable and accrued liabilities	\$ 1,000	\$ --	\$ --	\$ 372	\$ 539	\$ --
Due to other funds	--	86	1,187	--	44,341	750
Total Liabilities	<u>1,000</u>	<u>86</u>	<u>1,187</u>	<u>372</u>	<u>44,880</u>	<u>750</u>
Fund Balances						
Restricted	500	473	313	8,255	--	--
Assigned	--	--	--	--	--	--
Unassigned	--	--	--	--	(6,944)	--
Total Fund Balances	<u>500</u>	<u>473</u>	<u>313</u>	<u>8,255</u>	<u>(6,944)</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 1,500</u>	<u>\$ 559</u>	<u>\$ 1,500</u>	<u>\$ 8,627</u>	<u>\$ 37,936</u>	<u>\$ 750</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	SCHOOL SPECIAL REVENUE FUNDS				
	23682002 Learning Champion	23911000 SBA Tech	24012001 Champlin Manufact	24012004 Feinstein Grant	24012021 Education Fund
Assets					
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	--	--	--	--	--
Due from other funds	4,053	--	39	651	150
Other receivables	--	--	--	--	--
Total Assets	<u>\$ 4,053</u>	<u>\$ --</u>	<u>\$ 39</u>	<u>\$ 651</u>	<u>\$ 150</u>
Liabilities					
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ 14	\$ --
Due to other funds	--	96,529	--	1,190	--
Total Liabilities	<u>--</u>	<u>96,529</u>	<u>--</u>	<u>1,204</u>	<u>--</u>
Fund Balances					
Restricted	4,053	--	39	--	150
Assigned	--	--	--	--	--
Unassigned	--	(96,529)	--	(553)	--
Total Fund Balances	<u>4,053</u>	<u>(96,529)</u>	<u>39</u>	<u>(553)</u>	<u>150</u>
Total Liabilities and Fund Balances	<u>\$ 4,053</u>	<u>\$ --</u>	<u>\$ 39</u>	<u>\$ 651</u>	<u>\$ 150</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

SCHOOL SPECIAL REVENUE FUNDS

	24012024 Feinstein Warrior	24012043 Verizon Foundation	24020045 Scholarship	24020059 Janice Mele Scholarship	24030009 Target Grant	24030011 WalMart
Assets						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	--	--	--	--	--	--
Due from other funds	71,415	3,512	1,220	--	--	150
Other receivables	--	--	--	--	--	--
Total Assets	<u>\$ 71,415</u>	<u>\$ 3,512</u>	<u>\$ 1,220</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 150</u>
Liabilities						
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	485	3,786	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>485</u>	<u>3,786</u>	<u>--</u>
Fund Balances						
Restricted	71,415	3,512	1,220	--	--	150
Assigned	--	--	--	--	--	--
Unassigned	--	--	--	(485)	(3,786)	--
Total Fund Balances	<u>71,415</u>	<u>3,512</u>	<u>1,220</u>	<u>(485)</u>	<u>(3,786)</u>	<u>150</u>
Total Liabilities and Fund Balances	<u>\$ 71,415</u>	<u>\$ 3,512</u>	<u>\$ 1,220</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 150</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2023

