

TOWN OF JOHNSTON, RHODE ISLAND
FINANCIAL STATEMENTS
JUNE 30, 2020



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**TOWN OF JOHNSTON, RHODE ISLAND
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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 JUNE 30, 2020**

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Introductory Section

PRINCIPAL OFFICIALS
Town of Johnston, Rhode Island

ELECTED OFFICIALS

Joseph M. Polisena

TOWN COUNCIL

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

Joseph Polisena, Jr., Vice President
Linda Folcarelli

SCHOOL COMMITTEE

Robert A. Lafazia, Chairperson

Joseph W. Rotella, Vice Chairperson
Dawn M. Aloisio

David Santilli
Susan M. Mansolillo

DEPARTMENT DIRECTORS

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

Joseph P. Razza
Peter Lamb
Doug Jeffrey
Vincent Bacari Jr.
Joseph L. Chiodo, CPA
Bethany Alviano
Kim Gallonio
William Conley
Dr. Bernard DiLullo, Jr.
Chris Correia
Lesli-Ann Powell
Robert Parker

Financial Section



Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying 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, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Johnston, Rhode Island's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Johnston, Rhode Island, as of June 30, 2020 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Johnston, Rhode Island's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and Annual Supplemental Transparency Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the Annual Supplemental Transparency Report are 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 combining and individual nonmajor fund financial statements and schedules and the Annual Supplemental Transparency Report are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2021 on our consideration of the Town of Johnston, Rhode Island's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Johnston, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Johnston, Rhode Island's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Cranston, Rhode Island
February 26, 2021

TOWN OF JOHNSTON, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

As management of the Town of Johnston, Rhode Island (Town), we offer readers of the Town of Johnston's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2020.

Financial Highlights

- The liabilities and deferred inflows of resources of the Town's governmental activities exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$303,890,806 (net position). Business-type activity assets and deferred outflows exceeded liabilities by \$12,731,250 at year end. On a government-wide basis, liabilities and deferred inflows exceeded assets and deferred outflows by \$291,159,556.
- The Town's total net position increased by \$3,459,785. This was primarily due to an increase in net position of governmental activities of \$5,680,700 and a decrease in net position of business-type activities of \$2,220,915.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$46,902,157, an increase of \$5,060,902 in comparison with the prior year. The increase is due to an operating surplus in the general fund of \$5,971,388, operating surplus of \$5,241 in the Town's nonmajor funds, offset by an operating deficit in the school unrestricted fund of \$915,727.
- At the end of the fiscal year, the unassigned fund balance for the General Fund was \$37,994,373 or 39.8% of total General Fund expenditures and transfers out.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets and deferred outflows of resources less liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of 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 of Johnston that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town of Johnston include legislative, judicial, and administrative; financial administration; assessor's office; public safety; public works; human resources; miscellaneous; planning and assessment board; library; education; other; interest on long-term debt; and debt issuance costs. The business-type activities of the Town of Johnston include water, sewer, cafeteria, summer school and athletic field operations.

The government-wide financial statements can be found on Exhibits I and II.

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 of Johnston, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Johnston can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 inflows and outflows of expendable resources, as well as on balances of expendable 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 and similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and 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 fifty plus 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 Balance for the General Fund and School Unrestricted Fund. Data from the remaining governmental funds are combined into single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements later in this report. The basic governmental fund financial statements can be found on pages 13 through 18 of this report. Details of the combined governmental funds can be found on pages 115 through 134.

Proprietary Funds

The Town of Johnston maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its water operations and its sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its medical benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statement provides information for the water operations and for the sewer operations, which are considered to be major funds of the Town. The internal service fund financial statement provides information for the Town's medical plan benefits. The basic proprietary fund financial statements can be found on Exhibits V, VI and VII.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on Exhibits VIII and IX.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-85.

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 obligation to provide pension and other post-employment benefits to its employees and the budgetary information for the General Fund and School Unrestricted Fund.

The individual and combining statements and other schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Town of Johnston, liabilities and deferred inflows of resources exceeded assets and deferred outflows by \$291,159,556 at the close of the fiscal year.

Town of Johnston, Rhode Island
Statement of Net Position
June 30, 2020 and 2019

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 76,915,071	\$ 69,221,140	\$ 4,515,264	\$ 6,785,297	\$ 81,430,335	\$ 76,006,437
Capital assets, net of accumulated depreciation	49,038,186	52,066,388	12,111,855	12,466,119	61,150,041	64,532,507
Total assets	<u>125,953,257</u>	<u>121,287,528</u>	<u>16,627,119</u>	<u>19,251,416</u>	<u>142,580,376</u>	<u>140,538,944</u>
Deferred outflows of resources	31,837,227	19,257,647	23,450	29,312	31,860,677	19,286,959
Long-term liabilities	412,732,875	392,946,707	3,235,857	3,771,078	415,968,732	396,717,785
Other liabilities	12,168,324	11,149,630	683,462	557,485	12,851,786	11,707,115
Total liabilities	<u>424,901,199</u>	<u>404,096,337</u>	<u>3,919,319</u>	<u>4,328,563</u>	<u>428,820,518</u>	<u>408,424,900</u>
Deferred inflows of resources	36,780,091	46,020,344	-	-	36,780,091	46,020,344
Net Position:						
Net investment in capital assets	30,615,578	30,758,982	9,368,389	11,805,169	39,983,967	42,564,151
Restricted	8,521,362	4,578,176			8,521,362	4,578,176
Unrestricted	<u>(343,027,746)</u>	<u>(344,908,664)</u>	<u>3,362,861</u>	<u>3,146,996</u>	<u>(339,664,885)</u>	<u>(341,761,668)</u>
Total Net Position	<u>\$ (303,890,806)</u>	<u>\$ (309,571,506)</u>	<u>\$ 12,731,250</u>	<u>\$ 14,952,165</u>	<u>\$ (291,159,556)</u>	<u>\$ (294,619,341)</u>

The largest portion of the Town's net position, \$39,983,967, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure) less any related debt and related liabilities used to acquire those assets that are still outstanding. The Town 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.

Governmental Activities

Already noted was the statement of activities' purpose in presenting information on how the Town's net position changed during the most recent fiscal year. A summary of changes in net position follows. For the fiscal year, net position increased by \$5,680,700. The increase was due in part to an operating transfer in from the Water Control Fund of \$3,646,773. In addition to an increase in fund balance of \$2,491,871 in the Town's General Fund and the Town's Special Revenue Funds. The net decrease in fund balance of all other Governmental activities is \$457,944, which is primarily made up of the net decrease in the school unrestricted fund balance in the amount of \$915,727.

The reader should remember that the basis of accounting used in the government-wide statement of activities excludes capital expenditures, while its revenues include general taxes whose primary purpose is for the construction of those very assets or their related debt service.

**Town of Johnston, Rhode Island
Statement of Changes in Net Position
June 30, 2020 and 2019**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 7,592,847	\$ 9,075,842	\$ 3,695,977	\$ 2,312,791	\$ 11,288,824	\$ 11,388,633
Operating grants and contributions	26,653,622	27,101,652	545,734	647,947	27,199,356	27,749,599
Capital grants and contributions		18,638			-	18,638
General revenues:						
Property taxes	78,563,608	80,863,455			78,563,608	80,863,455
Motor vehicle phase-out taxes	4,281,733	2,610,194			4,281,733	2,610,194
Grants and contributions not restricted to specific programs	4,361,210	4,171,990			4,361,210	4,171,990
Miscellaneous	341,786	323,069			341,786	323,069
Investment income	1,035,620	1,140,140	4,194	3,124	1,039,814	1,143,264
Total revenues	<u>122,830,426</u>	<u>125,304,980</u>	<u>4,245,905</u>	<u>2,963,862</u>	<u>127,076,331</u>	<u>128,268,842</u>
Program Expenses:						
General government	6,334,916	6,429,694			6,334,916	6,429,694
Public safety	40,382,284	36,524,152			40,382,284	36,524,152
Public works	7,065,624	7,001,754			7,065,624	7,001,754
Parks and recreation	1,269,589	1,430,351			1,269,589	1,430,351
Library	774,700	810,023			774,700	810,023
Education	64,208,657	64,578,398			64,208,657	64,578,398
Interest expense	760,729	1,549,396			760,729	1,549,396
Water control fund			1,284,954	1,276,040	1,284,954	1,276,040
Sewer fund			652,937	698,222	652,937	698,222
Cafeteria Fund			861,186	1,098,322	861,186	1,098,322
Summer School			20,970	16,990	20,970	16,990
Total expenses	<u>120,796,499</u>	<u>118,323,768</u>	<u>2,820,047</u>	<u>3,089,574</u>	<u>123,616,546</u>	<u>121,413,342</u>
Excess (deficiency) before transfers	2,033,927	6,981,212	1,425,858	(125,712)	3,459,785	6,855,500
Transfers	<u>3,646,773</u>	<u>1,716,493</u>	<u>(3,646,773)</u>	<u>(1,716,493)</u>	<u>-</u>	<u>-</u>
Change in net position	5,680,700	8,697,705	(2,220,915)	(1,842,205)	3,459,785	6,855,500
Net Position - Beginning of Year	<u>(309,571,506)</u>	<u>(318,269,211)</u>	<u>14,952,165</u>	<u>16,794,370</u>	<u>(294,619,341)</u>	<u>(301,474,841)</u>
Net Position - End of Year	<u>\$ (303,890,806)</u>	<u>\$ (309,571,506)</u>	<u>\$ 12,731,250</u>	<u>\$ 14,952,165</u>	<u>\$ (291,159,556)</u>	<u>\$ (294,619,341)</u>

- Significant changes from the prior year for revenues are as follows:
 - Property tax revenues decreased \$2,299,847. This was due in part to a change in the allowance methodology in the prior year.
 - Charges for services decreased \$1,482,995 predominantly due to decreases in public safety activities of approximately \$1.4 million.

Revenues

Governmental activities revenues totaled \$122,830,426 for the fiscal year. Property taxes are the largest revenue source for the Town and represent 64.0% of governmental revenues. Operating grants and contributions revenues are the Town's second largest revenue. Operating grants and contributions revenues include grants for education, general government, libraries and various other functions.

Operating grants and contributions revenues account for 21.7% of governmental revenues for the year. Charges for services accounts for 6.2% of governmental revenues and includes revenues from various sources including but not limited to police details, fire rescue services, property tax interest and liens, and permits and recording fees. Grants and contributions not restricted to specific programs account for 7.0%. Investment income represents roughly 0.8% of governmental revenue. Capital grants and miscellaneous revenues represent 0.3% of governmental revenues.

Expenses

Significant changes from the prior year are as follows:

- Public safety expenses increased by \$3,858,132 due to increases in legacy costs accounted for in fiscal 2020 for pension benefits, OPEB benefits and compensated absences.

Governmental activities expenses totaled \$120,796,499 for the fiscal year. Of the expenditures, 53.2% were for education. Public safety expenses amounted to 33.4%, while public works amounted to 5.9%. Library expenses were 0.6%. Park and recreation expenses were 1.0%. Interest expense was 0.7%. General government expenses were 5.2%.

Business-Type Activities

Revenues

General revenues do not support the Town's business-type activities; thus, the largest source of revenues comes from charges for services and operating grants. Of the \$4,245,905 in revenues from the Water Control Fund, the Sewer Fund, the Cafeteria Fund and the Athletic Fund, 87.0% comes from charges for services 12.9% comes from operating grants. Investment income makes up the final 0.1% of revenues for the Town's business activities.

Expenses

Business-type expenses totaled \$1,284,954, \$652,937, \$861,186 and \$20,970 for the Water Control Fund, the Sewer Fund, Cafeteria Fund, and Summer School, respectively, for the fiscal year ended June 30, 2020.

Governmental Funds

The focus of the Town of Johnston'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 of Johnston's financing requirements. In particular, the unassigned fund balance of \$37,810,322 may serve as a valuable assessment of a government's net resources available for spending at the end of the fiscal year. As of June 30, 2020, the Town of Johnston's governmental funds reported combined ending fund balances of \$46,902,157.