	SCHOOL SPECIAL REVENUE FUNDS						
	24030049	24030057	24030075	24040021	24040061	22291010	24040079
	Stop & Shop	Broadrock	Panther Donation	EDC Grant	Lifetouch	EFC Tech	Misc Donations
Assets							
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	--	--	--	--	--	--	--
Due from other funds	4,532	171,181	18,615	4,795	30,145	151,500	--
Other receivables	--	--	--	--	--	--	--
Total Assets	<u>\$ 4,532</u>	<u>\$ 171,181</u>	<u>\$ 18,615</u>	<u>\$ 4,795</u>	<u>\$ 30,145</u>	<u>\$ 151,500</u>	<u>\$ --</u>
Liabilities							
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ 300	\$ --	\$ --
Due to other funds	--	--	--	230	--	151,500	144
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>230</u>	<u>300</u>	<u>151,500</u>	<u>144</u>
Fund Balances							
Restricted	4,532	171,181	18,615	4,565	29,845	--	--
Assigned	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	(144)
Total Fund Balances	<u>4,532</u>	<u>171,181</u>	<u>18,615</u>	<u>4,565</u>	<u>29,845</u>	<u>--</u>	<u>(144)</u>
Total Liabilities and Fund Balances	<u>\$ 4,532</u>	<u>\$ 171,181</u>	<u>\$ 18,615</u>	<u>\$ 4,795</u>	<u>\$ 30,145</u>	<u>\$ 151,500</u>	<u>\$ --</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	SCHOOL SPECIAL REVENUE FUNDS					
	21251701	21251801	21422401	22013100	23112001	23153003
	ESSER II	ESSER III	CS4RI Tufts	SSS Implementation	Senators Grant	Pre-K
Assets						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	260,604	2,284,178	--	--	--	53,051
Due from other funds	1,096,801	3,016,723	3,470	6,235	4,500	--
Other receivables	--	--	--	--	--	--
Total Assets	<u>\$ 1,357,405</u>	<u>\$ 5,300,901</u>	<u>\$ 3,470</u>	<u>\$ 6,235</u>	<u>\$ 4,500</u>	<u>\$ 53,051</u>
Liabilities						
Accounts payable and accrued liabilities	\$ --	\$ 3,360	\$ --	\$ --	\$ --	\$ --
Due to other funds	1,357,405	5,297,541	3,470	6,235	4,460	52,396
Total Liabilities	<u>1,357,405</u>	<u>5,300,901</u>	<u>3,470</u>	<u>6,235</u>	<u>4,460</u>	<u>52,396</u>
Fund Balances						
Restricted	--	--	--	--	40	655
Assigned	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>40</u>	<u>655</u>
Total Liabilities and Fund Balances	<u>\$ 1,357,405</u>	<u>\$ 5,300,901</u>	<u>\$ 3,470</u>	<u>\$ 6,235</u>	<u>\$ 4,500</u>	<u>\$ 53,051</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	SCHOOL SPECIAL REVENUE FUNDS					
	24040186	23911020	24040204	24050025	24050045	90010000
	SEAC	STEM Mini	AIR Grant	Special Olympics	HS Donation	Student Activities
Assets						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 273,781
Due from federal & state governments	--	--	--	--	--	--
Due from other funds	12,365	4,996	1,470	500	4,533	--
Other receivables	--	--	--	--	--	--
Total Assets	<u>\$ 12,365</u>	<u>\$ 4,996</u>	<u>\$ 1,470</u>	<u>\$ 500</u>	<u>\$ 4,533</u>	<u>\$ 273,781</u>
Liabilities						
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	5,311	5,693	--	--	--
Total Liabilities	<u>--</u>	<u>5,311</u>	<u>5,693</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances						
Restricted	12,365	--	--	500	4,533	273,781
Assigned	--	--	--	--	--	--
Unassigned	--	(315)	(4,223)	--	--	--
Total Fund Balances	<u>12,365</u>	<u>(315)</u>	<u>(4,223)</u>	<u>500</u>	<u>4,533</u>	<u>273,781</u>
Total Liabilities and Fund Balances	<u>\$ 12,365</u>	<u>\$ 4,996</u>	<u>\$ 1,470</u>	<u>\$ 500</u>	<u>\$ 4,533</u>	<u>\$ 273,781</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2023

	SCHOOL SPECIAL REVENUE FUNDS							Total School Special Revenue Funds
	91092100 Perks Secondary	91092100 Perkins Special Program	21251815 ARP Idea Part B	21251816 ARP IDEA Preschool	21422600 School Based Mental Health	23581000 CTE Categorical	23911001 SBA Cap Authority	
Assets								
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 273,781
Due from federal & state governments	--	--	202,642	5,531	--	--	271,227	3,612,805
Due from other funds	6,500	1,500	--	16,595	7,600	1,860	23,148	8,331,101
Other receivables	--	--	--	--	--	--	--	9,050
Total Assets	<u>\$ 6,500</u>	<u>\$ 1,500</u>	<u>\$ 202,642</u>	<u>\$ 22,126</u>	<u>\$ 7,600</u>	<u>\$ 1,860</u>	<u>\$ 294,375</u>	<u>\$ 12,226,737</u>
Liabilities								
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ 7,600	\$ 1,860	\$ 4,550	\$ 61,612
Due to other funds	6,500	1,500	202,642	22,126	--	--	289,825	11,632,679
Total Liabilities	<u>6,500</u>	<u>1,500</u>	<u>202,642</u>	<u>22,126</u>	<u>7,600</u>	<u>1,860</u>	<u>294,375</u>	<u>11,694,291</u>
Fund Balances								
Restricted	--	--	--	--	--	--	--	654,138
Assigned	--	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--	(121,692)
Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>532,446</u>
Total Liabilities and Fund Balances	<u>\$ 6,500</u>	<u>\$ 1,500</u>	<u>\$ 202,642</u>	<u>\$ 22,126</u>	<u>\$ 7,600</u>	<u>\$ 1,860</u>	<u>\$ 294,375</u>	<u>\$ 12,226,737</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2023

	CAPITAL PROJECT FUNDS			
	212	611	650	656
	School Facilities	Pezza DPW Facility	Fire Equipment	RIDEM Dams Escrow
Assets				
Cash and cash equivalents	\$ 143,207	\$ 6,183	\$ 529,290	\$ 1,500,801
Due from federal & state governments	--	--	--	--
Due from other funds	--	--	--	--
Other receivables, net	--	--	--	--
Total Assets	\$ 143,207	\$ 6,183	\$ 529,290	\$ 1,500,801
Liabilities				
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --
Escrow deposits	--	--	--	--
Due to other funds	--	--	--	--
Total Liabilities	--	--	--	--
Fund Balances				
Restricted	143,207	6,183	--	1,500,801
Committed	--	--	529,290	--
Unassigned	--	--	--	--
Total Fund Balances	143,207	6,183	529,290	1,500,801
Total Liabilities Deferred Inflows of Resources and Fund Balances	\$ 143,207	\$ 6,183	\$ 529,290	\$ 1,500,801

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	CAPITAL PROJECT FUNDS				Total Non-Major Governmental Funds
	668 Capital Project Funds	665 Capital Lease Fund	667 Rainone Gym	Total Capital Projects	
Assets					
Cash and cash equivalents	\$ 1,355,546	\$ 117,086	\$ --	\$ 3,652,113	\$ 7,114,595
Due from federal & state governments	--	--	--	--	3,612,805
Due from other funds	500,000	--	56,625	556,625	10,419,050
Other receivables, net	--	--	--	--	9,050
Total Assets	<u>\$ 1,855,546</u>	<u>\$ 117,086</u>	<u>\$ 56,625</u>	<u>\$ 4,208,738</u>	<u>\$ 21,155,500</u>
Liabilities					
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ 74,066
Escrow deposits	--	--	--	--	85,614
Due to other funds	--	--	--	--	11,633,504
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>11,793,184</u>
Fund Balances					
Restricted	--	117,086	56,625	1,823,902	3,658,754
Committed	1,855,546	--	--	2,384,836	5,825,254
Unassigned	--	--	--	--	(121,692)
Total Fund Balances	<u>1,855,546</u>	<u>117,086</u>	<u>56,625</u>	<u>4,208,738</u>	<u>9,362,316</u>
Total Liabilities Deferred Inflows of Resources and Fund Balances	<u>\$ 1,855,546</u>	<u>\$ 117,086</u>	<u>\$ 56,625</u>	<u>\$ 4,208,738</u>	<u>\$ 21,155,500</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	TOWN SPECIAL REVENUE FUNDS						
	205	305	318	326	328	329	330
	Mayor's Scholarship	Memorial Library	Police Federal	Police Grant	Police State	Memorial Park	Fire Prevention
Revenues							
Intergovernmental	\$ --	\$ --	\$ 695	\$ --	\$ 35,484	\$ 25,049	\$ --
Investment income	6,226	3,252	--	7,707	--	1,363	--
Charges for services	--	--	--	--	--	--	9,328
Other	10,000	5,034	--	--	--	--	--
Total Revenues	<u>16,226</u>	<u>8,286</u>	<u>695</u>	<u>7,707</u>	<u>35,484</u>	<u>26,412</u>	<u>9,328</u>
Expenditures							
Current							
General government	15,000	--	--	--	--	--	--
Public safety	--	--	7,354	7,707	1,109	--	--
Education	--	--	--	--	--	--	--
Parks and recreation	--	--	--	--	--	48,428	--
Public libraries	--	2,823	--	--	--	--	--
Capital Outlays	--	--	--	--	--	--	--
Total Expenditures	<u>15,000</u>	<u>2,823</u>	<u>7,354</u>	<u>7,707</u>	<u>1,109</u>	<u>48,428</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,226</u>	<u>5,463</u>	<u>(6,659)</u>	<u>--</u>	<u>34,375</u>	<u>(22,016)</u>	<u>9,328</u>
Other Financing Sources (Uses)							
Transfers in	--	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	1,226	5,463	(6,659)	--	34,375	(22,016)	9,328
Fund Balance - Beginning of Year	<u>275,096</u>	<u>144,648</u>	<u>28,434</u>	<u>--</u>	<u>2,157</u>	<u>66,507</u>	<u>71,619</u>
Fund Balance - End of Year	<u>\$ 276,322</u>	<u>\$ 150,111</u>	<u>\$ 21,775</u>	<u>\$ --</u>	<u>\$ 36,532</u>	<u>\$ 44,491</u>	<u>\$ 80,947</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	TOWN SPECIAL REVENUE FUNDS						Total Town Special Revenue
	331	340	360	256	257	500	
	Indoor Athletic	Blue RIPTIDE	Fire Plan Review	Opioid Litigation	Compensated Absences	Historical Trust	
Revenues							
Intergovernmental	\$ --	\$ 5,531	\$ --	\$ --	\$ --	\$ --	\$ 66,759
Investment income	6,916	--	--	5,825	43,861	5,134	80,284
Charges for services	123,526	--	69,680	--	--	30,985	233,519
Other	--	--	--	126,407	--	--	141,441
Total Revenues	130,442	5,531	69,680	132,232	43,861	36,119	522,003
Expenditures							
Current							
General government	--	--	--	--	--	12,406	27,406
Public safety	--	5,531	54,310	2,147	--	--	78,158
Education	--	--	--	--	--	--	--
Parks and recreation	77,767	--	--	--	--	--	126,195
Public libraries	--	--	--	--	--	--	2,823
Capital Outlays	--	--	--	--	--	--	--
Total Expenditures	77,767	5,531	54,310	2,147	--	12,406	234,582
Excess (Deficiency) of Revenues Over (Under) Expenditures	52,675	--	15,370	130,085	43,861	23,713	287,421
Other Financing Sources (Uses)							
Transfers in	--	--	--	--	500,000	--	500,000
Transfers out	--	--	(200,000)	--	--	--	(200,000)
Total Other Financing Sources (Uses)	--	--	(200,000)	--	500,000	--	300,000
Net Change in Fund Balances	52,675	--	(184,630)	130,085	543,861	23,713	587,421
Fund Balance - Beginning of Year	292,957	--	735,195	200,107	2,000,360	216,631	4,033,711
Fund Balance - End of Year	\$ 345,632	\$ --	\$ 550,565	\$ 330,192	\$ 2,544,221	\$ 240,344	\$ 4,621,132