The General Fund is the chief operating fund of the Town of Johnston, excluding its school department. As of June 30, 2020, the total fund balance of the general fund was \$38,817,872 of which \$37,994,373 was unassigned. The Town's General Fund also has \$823,499 of nonspendable fund balance as of June 30, 2020.

The fund balance of the General Fund increased by \$5,971,388 in fiscal year 2020. Actual revenues exceeded budgeted revenues by \$3,792,733 (see RSI-1). Increases in actual revenues versus budgeted revenues were realized in total tax revenues of \$2,233,823, and in departmental revenues and fees of \$1,038,064. Total expenditures and other financing uses were \$1,647,339 more than appropriated amounts (see RSI-1). The most significant departmental expenditures which exceeded budgeted expenditures were in the Police (\$1,247,776) and Fire (\$1,619,519) departments.

The School Unrestricted Fund is the principal operating fund of the school department. Revenues are derived principally from town appropriations and state aid supplemented by certain miscellaneous revenues, principally federal Medicaid reimbursements. Expenditures for education totaled \$59,788,367 including a state on-behalf payment to pension funds of \$2,644,000 on behalf of the school department. The School Unrestricted Fund expenditures, net of the state pension contribution, accounted for approximately 51% of the combined General Fund and School Unrestricted Fund expenditures.

Proprietary Funds

The Town's proprietary funds provide the same information found in the government-wide financial statements, but in more detail. The Town's enterprise fund posted an overall decrease in net position of \$2,220,915 for the fiscal year.

Water Fund

Unrestricted net position of the Water Control Fund at the end of the year amounted to \$2,214,741.

Sewer Fund

Unrestricted net position of the Sewer Fund at the end of the year amounted to \$1,003,969.

Cafeteria Fund, Credit Recovery, Summer School and Athletic Field

Unrestricted net position (deficit) of the Cafeteria Fund, Credit Recovery, Summer School and Athletic Field at the end of the year amounted to \$135,369, \$19,571, (\$46,087) and 35,298, respectively.

Other factors concerning the finances of these funds have been previously addressed in the discussion of the Town's business-type activities.

General Fund Budgetary Highlights

Overall, the Town finished the 2019-2020 fiscal year with a budgetary surplus of \$2,145,394.

Major General Fund Revenue Factors:

General Property Taxes - Property taxes are the largest single revenue source for the General Fund and account for 68.5% of total budgetary revenues. The town budgets current property tax at 94.5% of the assessment, while the actual collection rate was at approximately 96.9% of the original assessment.

Major Expenditure Factors:

Education Expense accounts for approximately 49.7% of the total budgetary expenditures within the General Fund of the Town, Public Safety representing 35.2%, Public Works representing 5.7% and the remaining functions represent 9.4%.

Capital Asset and Debt Administration

Capital assets

The Town of Johnston's investment in capital assets for its governmental and business-type activities as of June 30, 2020, amounts to \$61,150,041 net of accumulated depreciation. This investment in capital assets includes land, buildings, building improvements, vehicles, equipment, infrastructure, and construction in progress. The decrease in the Town of Johnston's net investment in capital assets for the current fiscal year was \$3,382,466 as depreciation of \$4,670,995 exceeded additions of \$1,288,529.

	Governmental		Business-Type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Land	\$ 8,979,477	\$ 8,979,477	\$ 40,000	\$ 40,000	\$ 9,019,477	\$ 9,019,477
Construction in progress		-				-
Land improvements	2,975,026	3,043,836			2,975,026	3,043,836
Buildings and improvements	25,881,998	27,041,484			25,881,998	27,041,484
Distribution and collection system			11,814,421	12,067,612	11,814,421	12,067,612
Infrastructure	6,594,619	8,174,455			6,594,619	8,174,455
Vehicles and equipment	4,607,066	4,827,136	257,434	358,507	4,864,500	5,185,643
Total	\$ 49,038,186	\$ 52,066,388	\$ 12,111,855	\$ 12,466,119	\$ 61,150,041	\$ 64,532,507

Major additions to the Town's capital assets related to its governmental fund activities realized during the year, included: the purchase of public safety vehicles; the purchase of public works vehicles; buildings improvements and road resurfacing.

Additional information on the Town of Johnston's capital assets can be found on pages 40 and 41.

Long-Term Debt

At the end of the current fiscal year, the Town of Johnston has total bonds and notes outstanding of approximately \$25,922,791. State statutes limit the amount of general obligation debt a governmental entity may issue to three percent of its total equalized valuation.

Town of Johnston, Rhode Island Bonds and Notes Payable June 30, 2020 and 2019

	Governmental		Business-Type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Public offerings	\$ 3,315,000	\$ 6,525,000	\$	\$	\$ 3,315,000	\$ 6,525,000
Direct borrowings and placements	19,864,325	19,296,556	2,743,466	3,103,562	22,607,791	22,400,118
Total	\$ 23,179,325	\$ 25,821,556	\$ 2,743,466	\$ 3,103,562	\$ 25,922,791	\$ 28,925,118

The Town currently has an "AA" rating from Standard and Poor's and a "A2" rating from Moody's for general obligation debt.

The current debt limitation for the Town of Johnston is approximately \$82,605,021 based on a net assessed value of \$2,753,500,683 at December 31, 2018, which significantly exceeds the Town of Johnston's current outstanding general obligation debt

Additional information on the Town's long-term debt can be found on pages 42-44.

Next Year's Budget and Rates

The Town elected and appointed officials considered many factors when setting the fiscal year 2020-2021 budget. The Town decided that it was important to continue the support of the schools and adopt a budget designed to promote long-term fiscal stability. In order to meet the objectives of the 2020-2021 budget, the Town recognized the need to continue its pattern of cost containment.

The 2020-2021 general fund budget will be \$113,706,054, an increase of \$2,473,314 over the fiscal year 2020 budget of \$111,232, 740. This represents an increase of 2.22%.

Requests for Information

This financial report is designed to provide a general overview of the Town of Johnston's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director's Office, Johnston Town Hall, 1385 Hartford Avenue, Johnston, RI 02919.

Basic Financial Statements

TOWN OF JOHNSTON, RHODE ISLAND
STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 56,938,062	\$ 167,554	\$ 57,105,616
Receivable:			
Property taxes, net	6,695,458		6,695,458
User charges, net		2,731,922	2,731,922
Intergovernmental	5,035,197	150	5,035,347
Other	1,759,057		1,759,057
Internal balances	(885,140)	885,140	-
Prepaid items	1,400,133		1,400,133
Other		14,931	14,931
Total current assets	<u>70,942,767</u>	<u>3,799,697</u>	<u>74,742,464</u>
Noncurrent assets:			
User charges, net		715,567	715,567
Net pension asset	5,972,304		5,972,304
Capital assets not being depreciated	8,979,477	40,000	9,019,477
Capital assets, net of accumulated depreciation	<u>40,058,709</u>	<u>12,071,855</u>	<u>52,130,564</u>
Total noncurrent assets	<u>55,010,490</u>	<u>12,827,422</u>	<u>67,837,912</u>
Total assets	<u>125,953,257</u>	<u>16,627,119</u>	<u>142,580,376</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	195,181	23,450	218,631
Related to pensions	16,646,784		16,646,784
Related to OPEB	<u>14,995,262</u>		<u>14,995,262</u>
Total deferred outflows of resources	<u>31,837,227</u>	<u>23,450</u>	<u>31,860,677</u>
Liabilities:			
Current liabilities:			
Accounts payable	1,423,264	131,636	1,554,900
Accrued expenses	5,456,253	90,117	5,546,370
Accrued interest payable	140,738	20,058	160,796
Unearned revenue	424,219	78,475	502,694
Current portion of long-term obligations	<u>4,723,850</u>	<u>363,176</u>	<u>5,087,026</u>
Total current liabilities	<u>12,168,324</u>	<u>683,462</u>	<u>12,851,786</u>
Noncurrent liabilities:			
Unearned revenue		855,567	855,567
Long-term obligations due in more than one year	<u>412,732,875</u>	<u>2,380,290</u>	<u>415,113,165</u>
Total noncurrent liabilities	<u>412,732,875</u>	<u>3,235,857</u>	<u>415,968,732</u>
Total liabilities	<u>424,901,199</u>	<u>3,919,319</u>	<u>428,820,518</u>
Deferred Inflows of Resources:			
Related to pensions	5,891,081		5,891,081
Related to OPEB	<u>30,889,010</u>		<u>30,889,010</u>
Total deferred inflows of resources	<u>36,780,091</u>	<u>-</u>	<u>36,780,091</u>
Net Position:			
Net investment in capital assets	30,615,578	9,368,389	39,983,967
Restricted for:			
Pensions	5,972,304		5,972,304
Education	455,518		455,518
Other purposes	2,093,540		2,093,540
Unrestricted	<u>(343,027,746)</u>	<u>3,362,861</u>	<u>(339,664,885)</u>
Total Net Position	<u>\$ (303,890,806)</u>	<u>\$ 12,731,250</u>	<u>\$ (291,159,556)</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF JOHNSTON, RHODE ISLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 6,334,916	\$ 3,450,188	\$ 1,525,252	\$ -	\$ (1,359,476)	\$ -	\$ (1,359,476)
Public safety	40,382,284	2,665,024	821	-	(37,716,439)	-	(37,716,439)
Public works	7,065,624	1,252,723	0	-	(5,812,901)	-	(5,812,901)
Parks and recreation	1,269,589	89,354	16,680	-	(1,163,555)	-	(1,163,555)
Library	774,700	-	119,438	-	(655,262)	-	(655,262)
Education	64,208,657	135,558	24,991,431	-	(39,081,668)	-	(39,081,668)
Miscellaneous	-	-	-	-	-	-	-
Debt service	760,729	-	-	-	(760,729)	-	(760,729)
Total governmental activities	<u>120,796,499</u>	<u>7,592,847</u>	<u>26,653,622</u>	<u>-</u>	<u>(86,550,030)</u>	<u>-</u>	<u>(86,550,030)</u>
Business-Type Activities:							
Water Control Fund	1,284,954	2,322,996	-	-	-	1,038,042	1,038,042
Sewer Fund	652,937	1,135,737	-	-	-	482,800	482,800
Cafeteria Fund	861,186	226,659	545,734	-	-	(88,793)	(88,793)
Summer School	20,970	-	-	-	-	(20,970)	(20,970)
Athletic Field	-	10,585	-	-	-	10,585	10,585
Total business-type activities	<u>2,820,047</u>	<u>3,695,977</u>	<u>545,734</u>	<u>-</u>	<u>-</u>	<u>1,421,664</u>	<u>1,421,664</u>
Total	<u>\$ 123,616,546</u>	<u>\$ 11,288,824</u>	<u>\$ 27,199,356</u>	<u>\$ -</u>	<u>(86,550,030)</u>	<u>1,421,664</u>	<u>(85,128,366)</u>
General Revenues:							
Property taxes, levied for general purposes	-	-	-	-	78,563,608	-	78,563,608
Motor vehicle phase-out taxes	-	-	-	-	4,281,733	-	4,281,733
Grants and aid not restricted for specific programs	-	-	-	-	4,361,210	-	4,361,210
Unrestricted investment earnings	-	-	-	-	1,035,620	4,194	1,039,814
Miscellaneous	-	-	-	-	341,786	-	341,786
Transfers	-	-	-	-	3,646,773	(3,646,773)	-
Total general revenues and transfers	-	-	-	-	<u>92,230,730</u>	<u>(3,642,579)</u>	<u>88,588,151</u>
Change in net position	-	-	-	-	5,680,700	(2,220,915)	3,459,785
Net Position at Beginning of Year	-	-	-	-	(309,571,506)	14,952,165	(294,619,341)
Net Position at End of Year	-	-	-	-	<u>\$ (303,890,806)</u>	<u>\$ 12,731,250</u>	<u>\$ (291,159,556)</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF JOHNSTON, RHODE ISLAND
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020**