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	SCHOOL SPECIAL REVENUE FUNDS					
	21011100	21011200	21013100	21014100	21021100	21023102
	IDEA Part B	IDEA Pre-K	Student Support	CTE Consultant	Title I	ATSI Grant
Revenues						
Intergovernmental	\$ 1,164,249	\$ 49,040	\$ --	\$ --	\$ 844,751	\$ --
Other revenue	--	--	--	--	--	--
Total Revenues	<u>1,164,249</u>	<u>49,040</u>	<u>--</u>	<u>--</u>	<u>844,751</u>	<u>--</u>
Expenditures						
Education	<u>1,164,249</u>	<u>49,040</u>	<u>--</u>	<u>--</u>	<u>844,751</u>	<u>--</u>
Total Expenditures	<u>1,164,249</u>	<u>49,040</u>	<u>--</u>	<u>--</u>	<u>844,751</u>	<u>--</u>
Net Change in Fund Balances	--	--	--	--	--	--
Fund Balances - Beginning of Year	<u>--</u>	<u>(1,213)</u>	<u>(6,200)</u>	<u>(300)</u>	<u>--</u>	<u>1,701</u>
Fund Balances - End of Year	<u><u>\$ --</u></u>	<u><u>\$ (1,213)</u></u>	<u><u>\$ (6,200)</u></u>	<u><u>\$ (300)</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 1,701</u></u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	SCHOOL SPECIAL REVENUE FUNDS					
	21031100	21041100	21051100	21091100	21162100	21251100
	Title II	Title III	Title IV	Perkins	FFVP	ESSER
Revenues						
Intergovernmental	\$ 222,065	\$ 34,155	\$ 125,950	\$ 105,750	\$ 37,430	\$ 6,237
Other revenue	--	--	--	--	--	--
Total Revenues	<u>222,065</u>	<u>34,155</u>	<u>125,950</u>	<u>105,750</u>	<u>37,430</u>	<u>6,237</u>
Expenditures						
Education	<u>222,065</u>	<u>33,504</u>	<u>124,201</u>	<u>98,150</u>	<u>37,430</u>	<u>6,237</u>
Total Expenditures	<u>222,065</u>	<u>33,504</u>	<u>124,201</u>	<u>98,150</u>	<u>37,430</u>	<u>6,237</u>
Net Change in Fund Balances	--	651	1,749	7,600	--	--
Fund Balances - Beginning of Year	<u>3,738</u>	<u>(314)</u>	<u>(1,742)</u>	<u>(5,629)</u>	<u>--</u>	<u>5,203</u>
Fund Balances - End of Year	<u><u>\$ 3,738</u></u>	<u><u>\$ 337</u></u>	<u><u>\$ 7</u></u>	<u><u>\$ 1,971</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 5,203</u></u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	SCHOOL SPECIAL REVENUE FUNDS					
	21251600 Rethink Savaas	21251304 CRF Sub/Tech	21264107 RTTT	21413100 Rising Star	21422100 Pre-K	21422101 School Climate
Revenues						
Intergovernmental	\$ 9,050	\$ --	\$ --	\$ --	\$ 25,101	\$ --
Other revenue	--	--	--	--	--	--
Total Revenues	<u>9,050</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>25,101</u>	<u>--</u>
Expenditures						
Education	<u>9,050</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>25,101</u>	<u>--</u>
Total Expenditures	<u>9,050</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>25,101</u>	<u>--</u>
Net Change in Fund Balances	--	--	--	--	--	--
Fund Balances - Beginning of Year	<u>--</u>	<u>--</u>	<u>(1,000)</u>	<u>2,000</u>	<u>--</u>	<u>122</u>
Fund Balances - End of Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (1,000)</u>	<u>\$ 2,000</u>	<u>\$ --</u>	<u>\$ 122</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

SCHOOL SPECIAL REVENUE FUNDS

	21422300	21422400	22192000	23031000	23153001	23183001
	Literacy	CS4RI Spring	Healthier Schools	Student Equity	Pre-K Grant	RISCA
Revenues						
Intergovernmental	\$ 32,537	\$ --	\$ --	\$ --	\$ --	\$ --
Other revenue	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
Total Revenues	<u>32,537</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
Expenditures						
Education	<u>32,537</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
Total Expenditures	<u>32,537</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
Net Change in Fund Balances	--	--	--	--	--	--
Fund Balances - Beginning of Year	<u>139</u>	<u>11,593</u>	<u>2,000</u>	<u>7,684</u>	<u>2,126</u>	<u>4,825</u>
Fund Balances - End of Year	<u>\$ 139</u>	<u>\$ 11,593</u>	<u>\$ 2,000</u>	<u>\$ 7,684</u>	<u>\$ 2,126</u>	<u>\$ 4,825</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	SCHOOL SPECIAL REVENUE FUNDS					
	23183002 RISCA JHS	23493000 Electrify RI	23581001 CTE Categorical	23591003 CS4RI	23671000 EL Categorical	23682001 Science Mini
Revenues						
Intergovernmental	\$ 1,000	\$ 296	\$ --	\$ --	\$ 37,889	\$ --
Other revenue	--	--	--	--	--	--
Total Revenues	<u>1,000</u>	<u>296</u>	<u>--</u>	<u>--</u>	<u>37,889</u>	<u>--</u>
Expenditures						
Education	<u>2,033</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>37,721</u>	<u>--</u>
Total Expenditures	<u>2,033</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>37,721</u>	<u>--</u>
Net Change in Fund Balances	(1,033)	296	--	--	168	--
Fund Balances - Beginning of Year	<u>1,533</u>	<u>177</u>	<u>313</u>	<u>8,255</u>	<u>(7,112)</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 500</u>	<u>\$ 473</u>	<u>\$ 313</u>	<u>\$ 8,255</u>	<u>\$ (6,944)</u>	<u>\$ --</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	SCHOOL SPECIAL REVENUE FUNDS				
	23682002 Learning Champion	23911000 SBA Tech	24012001 Champlin Manufact	24012004 Feinstein Grant	24012021 Education Fund
Revenues					
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ --
Other revenue	--	--	--	--	--
Total Revenues	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
Expenditures					
Education	--	--	--	--	--
Total Expenditures	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
Net Change in Fund Balances	--	--	--	--	--
Fund Balances - Beginning of Year	<u> 4,053</u>	<u> (96,529)</u>	<u> 39</u>	<u> (553)</u>	<u> 150</u>
Fund Balances - End of Year	<u><u> 4,053</u></u>	<u><u> (96,529)</u></u>	<u><u> 39</u></u>	<u><u> (553)</u></u>	<u><u> 150</u></u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	SCHOOL SPECIAL REVENUE FUNDS					
	24012024 Feinstein Warrior	24012043 Verizon Foundation	24020045 Scholarship	24020059 Janice Mele Scholarship	24030009 Target Grant	24030011 WalMart
Revenues						
Intergovernmental	\$ 30,000	\$ --	\$ --	\$ --	\$ --	\$ --
Other revenue	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
Total Revenues	<u>30,000</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
Expenditures						
Education	<u>14,453</u>	<u> --</u>	<u> --</u>	<u> 500</u>	<u> --</u>	<u> --</u>
Total Expenditures	<u>14,453</u>	<u> --</u>	<u> --</u>	<u> 500</u>	<u> --</u>	<u> --</u>
Net Change in Fund Balances	15,547	--	--	(500)	--	--
Fund Balances - Beginning of Year	<u>55,868</u>	<u>3,512</u>	<u>1,220</u>	<u>15</u>	<u>(3,786)</u>	<u>150</u>
Fund Balances - End of Year	<u><u>\$ 71,415</u></u>	<u><u>\$ 3,512</u></u>	<u><u>\$ 1,220</u></u>	<u><u>\$ (485)</u></u>	<u><u>\$ (3,786)</u></u>	<u><u>\$ 150</u></u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	SCHOOL SPECIAL REVENUE FUNDS						
	24030049 Stop & Shop	24030057 Broadrock	24030075 Panther Donation	24040021 EDC Grant	24040061 Lifetouch	22291010 EFC Tech	24040079 Misc Donations
Revenues							
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Other revenue	--	25,000	--	--	4,610	--	--
Total Revenues	--	25,000	--	--	4,610	--	--
Expenditures							
Education	--	200	--	--	--	--	--
Total Expenditures	--	200	--	--	--	--	--
Net Change in Fund Balances	--	24,800	--	--	4,610	--	--
Fund Balances - Beginning of Year	4,532	146,381	18,615	4,565	25,235	--	(144)
Fund Balances - End of Year	\$ 4,532	\$ 171,181	\$ 18,615	\$ 4,565	\$ 29,845	\$ --	\$ (144)