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 41,525,326	\$ 680,135	\$ 6,269,081	\$ 48,474,542
Accounts receivable:				
Real estate and personal property taxes, net	5,127,458			5,127,458
Due from other governments	2,000,124	60,775	2,974,298	5,035,197
Other receivables	1,007,639	751,418		1,759,057
Due from other funds	135,630	473,906	1,188,063	1,797,599
Prepaid items	823,499	192,434		1,015,933
Total Assets	<u>\$ 50,619,676</u>	<u>\$ 2,158,668</u>	<u>\$ 10,431,442</u>	<u>\$ 63,209,786</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,381,407	\$	\$ 41,857	\$ 1,423,264
Accrued expenses	2,521,424	948,605	46,115	3,516,144
Unearned revenue	424,219			424,219
Due to other funds	2,325,333	365,211	3,104,037	5,794,581
Total liabilities	<u>6,652,383</u>	<u>1,313,816</u>	<u>3,192,009</u>	<u>11,158,208</u>
Deferred inflows of resources:				
Unavailable revenues - taxes	4,199,273			4,199,273
Unavailable revenues - other receivables	950,148			950,148
Total deferred inflows of resources	<u>5,149,421</u>	<u>-</u>	<u>-</u>	<u>5,149,421</u>
Fund balances:				
Nonspendable	823,499	192,434		1,015,933
Restricted			6,164,137	6,164,137
Committed		652,418	1,259,347	1,911,765
Unassigned	37,994,373		(184,051)	37,810,322
Total fund balances	<u>38,817,872</u>	<u>844,852</u>	<u>7,239,433</u>	<u>46,902,157</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 50,619,676</u>	<u>\$ 2,158,668</u>	<u>\$ 10,431,442</u>	<u>\$ 63,209,786</u>

(Continued on next page)

TOWN OF JOHNSTON, RHODE ISLAND
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2020

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different from the governmental fund balance sheet. The details of the difference are as follows:

Fund balances - total governmental funds (Exhibit III)	\$	46,902,157
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$	137,092,536	
Less accumulated depreciation		<u>(88,054,350)</u>	
Net capital assets			49,038,186

Other long-term assets are not available resources and, therefore, are not reported in the funds:

Interest receivable on property taxes, net of allowance	1,568,000
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Other long-term assets and deferred outflows are not available to pay for current-period expenditures and, therefore, are unavailable in the funds:

Property tax receivables greater than 60 days	4,199,273
Other receivables - accrual basis change	950,148
Net pension asset	5,972,304
Deferred outflows related to pension	16,646,784
Deferred outflows related to OPEB	14,995,262

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

	10,019,453
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(23,179,325)
Deferred charge on refunding	195,181
Unamortized premium on bonds payable	(113,543)
Interest payable on bonds and notes	(140,738)
Capital leases payable	(286,000)
Accrued compensated absences	(10,076,575)
Net pension liability	(173,359,995)
Deferred inflows related to pension	(5,891,081)
Net OPEB liability	(210,441,287)
Deferred inflows related to OPEB	<u>(30,889,010)</u>

Net Position of Governmental Activities (Exhibit I)	\$	<u><u>(303,890,806)</u></u>
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The accompanying notes are an integral part of the financial statements

TOWN OF JOHNSTON, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 78,760,181	\$	\$	\$ 78,760,181
Intergovernmental	10,820,605	21,076,896	3,389,064	35,286,565
Charges for services	7,305,297	129,760	647,581	8,082,638
Investment income	798,951	13,825	89,620	902,396
Other revenue	134,585	123,144	94,516	352,245
Total revenues	<u>97,819,619</u>	<u>21,343,625</u>	<u>4,220,781</u>	<u>123,384,025</u>
Expenditures:				
General government	6,381,351		29,084	6,410,435
Public safety	40,871,945		23,079	40,895,024
Public works	5,363,166		12,630	5,375,796
Public libraries	659,079		10,114	669,193
Parks and recreation	1,021,225		56,869	1,078,094
Education		59,788,367	3,376,661	63,165,028
Capital outlay			646,413	646,413
Debt service	3,709,322		60,690	3,770,012
Total expenditures	<u>58,006,088</u>	<u>59,788,367</u>	<u>4,215,540</u>	<u>122,009,995</u>
Excess (Deficiency) over Revenues over Expenditures	<u>39,813,531</u>	<u>(38,444,742)</u>	<u>5,241</u>	<u>1,374,030</u>
Other Financing Sources (Uses):				
Refunding bonds issued	2,800,000			2,800,000
Payments to refunded bond escrow agent	(2,759,901)			(2,759,901)
Transfers in	3,646,773	37,529,015		41,175,788
Transfers out	(37,529,015)			(37,529,015)
Total other financing sources (uses)	<u>(33,842,143)</u>	<u>37,529,015</u>	<u>-</u>	<u>3,686,872</u>
Net Change in Fund Balances	5,971,388	(915,727)	5,241	5,060,902
Fund Balances at Beginning of Year	<u>32,846,484</u>	<u>1,760,579</u>	<u>7,234,192</u>	<u>41,841,255</u>
Fund Balances at End of Year	<u>\$ 38,817,872</u>	<u>\$ 844,852</u>	<u>\$ 7,239,433</u>	<u>\$ 46,902,157</u>

(Continued on next page)

TOWN OF JOHNSTON, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because of the following:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 5,060,902
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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 is reported as depreciation expense.

Capital outlay	1,238,585
Depreciation expense	(4,266,787)

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

Property taxes collected after 60 days	(196,573)
Change in other receivables	(490,250)
Change in net pension asset	1,394,128
Change in deferred outflows related to pension	(743,460)
Change in deferred outflows related to OPEB	13,349,446

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

Change in accrued interest on bonds	44,628
Amortization of deferred charge on refunding	(26,406)
Amortization of bond premium	10,537
Principal payments on bonds and notes	2,642,231
Capital leases payments	313,000

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

Change in compensated absences	317,045
Change in OPEB obligation	(20,550,234)
Change in net pension liability	(2,157,358)
Change in deferred inflows related to pension	(1,308,402)
Change in deferred inflows related to OPEB	10,548,655

The net income of the internal service funds is reported with governmental activities	<u>501,013</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u><u>\$ 5,680,700</u></u>
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The accompanying notes are an integral part of the financial statements

TOWN OF JOHNSTON, RHODE ISLAND
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2020

	Business-Type Activities				Governmental Activities
	Water Control Fund	Sewer Fund	Nonmajor	Total	Health Care Management Internal Service Fund
Assets:					
Current assets:					
Cash and cash equivalents	\$ 200	\$	\$ 167,354	\$ 167,554	\$ 8,463,520
Accounts receivable, net	2,316,863	415,059		2,731,922	
Intergovernmental receivable			150	150	
Due from other funds		713,313	217,914	931,227	3,111,842
Prepaid Expenses				-	4,000
Deposit				-	380,200
Other			14,931	14,931	
Total current assets	<u>2,317,063</u>	<u>1,128,372</u>	<u>400,349</u>	<u>3,845,784</u>	<u>11,959,562</u>
Noncurrent assets:					
Accounts receivable, net		715,567		715,567	
Capital assets not being depreciated	40,000			40,000	
Capital assets, net of accumulated depreciation	9,527,205	2,500,861	43,789	12,071,855	
Total noncurrent assets	<u>9,567,205</u>	<u>3,216,428</u>	<u>43,789</u>	<u>12,827,422</u>	<u>-</u>
Total assets	<u>11,884,268</u>	<u>4,344,800</u>	<u>444,138</u>	<u>16,673,206</u>	<u>11,959,562</u>
Deferred outflows of resources:					
Deferred charge on refunding		23,450		23,450	
Liabilities:					
Current liabilities:					
Accounts payable			131,636	131,636	
Accrued expenses	90,117			90,117	1,940,109
Accrued interest payable	12,205	7,853		20,058	
Unearned revenue			78,475	78,475	
Due to other funds			46,087	46,087	
Current portion of long-term debt	170,000	193,176		363,176	
Total current liabilities	<u>272,322</u>	<u>201,029</u>	<u>256,198</u>	<u>729,549</u>	<u>1,940,109</u>
Noncurrent liabilities:					
Unearned revenue - assessments		855,567		855,567	
Bonds and loans payable	1,215,000	1,165,290		2,380,290	
Total noncurrent liabilities	<u>1,215,000</u>	<u>2,020,857</u>	<u>-</u>	<u>3,235,857</u>	<u>-</u>
Total liabilities	<u>1,487,322</u>	<u>2,221,886</u>	<u>256,198</u>	<u>3,965,406</u>	<u>1,940,109</u>
Net Position:					
Net investment in capital assets	8,182,205	1,142,395	43,789	9,368,389	
Unrestricted	2,214,741	1,003,969	144,151	3,362,861	10,019,453
Total Net Position	<u>\$ 10,396,946</u>	<u>\$ 2,146,364</u>	<u>\$ 187,940</u>	<u>\$ 12,731,250</u>	<u>\$ 10,019,453</u>

The accompanying notes are an integral part of the financial statements

TOWN OF JOHNSTON, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Business-Type Activities</u>				<u>Health Care Management Internal Service Fund</u>
	<u>Water Control Fund</u>	<u>Sewer Fund</u>	<u>Nonmajor</u>	<u>Total</u>	
Operating Revenues:					
Charges for services	\$ 1,205,786	\$ 1,117,774	\$ 237,244	\$ 2,560,804	\$ 20,913,280
Intergovernmental revenue		17,963	545,734	563,697	
Other operating revenue	1,117,210			1,117,210	
Total revenues	<u>2,322,996</u>	<u>1,135,737</u>	<u>782,978</u>	<u>4,241,711</u>	<u>20,913,280</u>
Operating Expenses:					
Salaries and benefits		248,910	25,478	274,388	
Contractual services	701,170	91,077	851,204	1,643,451	
Repairs and maintenance	31,473	99,927		131,400	
Utilities	40,704	30,941		71,645	
Administration	224,264			224,264	
Health Care Management				-	20,045,491
Contribution to OPEB				-	500,000
Depreciation and amortization	254,297	144,437	5,474	404,208	
Total operating expenses	<u>1,251,908</u>	<u>615,292</u>	<u>882,156</u>	<u>2,749,356</u>	<u>20,545,491</u>
Operating Income (Loss)	<u>1,071,088</u>	<u>520,445</u>	<u>(99,178)</u>	<u>1,492,355</u>	<u>367,789</u>
Nonoperating Revenues (Expenses):					
Investment income			4,194	4,194	133,224
Interest expense	(33,046)	(37,645)		(70,691)	
Net nonoperating revenues (expenses)	<u>(33,046)</u>	<u>(37,645)</u>	<u>4,194</u>	<u>(66,497)</u>	<u>133,224</u>
Income (Loss) Before Transfers	<u>1,038,042</u>	<u>482,800</u>	<u>(94,984)</u>	<u>1,425,858</u>	<u>501,013</u>
Other Financing Sources (Uses):					
Transfers out	<u>(3,646,773)</u>			<u>(3,646,773)</u>	
Change in Net Position	(2,608,731)	482,800	(94,984)	(2,220,915)	501,013
Net Position at Beginning of Year	<u>13,005,677</u>	<u>1,663,564</u>	<u>282,924</u>	<u>14,952,165</u>	<u>9,518,440</u>
Net Position at End of Year	<u>\$ 10,396,946</u>	<u>\$ 2,146,364</u>	<u>\$ 187,940</u>	<u>\$ 12,731,250</u>	<u>\$ 10,019,453</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF JOHNSTON, RHODE ISLAND
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Business-Type Activities				Health Care Management Internal Service Fund
	Water Control Fund	Sewer Fund	Nonmajor	Total	
Cash Flows from Operating Activities:					
Receipts from customers and users	\$ 1,209,241	\$ 1,141,733	\$ 237,244	\$ 2,588,218	\$ 20,913,197
Intergovernmental receipts		17,963	654,632	672,595	
Payments to suppliers	(907,494)	(221,945)	(894,817)	(2,024,256)	
Payments to employees		(248,910)	(25,478)	(274,388)	
OPEB contribution payment					(500,000)
Claims paid				-	(19,305,659)
Net cash provided by (used in) operating activities	<u>301,747</u>	<u>688,841</u>	<u>(28,419)</u>	<u>962,169</u>	<u>1,107,538</u>
Cash Flows from Noncapital Financing Activities:					
Interfund loans	3,329,077	(416,435)	(66,505)	2,846,137	(2,752,230)
Transfers to other funds	<u>(3,646,773)</u>			<u>(3,646,773)</u>	
Net cash provided by (used in) noncapital financing activities	<u>(317,696)</u>	<u>(416,435)</u>	<u>(66,505)</u>	<u>(800,636)</u>	<u>(2,752,230)</u>
Cash Flows from Capital and Related Financing Activities:					
Principal paid on bonds, notes and loans	(170,000)	(190,096)		(360,096)	
Interest paid on bonds, notes and loans	(34,545)	(32,366)		(66,911)	
Additions to property, plant and equipment		<u>(49,944)</u>		<u>(49,944)</u>	
Net cash provided by (used in) capital and related financing activities	<u>(204,545)</u>	<u>(272,406)</u>	<u>-</u>	<u>(476,951)</u>	<u>-</u>
Cash Flows from Investing Activities:					
Interest and dividends on investments			4,194	4,194	133,224
Net Increase (Decrease) in Cash and Cash Equivalents	(220,494)	-	(90,730)	(311,224)	(1,511,468)
Cash and Cash Equivalents at Beginning of Year	<u>220,694</u>	<u>-</u>	<u>258,084</u>	<u>478,778</u>	<u>9,974,988</u>
Cash and Cash Equivalents at End of Year	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 167,354</u>	<u>\$ 167,554</u>	<u>\$ 8,463,520</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ 1,071,088	\$ 520,445	\$ (99,178)	\$ 1,492,355	\$ 367,789
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	254,297	144,437	5,474	404,208	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(1,113,755)	196,004	30,423	(887,328)	
(Increase) decrease in prepaid expenses					(83)
(Increase) decrease in deposits					
Increase (decrease) in accounts payable and accrued expenses	90,117		(43,613)	46,504	739,832
Increase (decrease) in unearned revenue		<u>(172,045)</u>	<u>78,475</u>	<u>(93,570)</u>	
Net Cash Provided by (Used in) Operating Activities	<u>\$ 301,747</u>	<u>\$ 688,841</u>	<u>\$ (28,419)</u>	<u>\$ 962,169</u>	<u>\$ 1,107,538</u>