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	SCHOOL SPECIAL REVENUE FUNDS					
	21251701	21251801	21422401	22013100	23112001	23153003
	ESSER II	ESSER III	CS4RI Tufts	SSS Implementation	Senators Grant	Pre-K
Revenues						
Intergovernmental	\$ 991,441	\$ 3,231,876	\$ 3,470	\$ --	\$ (3,092)	\$ 192,985
Other revenue	--	--	--	--	--	--
Total Revenues	991,441	3,231,876	3,470	--	(3,092)	192,985
Expenditures						
Education	991,441	3,231,876	3,470	--	388	192,985
Total Expenditures	991,441	3,231,876	3,470	--	388	192,985
Net Change in Fund Balances	--	--	--	--	(3,480)	--
Fund Balances - Beginning of Year	--	--	--	--	3,520	655
Fund Balances - End of Year	\$ --	\$ --	\$ --	\$ --	\$ 40	\$ 655

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	SCHOOL SPECIAL REVENUE FUNDS					
	24040186	23911020	24040204	24050025	24050045	90010000
	SEAC	STEM Mini	AIR Grant	Special Olympics	HS Donation	Student Activities
Revenues						
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Other revenue	--	--	--	--	--	285,026
Total Revenues	--	--	--	--	--	285,026
Expenditures						
Education	--	1,361	--	--	--	248,089
Total Expenditures	--	1,361	--	--	--	248,089
Net Change in Fund Balances	--	(1,361)	--	--	--	36,937
Fund Balances - Beginning of Year	12,365	1,046	(4,223)	500	4,533	236,844
Fund Balances - End of Year	\$ 12,365	\$ (315)	\$ (4,223)	\$ 500	\$ 4,533	\$ 273,781