The accompanying notes are an integral part of the financial statements

TOWN OF JOHNSTON, RHODE ISLAND
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2020

	<u>Pension and OPEB Trust Funds</u>	<u>Private Purpose Funds</u>	<u>Agency Funds</u>
Assets:			
Cash and cash equivalents	\$ 103,738	\$ 23,732	\$ 504,388
Restricted cash	200,631		
Prepaid expenses	798,101		
Funds held in escrow	832,727		
Investments, at fair value:			
Mutual funds	50,698,791		
Other receivables	<u>121,109</u>		<u>107,750</u>
Total assets	<u>52,755,097</u>	<u>23,732</u>	<u>\$ 612,138</u>
Liabilities:			
Accrued expenses	12,315		\$
Deposits held in custody of others	178,767		612,138
Claims and judgments	<u>1,033,358</u>		
Total liabilities	<u>1,224,440</u>	<u>-</u>	<u>\$ 612,138</u>
Net Position:			
Restricted for pension benefits, OPEB benefits and other trust purposes	<u>\$ 51,530,657</u>	<u>\$ 23,732</u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF JOHNSTON, RHODE ISLAND
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Pension and OPEB Trust Funds	Private Purpose Funds
	<u> </u>	<u> </u>
Additions:		
Contributions:		
Employer contributions	\$ 16,963,117	\$
Plan members contributions	463,976	
Total contributions	<u>17,427,093</u>	<u>-</u>
Investment income:		
Net change in fair value of investments	(10,408,837)	
Interest and dividends	10,340,046	206
Total investment income	<u>(68,791)</u>	<u>206</u>
Total additions	<u>17,358,302</u>	<u>206</u>
Deductions:		
Benefits	16,492,947	
Administration	113,582	
Total deductions	<u>16,606,529</u>	<u>-</u>
Change in Net Position	751,773	206
Net Position at Beginning of Year	<u>50,778,884</u>	<u>23,526</u>
Net Position at End of Year	<u>\$ 51,530,657</u>	<u>\$ 23,732</u>

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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 improvements, planning and zoning and general administrative services.

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

In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting entity, the Town applied the criteria prescribed by GASB Statement No. 61. Under GASB Statement No. 61, a legally separate entity is required to be included as a component unit if it is fiscally dependent upon the primary government and there is a financial benefit or burden relationship present. The primary government is financially accountable if it appoints the voting majority of the organization's governing board and 1) it is able to impose its will on that organization, or 2) there is a potential for the organization to provide specific financial benefits to, or impose specific 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:

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

The following entities were considered for classification as component units for fiscal year 2018:

- Johnston Senior Citizens Center, Inc.
- Johnston Housing Authority
- Johnston Municipal Land Trust

The entities noted above did not meet the criteria to be reported as component units and as such were omitted from these financial statements.

Although the Johnston School Department meets certain criteria of the tests listed above, this entity is not deemed to have separate legal status apart from the Town, and the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. As a result, the financial data of the Johnston School Department has been included as a major special revenue fund within the Town's financial statements.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities report information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements 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 or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures. Funds are organized into three major categories: governmental, proprietary and fiduciary. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements. A fund is considered a major fund if it is the primary operating fund of the Town or meets the following criteria:

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

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund of the Town and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

The *School Unrestricted Fund* accounts for operations of the Johnston School Department. Revenues are derived primarily from transfers from the Town and State and Federal Aid.

**TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

The Town reports the following major proprietary funds:

The *Water Control Fund* accounts for fees and expenses associated with providing water services to Town residents.

The *Sewer Fund* is to account for sewer operations for the Town residents.

Additionally, the Town reports the following fund types:

The *Internal Service Fund* is to pay medical and dental costs incurred by those individuals covered by the Town and School Department health plans.

The *Agency Funds* account for assets held by the Town in a purely custodial capacity for various student groups and funds held in escrow for other parties.

The *Pension Trust Fund* accounts for the activities of the Local Police and Fire Pension Trust which accumulates resources for pension benefit payments to qualified participants.

The *OPEB Trust Fund* accounts for resources held in trust for other post-employment obligations of the Town.

The *Private Purpose Trust Funds* account for resources legally in trust held by the Town under various trust arrangements for the benefit of certain individuals and groups.

Measurement Focus

On the Government-wide Statement of Net Position and the Statement of Activities both governmental and business-like activities are presented using the economic resources management focus as defined below and the accrual basis of accounting.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- All governmental funds utilize a “current financial resources” measurement focus and the 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. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. The Town considers property taxes as available if they are collected within 60 days after year end. Grant revenue related to expenditure reimbursement grants of the governmental funds is generally recognized as revenue when earned as long as the payment is expected to be received within twelve months after year end. Substantially all other revenue (excluding municipal court fees and fines, and fire rescue services) of the governmental funds is recognized as it is earned and available. Municipal court fees and fines and fire rescue services are reported as receivable and unearned revenue until the amounts are collected.

TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

- The proprietary funds and private purpose trust funds utilize “economic resources” measurement focus and the accrual basis of accounting. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flow. All inflows of resources associated with their activities are reported. Fund equity is classified as net position.
- Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide statement of net position and statement of activities both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic assets used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis. Under this modified accrual basis of accounting, revenues such as property taxes, are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectable within the current period or soon enough thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds, agency funds, private purpose trust funds, police, fire and town and school employees’ pension trust funds, and the OPEB Trust Fund utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset is used.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with proprietary fund’s principal operation. The principal operating revenue of the enterprise fund are charges for services provided in accordance with the fund’s purpose. Operating expenses for the enterprise funds include the costs of providing the services, including administration and depreciation on capital assets. All other revenue and expense items not meeting these criteria are reported as nonoperating revenues and expenses.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Equity

C. Cash

Cash and cash equivalents are carried at cost. Cash equivalents include amounts invested in certificates of deposit as management believes that these certificates can be accessed at any point in time. Substantially all of the Town's cash and cash equivalents are held in public deposit institutions.

Pursuant to Section 35-10-1 of the Rhode Island General Laws, as of October 1, 1991, public institutions are required to insure accounts which hold public funds in excess of the \$250,000 which is guaranteed by FDIC. At times, the Town pools cash resources of its various funds to facilitate the management of cash and maximize investment returns.

State statutes authorize governments to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

D. Investments

The town invests in various types of investments, which are stated at fair value based on quoted market prices.

E. Accounts Receivable

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Accounts receivable are shown net of an allowance for uncollectable accounts. Allowances for accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Business-type activities report service fees as its major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, fire rescue services, municipal court fees and traffic fines, grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectable 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 material receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectable accounts receivables are based upon historical trends and the periodic aging of accounts receivable.

F. Property Taxes

Real and personal property taxes are based on values assessed as of December 31 (lien date) and attach an enforceable lien on the property as of August 1 (levy date). Taxes may be paid in full or in equal installments on August 24, October 24, January 24 and April 24 following the levy date. Taxes due and unpaid after the respective due dates are subject to interest at a 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 levied are recorded as receivables in the fiscal year of the levy. Property tax revenues are recorded in accordance with the modified accrual basis of accounting in the fund financial statements.

**TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

G. Prepaid Items

Prepaid items are accounted for under the allocation method whereby a prepaid asset is established at the date of payment and subsequently amortized over the accounting periods expected to benefit from the initial payment. Prepaid items recorded in the governmental-type fund do not reflect current appropriate resources and, as such, an equivalent portion of the fund balance is reported as nonspendable.

H. 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 certain governmental funds. Open encumbrances are reported as restricted, committed or assigned, and should not result in separate display of the encumbered amount within those classifications. Encumbrances do not constitute expenditures or liabilities under generally accepted accounting principles.

I. Capital Assets and Depreciation

Government-Wide Statements

Long-lived assets are accounted for as capital assets and are reported in the government-wide statement of net position but are not reported in the governmental fund financial statements.

All capital assets are capitalized at historical or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at the estimated acquisition value as of the date received. The Town follows the policy of capitalizing assets with a cost of \$5,000 or more and a useful life of more than one year.

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 calculated on the straight-line basis over the following useful lives:

<u>Description</u>	<u>Useful Life</u>
Buildings and improvements	10-50 years
Land improvements	20 years
Infrastructure	20-100 years
Machinery and equipment	5-10 years
Vehicles	5-10 years

Fund Financial Statements

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

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town also reports deferred inflows of resources related to pensions 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 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 plan (active employees and inactive employees). In addition, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes and other Town billings. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

K. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

L. Self Insurance

The Town's self-insurance costs for healthcare is accounted for in the Town's internal service fund. Claims incurred but not paid, including those which have not been reported, are accounted for as expenses and accrued claims when incurred.

M. Long-Term Obligations

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

**TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued, including capital leases, is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Principal payments, and issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Compensated Absences

Under the terms of various contracts and agreements, Town employees are granted vacation, sick and personal leave in varying amounts based on length of service and bargaining unit. Unused vacation leave is paid upon an employee's termination. Up to one-half of unused sick leave is paid upon termination, retirement or death depending on bargaining unit. Severance pay and personal days are also paid to terminating employees depending on bargaining unit. The liability is calculated at the rate of pay in effect at June 30, 2020. The Town estimates the long-term versus short-term amount of earned but unpaid vacation and sick leave relating to governmental fund employees and records it in the applicable section of the liabilities in the government-wide financial statements.

O. Net Pension Asset/Liability

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

P. Net OPEB Liability

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. Investments are measured at fair value.

Q. Net Position/Fund Balance Classifications

Government-Wide Statements

Net position is classified as net assets and displayed in three components:

- Net investment in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bond, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position - Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, laws/regulations of other governments, law through constitutional provisions or enabling legislation.

TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

- Unrestricted net position - All remaining net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Financial Statements

Governmental fund equity is classified as fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. These categories are described below:

- Nonspendable - Includes the amount of fund balances that cannot be spent because it is either not in spendable form or legally or contractually required to be maintained intact.
- Restricted - Includes amounts that are restricted to specific purposes. Fund balance is reported as restricted when constraints placed in the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed Fund Balance - Includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Town Council is the highest level of decision-making authority and utilizes Town Ordinances as a formal procedure to commit fund balance. In addition, the passage of the budget by the taxpayers at the annual financial Town meeting is considered the commitment of funds for the line items included in the fiscal budget.
- Assigned Fund Balance - Includes amounts that are constrained by the government’s intent to be used for specific purposes but are neither restricted nor committed. The intent should be expressed by the governing-body itself or a body (a budget or finance committee) or official to which the governing-body has delegate the authority to assign amounts to be used for specific purposes. The Mayor through the Town Council has the authority to assign fund balance. Fund balance assigned by the Finance Director is documented through issuance of a memorandum
- Unassigned Fund Balance - Is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. The unassigned fund balance may also include negative balances for any governmental funds if the expenditures exceed amounts restricted, committed or assigned for specific purposes.

Application of Funds

The following policy has been established by the Town in order to address the implementation of Governmental Accounting Standards Board (GASB) Statement No., 54, *Fund Balance Reporting and Governmental Funds Definitions*. The policy is created in consideration of unanticipated events that could adversely affect the financial condition of the Town and jeopardize the continuation of necessary public service. The policy ensures that the Town maintains an adequate fund balance and reserves in order to:

- Provide sufficient cash flow for daily financial needs
- Provide funds for unforeseen expenditures related to emergencies
- Offset significant economic downturns or revenue shortfalls

**TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

The Town maintains a spending policy in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This policy states when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, it shall be the policy of the Town to consider restricted amounts to have been used first. When expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the Town that committed funds would be spent first, followed by assigned amounts and then unassigned amounts.

Proprietary fund equity is classified the same as in the government-wide statements.

R. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget Process

Adoption

It is the responsibility of the Mayor to submit a proposed budget for the following fiscal year to the Town Council on or before the first day of April each year. Public hearings are conducted on the proposed budget and shall enact the budget ordinance on or before the first day of May each year. Annual appropriated budgets are adopted for the General Fund and the School Department Unrestricted Fund, which is a Special Revenue Fund. All annual appropriations lapse at the end of the fiscal year. During the last quarter of the budget year, the Town Council may revise the budget between departments other than the School Department.

General Fund

Actual General Fund expenditures on the schedule of revenues, expenditures and changes in fund balances - budget and actual (budgetary basis) (RSI-1) are adjusted to reflect the budgetary basis of accounting which differs from actual expenditures recognized for the General Fund in the statement of revenues, expenditures and changes in fund balance - governmental funds (Exhibit VI) in that School Aid, School Medicaid reimbursement and School's miscellaneous income is treated as revenue of the School Unrestricted Fund in accordance with the GASB No. 54 under generally accepted accounting principles purposes, but is reported as part of the Town's activity for budgetary purposes. In addition, activity of certain nonmajor governmental funds is combined with the General Fund in accordance with GASB No. 54 but is not reported for budgetary purposes.

**TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Special Revenue Funds

The actual revenues and expenditures of special revenue funds included in the combined schedule of revenues, expenditures and changes in fund balances - budget and actual - School Unrestricted Fund (RSI-2) are presented on the budgetary basis of accounting which differs from actual revenues and expenditures recognized under generally accepted accounting principles (Exhibit VI) in that encumbrances are considered to be expenditures for budgetary purposes but not for purposes of generally accepted accounting principles.

The budget of the School Unrestricted Fund is prepared annually and submitted to the School Committee for approval. The amount of the annual transfer from the Town's General Fund to the School Unrestricted Fund is ultimately determined through the adoption of the General Fund budget by the Town Council.

Legal Debt Margin

The Town's legal debt margin as set forth by State Statute is limited to 3% of total taxable assessed value. The legal debt margin for the Town is approximately \$82,605,021. As of June 30, 2020, the Town's debt subject to legal debt margin is \$24,576,791, and the Town is under the debt limit by \$58,028,230.

Excess of Expenditures over Appropriations

For the year ended June 30, 2020, expenditures exceeded appropriations in the following categories:

General Fund

Mayor	\$	4,726
Courts		1,929
Police		1,247,776
Municipal Court		23,969
Fire		1,619,519
Streets and highways		33,772
Emergency Management		238
Building Maintenance		2,716
Fleet Maintenance		72,254
Inspector's Office		25,803
Parks and recreation		83,885
Personnel		4,662
Miscellaneous appropriations		126,054

School Unrestricted Fund

Health and dental benefits	\$	1,294,628
Out of District tuition		657,789

**TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Fund Deficits

At June 30, 2020, the Town reported deficit fund balances for the following funds:

Nonmajor Governmental Funds:		
Preschool IDEA Section 619	\$	1,213
School Implementation		6,200
Perkins Vocational		4,604
Race to the Top - HCD		1,000
Target Grant		3,786
Donations and miscellaneous grants		4,538
PTO Donations		144
Capital Lease Fund		162,566
Nonmajor Proprietary Funds:		
Summer School		46,087

The fund deficits will be eliminated by future grant funding and fund transfers.

3. CASH AND INVESTMENTS

Deposits

Substantially all of the Town's cash and cash equivalents are held in public deposit institutions. Pursuant to Section 35-10-1 of the Rhode Island General Laws, 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 FDIC. At times, the Town pools cash resources of its various funds to facilitate the management of cash and maximize investment returns.

Deposit Custodial Credit Risk

Custodial credit risk in the case of deposits is the risk that in the event of a bank failure, the Town's deposits may not be returned. The State of Rhode Island requires that certain uninsured deposits be collateralized. Section 35-10.1-7 of the General Laws of the State of Rhode Island, dealing with the collateralization of public deposits, 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. The Town does not have a formal deposit policy for custodial credit risk but is governed by State laws as described above.

As of June 30, 2020, the Town's entire bank balance of \$59,405,867 was covered by either FDIC insurance or collateral held in the Town's name.

Restricted Cash and Funds Held in Escrow

At June 30, 2020, the Police and Fire Pension Trust Fund reported restricted cash of \$200,631 representing post judgment statutory interest on \$832,727 of cash held in escrow by the Rhode Island Superior Court. These funds are the result of litigation between certain police retirees and the Town. Currently, the Town has appealed this judgment, and these funds are to be used to repay the plaintiffs should the Town lose its appeal.

TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Funds held in escrow of \$832,727 are reported in the Police and Fire Pension Trust Fund at June 30, 2020. These funds represent cash held on deposit with the Rhode Island Superior Court as a result of litigation between certain police retirees and the Town. These funds will be held in the Superior Court's Registry until the case is resolved.

Investments

General Fund investments are governed by Title 35, Chapter 10, Section 11 of the State's General Laws. This law generally allows for short-term investments, such as certificates of deposit, money market funds and obligations guaranteed by the United States government with the goal of seeking reasonable income while preserving capital. The Pension and OPEB Trust Fund's investments are not restricted in this manner.

As of June 30, 2020, the Town had the following investments:

Other investments:	
Mutual Funds	\$ <u>50,698,791</u>

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Town has made it a practice to limit the maturities on General Fund investments.

Credit Risk

State law limits investments in U.S. Treasury bills, U.S. Treasury notes and bonds, U.S. Agency obligations, certificates of deposit, repurchase agreements, commercial paper and money market mutual funds. The Town has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The Town does not have any policies that limit the amount that can be invested in any one issuer.

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure 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 an outside party. The Town does not have a policy related to custodial credit risk. The Town's investments held by the Town's counterparty are held in the name of the Town.

Fair Value

The Town uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Fair value 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. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

The Town’s fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

The three categories within the hierarchy are as follows:

Level 1

Quoted prices in active markets for identical assets and liabilities.

Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads and market-corroborated inputs.

Level 3

Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment.

The Town has the following recurring fair value measurements as of June 30, 2020:

	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Mutual Funds	\$ 50,698,791	\$ 50,698,791	\$	\$

TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

4. RECEIVABLES

Receivable balances have been disaggregated by type and presented separately in the fund financial statements. Only receivables for the Town's government-wide financial statements with allowances for uncollectible accounts as of June 30, 2020, including the applicable allowances for uncollectible accounts, are presented below.

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Water Control Fund</u>	<u>Sewer Fund</u>	<u>Nonmajor and Other Funds</u>
Receivables:					
Property taxes	\$ 8,790,920	\$	\$	\$	\$
Water and sewer use fees			2,316,863	1,228,779	
Intergovernmental	2,000,124	60,775			2,974,298
Other receivables	1,007,639	751,418			
Gross receivables	<u>11,798,683</u>	<u>812,193</u>	<u>2,316,863</u>	<u>1,228,779</u>	<u>2,974,298</u>
Less allowance for uncollectible	<u>(3,663,462)</u>			<u>(98,153)</u>	
Net Total Receivables	<u>\$ 8,135,221</u>	<u>\$ 812,193</u>	<u>\$ 2,316,863</u>	<u>\$ 1,130,626</u>	<u>\$ 2,974,298</u>

**TOWN OF JOHNSTON, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020**

5. INTERFUND BALANCES AND TRANSFERS

A summary of interfund balances as of June 30, 2020 is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General fund	\$ 135,630	\$ 2,325,333
School unrestricted fund	473,906	365,211
Nonmajor governmental funds	1,188,063	3,104,037
Sewer fund	713,313	
Nonmajor business-type activities	217,914	46,087
Internal service fund	<u>3,111,842</u>	
	<u>\$ 5,840,668</u>	<u>\$ 5,840,668</u>

The General Fund holds primarily all the cash for the Town, and the resulting due to/from other funds results from these cash allocations.

A summary of interfund transfers for the year ended June 30, 2020 is as follows:

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Total Transfers Out</u>
Transfers out:			
General Fund	\$	\$ 37,529,015	\$ 37,529,015
Water Control Fund	<u>3,646,773</u>		<u>3,646,773</u>
Total Transfers In	<u>\$ 3,646,773</u>	<u>\$ 37,529,015</u>	<u>\$ 41,175,788</u>

Transfers are used to account for the financing by the General Fund of various programs and activities in other funds.

TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 8,979,477	\$ -	\$ -	\$ -	\$ 8,979,477
Total capital assets not being depreciated	<u>8,979,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,979,477</u>
Capital assets being depreciated					
Land improvements	3,356,064				3,356,064
Buildings and improvements	49,919,219				49,919,219
Infrastructure	59,198,174	8,500			59,206,674
Vehicles and equipment	14,401,017	1,230,085			15,631,102
Total capital assets being depreciated	<u>126,874,474</u>	<u>1,238,585</u>	<u>-</u>	<u>-</u>	<u>128,113,059</u>
Less accumulated depreciation for:					
Land improvements	312,228	68,810			381,038
Buildings and improvements	22,877,735	1,159,486			24,037,221
Infrastructure	51,023,719	1,588,336			52,612,055
Vehicles and equipment	9,573,881	1,450,155			11,024,036
Total accumulated depreciation	<u>83,787,563</u>	<u>4,266,787</u>	<u>-</u>	<u>-</u>	<u>88,054,350</u>
Total capital assets being depreciated, net	<u>43,086,911</u>	<u>(3,028,202)</u>	<u>-</u>	<u>-</u>	<u>40,058,709</u>
Governmental Activities Capital Assets, Net	<u>\$ 52,066,388</u>	<u>\$ (3,028,202)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,038,186</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000
Total capital assets not being depreciated	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Capital assets being depreciated					
Distribution and collection systems	16,783,075	49,944			16,833,019
Machinery and equipment	593,636				593,636
Vehicles	309,377				309,377
Total capital assets being depreciated	<u>17,686,088</u>	<u>49,944</u>	<u>-</u>	<u>-</u>	<u>17,736,032</u>
Less accumulated depreciation for:					
Distribution and collection systems	4,715,463	303,135			5,018,598
Machinery and equipment	296,306	73,883			370,189
Vehicles	248,200	27,190			275,390
Total accumulated depreciation	<u>5,259,969</u>	<u>404,208</u>	<u>-</u>	<u>-</u>	<u>5,664,177</u>
Total capital assets being depreciated, net	<u>12,426,119</u>	<u>(354,264)</u>	<u>-</u>	<u>-</u>	<u>12,071,855</u>
Business-Type Activities Capital Assets, Net	<u>\$ 12,466,119</u>	<u>\$ (354,264)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,111,855</u>

TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 156,098
Public safety	1,167,220
Public works	1,852,394
Public libraries	110,773
Parks and recreation	191,495
Education	<u>788,807</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u>4,266,787</u>
 Business-type activities:	
Water fund	\$ 254,297
Sewer fund	144,437
Cafeteria fund	<u>5,474</u>
 Total Depreciation Expense - Business-Type Activities	 \$ <u>404,208</u>

**TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

7. LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

Changes in the Town's long-term liabilities for the year ended June 30, 2020 are as follows:

	<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>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:									
Bonds and notes:									
Public offerings:									
General obligation bonds	\$ 4,430,000	09/09/09	09/01/29	3.00-7.00%	\$ 2,955,000	\$	\$ 2,955,000	\$ -	\$
General obligation bonds	5,000,000	06/12/13	06/01/33	2.00-4.00%	3,570,000		255,000	3,315,000	255,000
Total public offerings					6,525,000	-	3,210,000	3,315,000	255,000
Direct borrowings and placements:									
General obligation bonds	2,277,000	09/13/07	09/01/19	5.05%	245,000		245,000	-	
General obligation refunding bonds	6,955,000	05/29/12	06/01/24	2.85%	2,908,750		550,425	2,358,325	563,850
General obligation bonds	4,000,000	05/01/14	05/01/29	2.48%	2,930,000		240,000	2,690,000	250,000
General obligation bonds	3,990,000	03/05/15	06/01/25	1.89%	2,435,000		395,000	2,040,000	395,000
General obligation bonds	2,500,000	05/24/16	05/01/31	2.19%	2,060,000		150,000	1,910,000	155,000
General obligation bonds	1,238,000	11/16/16	11/01/31	2.63%	1,098,000		73,000	1,025,000	75,000
Tax increment financing bond	1,400,000	02/15/17	06/15/42	4.66%	1,365,000		19,000	1,346,000	22,000
Note payable	34,228	06/08/17	05/27/22	5.45%	14,806		14,806	-	
General obligation bonds	710,000	08/16/17	08/15/27	2.35%	640,000		70,000	570,000	70,000
General obligation bonds	5,600,000	06/14/18	07/15/28	2.94%	5,600,000		475,000	5,125,000	495,000
General obligation refunding bonds	2,800,000	10/16/19	09/01/29	2.07%		2,800,000		2,800,000	255,000
Total direct borrowings and placements					19,296,556	2,800,000	2,232,231	19,864,325	2,280,850
Total bonds and notes					25,821,556	2,800,000	5,442,231	23,179,325	2,535,850
Premiums					124,080		10,537	113,543	
Total bonds, notes and premiums					25,945,636	2,800,000	5,452,768	23,292,868	2,535,850
Capital leases payable					599,000		313,000	286,000	168,000
Compensated absences					10,393,620		317,045	10,076,575	2,020,000
Net pension liability					171,202,637	2,157,358		173,359,995	
Net OPEB liability					189,891,053	20,550,234		210,441,287	
Total Governmental Activities - Long-Term Liabilities					\$ 398,031,946	\$ 25,507,592	\$ 6,082,813	\$ 417,456,725	\$ 4,723,850
Business-type activities:									
<u>Water Control Fund</u>									
Direct placement:									
General obligation bonds	\$ 1,725,000	08/16/17	08/15/27	2.35%	\$ 1,555,000	\$	\$ 170,000	\$ 1,385,000	\$ 170,000
<u>Sewer Fund</u>									
Direct borrowings and placements:									
General obligation refunding bonds	6,955,000	05/29/12	06/01/24	2.85%	341,250		64,575	276,675	66,150
RIIB Revolving Fund	750,000	04/01/02	09/01/22	varies	191,312		45,521	145,791	47,026
RIIB Revolving Fund	2,500,000	10/06/09	09/01/29	varies	1,016,000		80,000	936,000	80,000
Total direct borrowings and placements					1,548,562	-	190,096	1,358,466	193,176
Total Business-Type Activities - Long-Term Liabilities					\$ 3,103,562	\$	\$ 360,096	\$ 2,743,466	\$ 363,176

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 FINANCIAL STATEMENTS
JUNE 30, 2020**

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

Year Ending June 30,	Public Offerings		Direct Borrowings and Placements			
	Governmental Activities		Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 255,000	\$ 113,730	\$ 2,280,850	\$ 514,296	\$ 363,176	\$ 58,498
2022	255,000	106,080	2,347,750	456,407	376,830	50,878
2023	255,000	98,430	2,410,175	396,634	380,010	43,032
2024	255,000	88,230	2,482,550	335,204	337,450	35,041
2025	255,000	80,580	1,912,000	271,861	265,000	26,882
2026-2030	1,275,000	276,675	7,058,000	716,388	1,021,000	48,192
2031-2035	765,000	56,610	719,000	210,472		
2036-2040			478,000	110,861		
2041			176,000	8,202		
	<u>\$ 3,315,000</u>	<u>\$ 820,335</u>	<u>\$ 19,864,325</u>	<u>\$ 3,020,325</u>	<u>\$ 2,743,466</u>	<u>\$ 262,523</u>

General Obligation Refunding Bonds

On October 16, 2019, the Town issued \$2,800,000 of general obligation refunding bonds with interest rate of 2.07%. The bonds were issued to refund outstanding principal amounts of the 2009 series general obligation bonds. The net proceeds of \$2,759,900 (after payment of \$40,100 issuance costs) were deposited in an irrevocable trust fund under an escrow agreement dated October 16, 2019 between the Escrow Agent and the Town. The Escrow Agent will use such proceeds to purchase a portfolio of the United States Treasury State and Local Government Securities. All investment income on and the maturing principal of the escrow securities held in the escrow deposit fund will be irrevocably deposited by the Town for payment of the refunded bonds. The Town refunded the above bonds to reduce total debt service payments over the next 10 years by \$320,901 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$289,960. As of June 30, 2020, there is no defeased debt outstanding from this refunding. This amount is removed from the governmental activities column of the statement of net position.

Tax Increment Financing Bond

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 improvements.

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 taxpayers 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 \$2,230,794 payable through 2041. For the current year, principal and interest paid was \$19,000 and \$63,609, respectively, while total incremental property tax revenues generated were \$82,609.

**TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Capital Leases

The Town has entered into various lease agreements as lessee for financing the acquisition of vehicles, machinery and equipment valued at \$666,542. For the year ended June 30, 2020, \$125,793 was included in depreciation expense. The depreciable assets have a five- to ten-year useful life. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 are as follows:

	<u>Governmental Activities</u>
2021	\$ 172,824
2022	119,947
2023	
Total minimum lease payments	<u>292,771</u>
Less amount for interest	<u>(6,771)</u>
Present Value of Minimum Lease Payments	<u>\$ 286,000</u>

**TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

8. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2020 are as follows:

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Prepaid expenditures	\$ 823,499	\$ 192,434		\$ 1,015,933
Restricted for:				
Community development			6,593	6,593
Public safety programs			87,214	87,214
Recreation programs			49,690	49,690
Historical document preservation			150,493	150,493
Library programs			154,734	154,734
Educational programs			455,518	455,518
School improvements			139,761	139,761
Property acquisition			5,990	5,990
Dam escrow			1,499,065	1,499,065
Various capital improvement projects			3,615,079	3,615,079
Committed for:				
Education		652,418		652,418
Fire equipment			788,719	788,719
Public safety programs			444,571	444,571
Recreation programs			26,057	26,057
Unassigned	<u>37,994,373</u>		<u>(184,051)</u>	<u>37,810,322</u>
Total Fund Balances	<u>\$ 38,817,872</u>	<u>\$ 844,852</u>	<u>\$ 7,239,433</u>	<u>\$ 46,902,157</u>

9. DEFINED BENEFIT PENSION PLANS

A. Municipal Employees' Retirement System (MERS)

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 Law and placed under the management of the Employee's 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 persons 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 accessing the ERSRI website at www.ersri.org.

**TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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.

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 Average Compensation (FAC)

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. 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.

**TOWN OF JOHNSTON, RHODE ISLAND
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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.

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.

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).

**TOWN OF JOHNSTON, RHODE ISLAND
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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).

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.

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%.

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 every fourth-year provision described 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 \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016 and \$26,098 for 2017.

**TOWN OF JOHNSTON, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
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Employees Covered by Benefit Terms

At the June 30,2018 valuation date, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Retirees and Beneficiaries	214		3	217
Inactive, Nonretired Members	118	1	4	123
Active Members	<u>218</u>	<u>15</u>	<u>70</u>	<u>303</u>
Total	<u>550</u>	<u>16</u>	<u>77</u>	<u>643</u>

Contributions

The amount of employee and employer contributions have been established under Rhode Island General Law 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 are required to contribute 8.25%. Public safety employees are required to contribute 10% of their salaries. The Town of Johnston contributes at a rate of covered-employee 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 \$1,253,463 to the General Employees Plan, \$111,061 to the Police Plan and \$515,454 to the Fire Plan in the year ended June 30, 2020, which was 8% of General Employee annual covered payroll, 9% of Police annual covered payroll and 8% of Fire annual covered payroll.

**TOWN OF JOHNSTON, RHODE ISLAND
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JUNE 30, 2020**

Net Pension Liability (Asset)

The total pension liability was determined by actuarial valuations performed as of June 30, 2018 and rolled forward to June 30, 2019, 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, 2019 measurement date (June 30, 2018 valuation rolled forward to June 30, 2019)	
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 RP-2014 mortality tables - for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.
Cost of Living Adjustments	A 2% COLA is assumed after January 1, 2014.

The actuarial assumptions used in the June 30, 2018 valuation rolled forward to June 30, 2019, and the calculation of the total pension liability at June 30, 2019 was consistent with the results of an actuarial experience study performed as of June 30, 2016.

TOWN OF JOHNSTON, RHODE ISLAND
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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 34 sources. The June 30, 2019 expected arithmetic returns over the long term (20 years) by asset class are summarized in the following table:

<u>Type of Investment</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity		
U.S. Equity	22.10%	6.16%
International Developed Equity	13.20%	6.83%
Emerging Markets Equity	4.70%	8.90%
Private Equity		
Private Energy	11.25%	9.81%
Non-Core RE	2.25%	5.51%
OPP Private Credit	1.50%	9.81%
Income		
High Yield Infrastructure	1.00%	3.98%
REITS	1.00%	5.51%
Liquid Credit	2.80%	3.98%
Private Credit	3.20%	3.98%
Crisis Protection Class		
Treasury Duration	4.00%	0.77%
Systematic Trend	4.00%	4.20%
Inflation Protection		
Core Real Estate	3.60%	5.51%
Private Infrastructure	2.40%	5.85%
TIPs	1.00%	1.37%
Natural Resources	1.00%	3.76%
Volatility Protection		
IG Fixed Income	11.50%	2.15%
Absolute Return	6.50%	4.20%
Cash	3.00%	0.77%
	<u>100%</u>	

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best estimate on an arithmetic basis.

TOWN OF JOHNSTON, RHODE ISLAND
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Discount Rate

The discount rate used to measure the total pension liability of the plans was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, 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.