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	SCHOOL SPECIAL REVENUE FUNDS							Total School Department Funds
	91092100 Perks Secondary	91092100 Perkins Special Program	21251815 ARP Idea Part B	21251816 ARP IDEA Preschool	21422600 School Based Mental Health	23581000 CTE Categorical	23911000 SBA Cap Authority	
Revenues								
Intergovernmental	\$ 6,500	\$ 1,500	\$ 202,642	\$ 22,126	\$ --	\$ 1,860	\$ 271,227	\$ 7,648,035
Other revenue	--	--	--	--	--	--	--	314,636
Total Revenues	<u>6,500</u>	<u>1,500</u>	<u>202,642</u>	<u>22,126</u>	<u>--</u>	<u>1,860</u>	<u>271,227</u>	<u>7,962,671</u>
Expenditures								
Education	6,500	1,500	202,642	22,126	--	1,860	271,227	7,876,687
Total Expenditures	<u>6,500</u>	<u>1,500</u>	<u>202,642</u>	<u>22,126</u>	<u>--</u>	<u>1,860</u>	<u>271,227</u>	<u>7,876,687</u>
Net Change in Fund Balances	--	--	--	--	--	--	--	85,984
Fund Balances - Beginning of Year	--	--	--	--	--	--	--	446,462
Fund Balances - End of Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 532,446</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	CAPITAL PROJECT FUNDS			
	212	611	650	656
	School Facilities	Pezza DPW Facility	Fire Equipment	RIDEM Dams Escrow
Revenues				
Intergovernmental	\$ --	\$ --	\$ --	\$ --
Investment income	3,152	--	12,369	33,534
Charges for services	--	--	--	--
Other	--	189	--	--
Total Revenues	<u>3,152</u>	<u>189</u>	<u>12,369</u>	<u>33,534</u>
Expenditures				
Current				
General government	--	--	--	--
Public safety	--	--	66,149	--
Education	--	--	--	--
Parks and recreation	--	--	--	34,950
Public libraries	--	--	--	--
Capital Outlays	--	--	197,404	--
Total Expenditures	<u>--</u>	<u>--</u>	<u>263,553</u>	<u>34,950</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,152</u>	<u>189</u>	<u>(251,184)</u>	<u>(1,416)</u>
Other Financing Sources (Uses)				
Transfers in	--	--	--	--
Transfers out	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	3,152	189	(251,184)	(1,416)
Fund Balance - Beginning of Year	<u>140,055</u>	<u>5,994</u>	<u>780,474</u>	<u>1,502,217</u>
Fund Balance - End of Year	<u>\$ 143,207</u>	<u>\$ 6,183</u>	<u>\$ 529,290</u>	<u>\$ 1,500,801</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	CAPITAL PROJECT FUNDS			Total Capital Projects	Total Non-Major Governmental Funds
	668 Capital Project Funds	665 Capital Lease Fund	667 Rainone Gym		
Revenues					
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ 7,714,794
Investment income	33,692	5,377	--	88,124	168,408
Charges for services	--	--	--	--	233,519
Other	--	--	60,000	60,189	516,266
Total Revenues	<u>33,692</u>	<u>5,377</u>	<u>60,000</u>	<u>148,313</u>	<u>8,632,987</u>
Expenditures					
Current					
General government	--	71,251	--	71,251	98,657
Public safety	--	--	--	66,149	144,307
Education	31,544	--	--	31,544	7,908,231
Parks and recreation	--	--	--	34,950	161,145
Public libraries	--	--	--	--	2,823
Capital Outlays	<u>3,721,761</u>	<u>50,025</u>	<u>582,215</u>	<u>4,551,405</u>	<u>4,551,405</u>
Total Expenditures	<u>3,753,305</u>	<u>121,276</u>	<u>582,215</u>	<u>4,755,299</u>	<u>12,866,568</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,719,613)</u>	<u>(115,899)</u>	<u>(522,215)</u>	<u>(4,606,986)</u>	<u>(4,233,581)</u>
Other Financing Sources (Uses)					
Transfers in	3,575,000	--	--	3,575,000	4,075,000
Transfers out	--	--	--	--	(200,000)
Total Other Financing Sources (Uses)	<u>3,575,000</u>	<u>--</u>	<u>--</u>	<u>3,575,000</u>	<u>3,875,000</u>
Net Change in Fund Balances	<u>(144,613)</u>	<u>(115,899)</u>	<u>(522,215)</u>	<u>(1,031,986)</u>	<u>(358,581)</u>
Fund Balance - Beginning of Year	<u>2,000,159</u>	<u>232,985</u>	<u>578,840</u>	<u>5,240,724</u>	<u>9,720,897</u>
Fund Balance - End of Year	<u>\$ 1,855,546</u>	<u>\$ 117,086</u>	<u>\$ 56,625</u>	<u>\$ 4,208,738</u>	<u>\$ 9,362,316</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS**