General Employees:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2018	\$ 46,086,057	\$ 32,144,559	\$ 13,941,498
Changes for the year:			
Service cost	772,077		772,077
Interest	3,149,856		3,149,856
Changes of benefit terms			-
Differences between expected and actual experience	(773,499)		(773,499)
Changes of assumptions			-
Employer contributions		1,361,051	(1,361,051)
Member contributions		215,773	(215,773)
Net investment income		2,029,157	(2,029,157)
Benefit payments, including refunds of member contributions	(2,948,308)	(2,948,308)	-
Administrative expenses		(32,016)	32,016
Other changes		840	(840)
Net changes	<u>200,126</u>	<u>626,497</u>	<u>(426,371)</u>
Balances as of June 30, 2019	<u>\$ 46,286,183</u>	<u>\$ 32,771,056</u>	<u>\$ 13,515,127</u>

**TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Police:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2018	\$ <u>904,782</u>	\$ <u>872,102</u>	\$ <u>32,680</u>
Changes for the year:			
Service cost	210,311		210,311
Interest	70,696		70,696
Changes of benefit terms			-
Differences between expected and actual experience	(36,170)		(36,170)
Changes of assumptions			-
Employer contributions		78,612	(78,612)
Member contributions		102,536	(102,536)
Net investment income		69,449	(69,449)
Benefit payments, including refunds of member contributions			-
Administrative expenses		(1,096)	1,096
Other changes		(2)	2
Net changes	<u>244,837</u>	<u>249,499</u>	<u>(4,662)</u>
Balances as of June 30, 2019	\$ <u><u>1,149,619</u></u>	\$ <u><u>1,121,601</u></u>	\$ <u><u>28,018</u></u>

**TOWN OF JOHNSTON, RHODE ISLAND
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Fire:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2018	\$ 10,506,219	\$ 9,114,125	\$ 1,392,094
Changes for the year:			
Service cost	881,187		881,187
Interest	760,619		760,619
Changes of benefit terms			-
Differences between expected and actual experience	(417,107)		(417,107)
Changes of assumptions			-
Employer contributions		358,292	(358,292)
Member contributions		422,066	(422,066)
Net investment income		641,756	(641,756)
Benefit payments, including refunds of member contributions	(161,651)	(161,651)	-
Administrative expenses		(10,126)	10,126
Other changes			-
Net changes	<u>1,063,048</u>	<u>1,250,337</u>	<u>(187,289)</u>
Balances as of June 30, 2019	\$ <u>11,569,267</u>	\$ <u>10,364,462</u>	\$ <u>1,204,805</u>

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

General Employees:

	Current		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 18,449,197	\$ 13,515,127	\$ 9,476,312

**TOWN OF JOHNSTON, RHODE ISLAND
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Police:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Net Pension Liability	\$ 143,642	\$ 28,018	\$ (66,564)

Fire:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Net Pension Liability	\$ 2,379,454	\$ 1,204,805	\$ 243,773

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, 2020, the employer recognized pension expense of \$2,108,087 for General Employees, \$112,368 for Police and \$661,365 for Fire. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

General Employees:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,638	\$ 980,907
Changes of assumptions	658,238	
Net difference between projected and actual earnings on pension plan investments		44,858
Contributions subsequent to measurement date	<u>1,253,463</u>	
Total	<u>\$ 1,913,339</u>	<u>\$ 1,025,765</u>

TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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Police:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 26,531	\$ 79,562
Changes of assumptions	61,167	1,355
Net difference between projected and actual earnings on pension plan investments		16,441
Contributions subsequent to measurement date	<u>111,061</u>	<u> </u>
Total	<u>\$ 198,759</u>	<u>\$ 97,358</u>

Fire:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 520,044	\$ 525,102
Changes of assumptions	460,455	81,155
Net difference between projected and actual earnings on pension plan investments		92,677
Contributions subsequent to measurement date	<u>515,454</u>	<u> </u>
Total	<u>\$ 1,495,953</u>	<u>\$ 698,934</u>

TOWN OF JOHNSTON, RHODE ISLAND
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\$1,253,463, \$111,061 and \$515,454 for the General Employees, Police and Fire, respectively, reported as deferred outflows of resources related to pensions resulting from the Town's contributions 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:

<u>Year Ending June 30</u>	<u>General Employees</u> <u>Net Deferred</u> <u>Outflows (Inflows)</u> <u>of Resource</u>	<u>Police</u> <u>Net Deferred</u> <u>Outflows (Inflows)</u> <u>of Resource</u>	<u>Fire</u> <u>Net Deferred</u> <u>Outflows (Inflows)</u> <u>of Resource</u>
2021	\$ 275,637	\$ (2,437)	\$ 37,241
2022	(422,160)	(8,386)	(54,964)
2023	(213,936)	(2,198)	11,754
2024	(5,430)	580	33,576
2025		1,000	30,071
Thereafter		1,781	223,887
Total	\$ (365,889)	\$ (9,660)	\$ 281,565

B. Teachers' Pension Plan - Employees' Retirement System

Plan Description

Certain employees of the Johnston School Department participate in a cost-sharing multiple-employer defined benefit pension plan - the Employees' Retirement System plan - administered by the Employees' Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides retirement and disability benefits and death benefits to plan members and beneficiaries.

The System issues a publicly available 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 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 5 years of service as of July 1, 2012. Members are vested after 5 years of service.

TOWN OF JOHNSTON, RHODE ISLAND
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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, Johnston School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The State and the Johnston School Department 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 Johnston School Department; the rates were 10.49% and 14.12% of annual covered payroll for the fiscal year ended June 30, 2019 for the Johnston School Department, respectively. The Johnston School Department contributed \$3,191,214, \$3,588,539 and \$3,333,663 for the fiscal years ended June 30, 2020, 2019 and 2018, respectively, equal to 100% of the required contributions for each year. The State's share of contribution for fiscal 2020 was \$2,644,000 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 FINANCIAL STATEMENTS
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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2020, the Town of Johnston reported a liability of \$44,624,312, its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the Johnston School Department 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 Johnston School Department were as follows:

Johnston School Department's proportionate share of the net pension liability	\$ 44,624,312
State of Rhode Island's proportionate share of the net pension liability	<u>33,428,231</u>
Total Net Pension Liability	<u>\$ 78,052,543</u>

The net pension liability was measured as of June 30, 2019, 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, 2018 rolled forward to June 30, 2019. The Johnston School Department's proportion of the net pension liability was based on a projection of the Department'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, 2019, the Johnston School Department's proportion was 1.40%.

For the year ended June 30, 2020, the Johnston School Department recognized gross pension expense of \$8,859,462 and revenue of \$3,708,436, for support provided by the State. At June 30, 2020, the Johnston School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 543,410	\$ 745,225
Changes of assumptions	2,611,226	352,191
Net difference between projected and actual earnings on pension plan investments		70,219
Changes in proportion and difference between employer contributions and proportionate share contributions	2,202,407	851,026
Contributions subsequent to measurement date	<u>3,191,214</u>	
Total	<u>\$ 8,548,257</u>	<u>\$ 2,018,661</u>

TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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\$3,191,214 reported as deferred outflows of resources related to pensions resulting from the Town of Johnston School Department’s contributions in fiscal year 2020 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:

<u>Year Ending June 30</u>	<u>Net Deferred Outflows (Inflows) of Resource</u>
2021	\$ 1,103,728
2022	330,044
2023	778,330
2024	713,967
2025	371,114
Thereafter	<u>41,199</u>
Total	<u>\$ 3,338,382</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 13.5%
Investment rate of return	7.0%

Mortality - variants of the RP-2014 mortality tables - for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

The actuarial assumptions used in the June 30, 2018 valuation rolled forward to June 30, 2019 and the calculation of the total pension liability at June 30, 2019 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

TOWN OF JOHNSTON, RHODE ISLAND
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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 34 sources. The June 30, 2019 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

<u>Type of Investment</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity		
U.S. Equity	22.10%	6.16%
International Developed Equity	13.20%	6.83%
Emerging Markets Equity	4.70%	8.90%
Private Equity		
Private Energy	11.25%	9.81%
Non-Core RE	2.25%	5.51%
OPP Private Credit	1.50%	9.81%
Income		
High Yield Infrastructure	1.00%	3.98%
REITS	1.00%	5.51%
Liquid Credit	2.80%	3.98%
Private Credit	3.20%	3.98%
Crisis Protection Class		
Treasury Duration	4.00%	0.77%
Systematic Trend	4.00%	4.20%
Inflation Protection		
Core Real Estate	3.60%	5.51%
Private Infrastructure	2.40%	5.85%
TIPs	1.00%	1.37%
Natural Resources	1.00%	3.76%
Volatility Protection		
IG Fixed Income	11.50%	2.15%
Absolute Return	6.50%	4.20%
Cash	3.00%	0.77%
	<u>100%</u>	

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best estimate on an arithmetic basis.

**TOWN OF JOHNSTON, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020**

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, 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% 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.

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Net Pension Liability	\$ 55,148,065	\$ 44,624,312	\$ 36,009,561

Pension Plan Fiduciary Net Position

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

C. Local Police and Fire Pension Plan

Plan Description

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 pay-as-you-go 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. The pay-as-you-go retirement plans are considered, in the labor contracts, to be defined benefit plans although they currently are not set up to meet the specifications of a defined benefit plan.

Any police officer or firefighter currently receiving a pension under the pay-as-you-go plan of the Town will also receive a cost of living allowance (COLA) equal to 50% of the increase awarded to current active police officers and firefighters.

TOWN OF JOHNSTON, RHODE ISLAND
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As of June 30, 2020, membership in the plan was as follows:

Active participants - Police	46
Inactive employees or beneficiaries currently receiving benefits - Police	105
Active participants - Fire	18
Inactive employees or beneficiaries currently receiving benefits - Fire	<u>93</u>
Total Participants	<u><u>262</u></u>

Benefits Provided

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

Effective July 1, 2012 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 in 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 addition 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.

**TOWN OF JOHNSTON, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020**

The following reflects the retirement benefits schedule for members of the police and fire departments:

Years of Service	Percentage of Final Average Salary	
	Police	Fire
18	45.0%	
19	47.5%	
20	50.0%	50.0%
21	52.5%	52.5%
22	55.0%	55.0%
23	57.5%	57.5%
24	60.0%	60.0%
25	65.0%	62.5%
26	66.0%	65.0%
27	67.0%	67.5%
28	68.0%	70.0%
29	69.0%	72.5%
30+	70.0%	75.0%

Investment Policy

The Town’s Retirement Board establishes the pension plan’s policy regarding asset allocation. Plan assets are managed with a long-term objective of achieving a fully funded status of the benefit provided through the Plan. Market value as of the end of the 2019 fiscal year was used to determine the fair value of the Plan’s investments.

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.

Investment Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on the Police and Fire Pension Plan investments, net of investment expenses, was (0.09%). The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Net Pension Liability

The total net pension liability for the Police and Fire Pension Trust was measured as of June 30, 2020 determined by an actuarial valuation as of that date. The components of the net pension liability of the at June 30, 2020 were as follows:

	<u>Police</u>	<u>Fire</u>
Total pension liability	\$ 79,561,721	\$ 80,481,832
Plan fiduciary net position	<u>22,740,001</u>	<u>23,315,819</u>
Town's Net Pension Liability	<u>\$ 56,821,720</u>	<u>\$ 57,166,013</u>
Plan fiduciary net position as a percentage of the of the total pension liability	40.02%	40.79%

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an experience study for the period July 1, 2014 to June 30, 2017.

Inflation	2.50%
Salary increases	3.75%
Investment rate of return	7.25%, net of pension plan investment expense, including inflation

Healthy mortality rates were based on the sex-distinct RP-2000 Combined Health White Collar Mortality Table using 115% of male rates and 95% of female rates for females, adjusted to the valuation date, using general projection under Scale AA to reflect future mortality improvement.

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

TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table (rates shown include the inflation component). These rates are applicable for the Police and Fire Pension Trust Fund.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Domestic equity	55.0%	6.40%
International equity - developed markets	10.0%	7.05%
International equity - emerging markets	5.0%	9.00%
Fixed income - core	20.0%	1.15%
Real estate	10.0%	4.50%
	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current 8% contribution rate and that the Town of Johnston's contributions of \$8.5 million for the fiscal year ended June 30, 2017 will increase 3.00% each year, unless otherwise provided. Based on these assumptions, the Pension System's fiduciary net position was not 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 investment of 7.25% was applied to all periods.

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

The following presents the net pension liability of the employers calculated using the discount of 7.25%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

The schedule of changes in the Town's net pension liability, employer contributions and investment returns are presented as required supplementary information following the notes to the basic financial statements.