JUNE 30, 2023

	Business-Type Activities - Enterprise Funds					Total Enterprise Funds
	60010000	60030000	60060000	60140000	6370000	
	Cafeteria Fund	Credit Recovery	Summer School	Athletic Field	TMobile Tower	
Assets						
Current Assets						
Cash and cash equivalents	\$ 367,062	\$ --	\$ --	\$ --	\$ --	\$ 367,062
Other receivables	166,462	--	--	--	--	166,462
Due from other funds	661,867	19,571	--	127,979	41,845	851,262
Inventory	14,931	--	--	--	--	14,931
Total Current Assets	<u>1,210,322</u>	<u>19,571</u>	<u>--</u>	<u>127,979</u>	<u>41,845</u>	<u>1,399,717</u>
Noncurrent Assets						
Capital assets, net	32,843	--	--	--	--	32,843
Total Assets	<u>1,243,165</u>	<u>19,571</u>	<u>--</u>	<u>127,979</u>	<u>41,845</u>	<u>1,432,560</u>
Liabilities						
Current Liabilities						
Accounts payable and accrued expenses	94,844	--	--	--	--	94,844
Due to other funds	--	--	46,087	--	--	46,087
Unearned revenue	4,423	--	--	--	--	4,423
Total Current Liabilities	<u>99,267</u>	<u>--</u>	<u>46,087</u>	<u>--</u>	<u>--</u>	<u>145,354</u>
Total Liabilities	<u>99,267</u>	<u>--</u>	<u>46,087</u>	<u>--</u>	<u>--</u>	<u>145,354</u>
Net Position						
Investment in capital assets	32,843	--	--	--	--	32,843
Unrestricted	1,111,055	19,571	(46,087)	127,979	41,845	1,254,363
Total Net Position	<u>\$ 1,143,898</u>	<u>\$ 19,571</u>	<u>\$ (46,087)</u>	<u>\$ 127,979</u>	<u>\$ 41,845</u>	<u>\$ 1,287,206</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Business-Type Activities - Enterprise Funds					Total Enterprise Funds
	60010000	60030000	60060000	60140000	6370000	
	Cafeteria Fund	Credit Recovery	Summer School	Athletic Field	TMobile Tower	
Operating Revenues						
Charges for services	\$ 988,146	\$ --	\$ --	\$ --	\$ --	\$ 988,146
Intergovernmental	<u>1,030,723</u>	--	--	--	41,845	<u>1,072,568</u>
Total Operating Revenues	<u>2,018,869</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>41,845</u>	<u>2,060,714</u>
Operating Expenses						
Education	1,893,218	--	--	--	--	1,893,218
Depreciation	<u>10,946</u>	--	--	--	--	<u>10,946</u>
Total Operating Expenses	<u>1,904,164</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,904,164</u>
Operating Income (Loss)	<u>114,705</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>41,845</u>	<u>156,550</u>
Transfers in (out)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Change in Net Position	<u>114,705</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>41,845</u>	<u>156,550</u>
Total Net Position - Beginning	<u>1,029,193</u>	<u>19,571</u>	<u>(46,087)</u>	<u>127,979</u>	<u>--</u>	<u>1,130,656</u>
Total Net Position - Ending	<u>\$ 1,143,898</u>	<u>\$ 19,571</u>	<u>\$ (46,087)</u>	<u>\$ 127,979</u>	<u>\$ 41,845</u>	<u>\$ 1,287,206</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

COMBINING STATEMENT OF CASH FLOWS NON-MAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds					Total Enterprise Funds
	60010000	60030000	60060000	60140000	6370000	
	Cafeteria Fund	Credit Recovery	Summer School	Athletic Field	TMobile Tower	
Cash Flows from Operating Activities						
Cash received from customers	\$ 988,146	\$ --	\$ --	\$ --	\$ --	\$ 988,146
Cash received from grantor	1,028,167	--	--	--	41,845	1,070,012
Cash paid to suppliers for goods and services and other operating payments	(1,896,842)	--	--	--	--	(1,896,842)
Net Cash (Used in) Provided by Operating Activities	<u>119,471</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>41,845</u>	<u>161,316</u>
Cash Flows from Noncapital Financing Activities						
Receipts from other funds	<u>98,833</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(41,845)</u>	<u>56,988</u>
Net Cash (Used in) Provided by Noncapital Financing Activities	<u>98,833</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(41,845)</u>	<u>56,988</u>
Net Increase in Cash and Cash Equivalents	218,304	--	--	--	--	218,304
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>148,758</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>148,758</u>
Cash, Cash Equivalents, and Restricted Cash - End of Year	<u><u>\$ 367,062</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 367,062</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Operating income (loss)	\$ 114,705	\$ --	\$ --	\$ --	\$ 41,845	\$ 156,550
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization expense	10,946	--	--	--	--	10,946
(Increase) decrease in intergovernmental receivables	(2,465)	--	--	--	--	(2,465)
Increase (decrease) in accounts payable and accrued expenses	(3,474)	--	--	--	--	(3,474)
Increase (decrease) in unearned revenue	(241)	--	--	--	--	(241)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 119,471</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 41,845</u>	<u>\$ 161,316</u>

See independent auditors' report on supplementary information.