Police:

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Net Pension Liability	\$ 66,721,793	\$ 56,821,720	\$ 48,705,755

**TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Fire:

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Net Pension Liability	\$ 66,591,058	\$ 57,166,013	\$ 49,381,983

Changes in Net Pension Liability

Police:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a)-(b)</u>
Balances as of July 1, 2019	\$ 77,795,962	\$ 21,891,502	\$ 55,904,460
Changes for the year:			
Service cost	1,502,837		1,502,837
Interest	5,590,184		5,590,184
Changes of benefit terms			-
Differences between expected and actual experience	(941,623)		(941,623)
Changes of assumptions			-
Employer contributions		4,999,713	(4,999,713)
Member contributions		302,388	(302,388)
Net investment income		(19,621)	19,621
Benefit payments, including refunds of member contributions	(4,385,639)	(4,385,639)	-
Administrative expenses		(50,096)	50,096
Other changes		1,754	(1,754)
Net changes	<u>1,765,759</u>	<u>848,499</u>	<u>917,260</u>
Balances as of June 30, 2020	<u>\$ 79,561,721</u>	<u>\$ 22,740,001</u>	<u>\$ 56,821,720</u>

**TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Fire:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2019	\$ 79,480,450	\$ 23,870,731	\$ 55,609,719
Changes for the year:			
Service cost	651,848		651,848
Interest	5,630,730		5,630,730
Changes of benefit terms			-
Differences between expected and actual experience	(347,071)		(347,071)
Changes of assumptions			-
Employer contributions		4,288,466	(4,288,466)
Member contributions		161,588	(161,588)
Net investment income		(20,744)	20,744
Benefit payments, including refunds of member contributions	(4,934,125)	(4,934,125)	-
Administrative expenses		(50,097)	50,097
Other changes			-
Net changes	<u>1,001,382</u>	<u>(554,912)</u>	<u>1,556,294</u>
Balances as of June 30, 2020	\$ <u>80,481,832</u>	\$ <u>23,315,819</u>	\$ <u>57,166,013</u>

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

For the year ended June 30, 2020, the Town recognized pension expense of \$4,853,694 and \$4,778,364 for the Police and Fire portions of the plan. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Police:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ <u>1,595,584</u>	\$ <u>-</u>

**TOWN OF JOHNSTON, RHODE ISLAND
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Fire:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ <u>1,682,674</u>	\$ <u>-</u>

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:

<u>Year Ending June 30</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$ 340,484
2022	451,587
2023	475,868
2024	<u>327,645</u>
Total	\$ <u>1,595,584</u>

Fire:

<u>Year Ending June 30</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$ 339,257
2022	483,946
2023	513,069
2024	<u>346,402</u>
Total	\$ <u>1,682,674</u>

**TOWN OF JOHNSTON, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
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D. Teachers' Survivor Benefit

Plan Description

Certain employees of the Johnston School Department participate in a cost-sharing multiple-employer defined benefit pension plan - the Teachers' Survivors Benefit (TSB) 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>.

Eligibility and Plan Benefits

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. Parents 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.

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 Spouse's Benefit</u>
\$17,000 or less	\$ 825.00
\$17,001 to \$25,000	\$ 962.50
\$25,001 to \$33,000	\$ 1,100.00
\$33,001 to \$40,000	\$ 1,237.50
\$40,001 and over	\$ 1,375.00

**TOWN OF JOHNSTON, RHODE ISLAND
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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 Johnston School Department contributed \$40,977, \$39,265 and \$38,175 for the fiscal years ended June 30, 2020, 2019 and 2018, respectively, equal to 100% of the required contributions for each year.

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

At June 30, 2020, the Johnston School Department reported an asset of \$5,972,304 for its proportionate share of the net pension asset related to its participation in the TSB plan. The net pension asset was measured as of June 30, 2019, 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, 2018 rolled forward to June 30, 2019. The Johnston School Department proportion of the net pension asset was based on its share of contributions to the TSB plan for fiscal year 2019 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2019, the Johnston School Department proportion was 5.264%.

For the year ended June 30, 2020, the Johnston School Department recognized negative pension expense of \$100,483 - an increase in the net pension asset. At June 30, 2020, the Johnston School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 650,845	\$ 1,586,130
Changes of assumptions	520,396	
Net difference between projected and actual earnings on pension plan investments		58,813
Changes in proportion and difference between employer contributions and proportionate share contributions		405,420
Contributions subsequent to measurement date	<u>40,977</u>	
Total	<u>\$ 1,212,218</u>	<u>\$ 2,050,363</u>

TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

\$40,977 reported as deferred outflows of resources related to pensions resulting from the Johnston School Department's contributions in fiscal year 2020 subsequent to the measurement date will be recognized as an addition to the net pension asset in the subsequent period. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$ 4,923
2022	(224,755)
2023	(97,531)
2024	(65,731)
2025	(163,999)
Thereafter	<u>(332,029)</u>
Total	<u>\$ (879,122)</u>

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	3.00% to 13.00%
Investment rate of return	7.00%

Mortality - variants of the RP-2014 mortality tables - for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

Cost of living adjustment - eligible survivors receive a yearly cost of living adjustment based on the annual social security adjustment for valuation purposes, a 2.50% cost of living adjustment is assumed.

The actuarial assumptions used in the June 30, 2018 valuation and the calculation of the total pension liability at June 30, 2019 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

TOWN OF JOHNSTON, RHODE ISLAND
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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 34 sources. The June 30, 2019 expected arithmetic returns over the long term (20 years) by asset class are summarized in the following table:

<u>Type of Investment</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity		
U.S. Equity	22.10%	6.16%
International Developed Equity	13.20%	6.83%
Emerging Markets Equity	4.70%	8.90%
Private Equity		
Private Energy	11.25%	9.81%
Non-Core RE	2.25%	5.51%
OPP Private Credit	1.50%	9.81%
Income		
High Yield Infrastructure	1.00%	3.98%
REITS	1.00%	5.51%
Liquid Credit	2.80%	3.98%
Private Credit	3.20%	3.98%
Crisis Protection Class		
Treasury Duration	4.00%	0.77%
Systematic Trend	4.00%	4.20%
Inflation Protection		
Core Real Estate	3.60%	5.51%
Private Infrastructure	2.40%	5.85%
TIPs	1.00%	1.37%
Natural Resources	1.00%	3.76%
Volatility Protection		
IG Fixed Income	11.50%	2.15%
Absolute Return	6.50%	4.20%
Cash	3.00%	0.77%
	<u>100%</u>	

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best estimate on an arithmetic basis.

**TOWN OF JOHNSTON, RHODE ISLAND
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Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, 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 (Asset) to Changes in the Discount Rate

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

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Net Pension (Asset) Liability	\$ (4,602,208)	\$ (5,972,304)	\$ (6,992,445)

Pension plan fiduciary net position - detailed information about the pension plan’s fiduciary net position is available in the separately issued ERSRI financial report.

10. DEFINED BENEFIT CONTRIBUTION PLAN

Plan Description

Employees participating in the defined benefit plan with less than 20 years of service as of June 30, 2012, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under Internal Revenue Service (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 of Johnston (including the School Department) recognized pension expense of \$750,314, for the fiscal year ended June 30, 2020. Of that amount, \$37,010 was for general employees, \$30,773 was for noncertified school employees and \$682,531 was for certified school employees.

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

11. OTHER POST EMPLOYMENT BENEFITS

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.

At June 30, 2020, the date of the latest actuarial valuation, plan membership consisted of the following:

Active employees	634
Retired employees	<u>612</u>
Total	<u><u>1246</u></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.

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).

**TOWN OF JOHNSTON, RHODE ISLAND
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 JUNE 30, 2020**

Investment Policy

OPEB Benefits Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Town’s Board of Directors by a majority vote of its members. It is the policy of the Town to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Town’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was -0.57%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the Town

The Town’s net OPEB liability was measured as of June 30, 2020. The components of the net OPEB liability of the Town at June 30, 2020.

Total OPEB liability	\$ 215,916,124
Plan fiduciary net position	<u>5,474,837</u>
 Net OPEB Liability	 <u>\$ 210,441,287</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 2.54%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	1.60%
Salary increases	3.00% per year
Investment rate of return	3.00%
Healthcare cost trend rates	8.50%, decreasing to 4.50%

Mortality rates used are as follows:

Healthy retiree: SOA Pub-2010 Total Dataset Mortality Table Headcount-Weighted fully generational projected using Scale MP-2019
 Disabled retiree: SOA Pub-2010 Disabled Mortality Table Headcount-Weighted fully generational projected using Scale MP-2019

TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity	48.3 %	5.10 %
Non-U.S. equity	20.7 %	7.40 %
U.S. aggregate bonds	9.0 %	1.20 %
Intermediate-term credit	5.4 %	1.90 %
Short-term credit	3.6 %	1.70 %
Intermediate-term TIPS	5.0 %	0.70 %
REITs	8.0 %	4.00 %
	<hr/>	<hr/>
Total	<u>100 %</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 3.00%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2019	\$ 194,907,704	\$ 5,016,651	\$ 189,891,053
Changes for the year:			
Service cost	5,219,371		5,219,371
Interest	6,899,657		6,899,657
Changes of assumptions	16,571,033		16,571,033
Differences between expected and actual experience	(508,457)		(508,457)
Employer contributions		7,673,184	(7,673,184)
Net investment income		(28,426)	28,426
Benefit payments	(7,173,184)	(7,173,184)	-
Administrative expenses		(13,388)	13,388
Net changes	21,008,420	458,186	20,550,234
Balances as of June 30, 2020	\$ 215,916,124	\$ 5,474,837	\$ 210,441,287

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

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.00%) or 1 percentage point higher (4.00%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	\$ 251,871,293	\$ 210,441,287	\$ 178,483,650

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

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.00% decreasing to 3.00%) or 1 percentage point higher (9.00% decreasing to 5.00%) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 176,952,228	\$ 210,441,287	\$ 254,115,225

**TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the Town recognized OPEB expense of \$4,325,317. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,097,211	\$ 14,638,642
Changes of assumptions	13,809,194	16,250,368
Net difference between projected and actual earnings on OPEB plan investments	<u>88,857</u>	<u> </u>
Total	<u>\$ 14,995,262</u>	<u>\$ 30,889,010</u>

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

<u>Year Ending June 30</u>	<u>Net Deferred Outflows (Inflows) of Resource</u>
2021	\$ (7,623,075)
2022	(7,618,063)
2023	(3,369,237)
2024	39,531
2025	<u>2,677,096</u>
Total	<u>\$ (15,893,748)</u>

TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

The following schedule presents the net position held in trust for pension and OPEB benefits at June 30, 2020 and the changes in net position for the year ended June 30, 2020:

	Police and Fire Pension Trust Fund	OPEB Trust Fund	Total Pension and OPEB Trust Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and cash equivalents	\$ 103,738	\$	\$ 103,738
Restricted cash	200,631		200,631
Prepaid expenses	798,101		798,101
Funds held in escrow	832,727		832,727
Investments, at fair value:			
Mutual funds	45,223,954	5,474,837	50,698,791
Due from other funds	<u>121,109</u>	<u> </u>	<u>121,109</u>
Total assets	<u>47,280,260</u>	<u>5,474,837</u>	<u>52,755,097</u>
Liabilities:			
Accrued expenses	12,315		12,315
Deposits held in custody of others	178,767		178,767
Claims and judgments	<u>1,033,358</u>	<u> </u>	<u>1,033,358</u>
Total liabilities	<u>1,224,440</u>	<u>-</u>	<u>1,224,440</u>
Net Position:			
Restricted for pension benefits and OPEB benefits	<u>\$ 46,055,820</u>	<u>\$ 5,474,837</u>	<u>\$ 51,530,657</u>

**TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

	<u>Police and Fire Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total Pension and OPEB Trust Funds</u>
Additions:			
Contributions:			
Employer contributions	\$ 9,289,933	\$ 7,673,184	\$ 16,963,117
Plan members contributions	463,976		463,976
Total contributions	<u>9,753,909</u>	<u>7,673,184</u>	<u>17,427,093</u>
Investment income (loss):			
Net change in fair value of investments	(10,380,411)	(28,426)	(10,408,837)
Interest and dividends	10,340,046		10,340,046
Total investment income	<u>(40,365)</u>	<u>(28,426)</u>	<u>(68,791)</u>
Total additions	<u>9,713,544</u>	<u>7,644,758</u>	<u>17,358,302</u>
Deductions:			
Benefits	9,319,763	7,173,184	16,492,947
Administration	100,194	13,388	113,582
Total deductions	<u>9,419,957</u>	<u>7,186,572</u>	<u>16,606,529</u>
Change in Net Position	293,587	458,186	751,773
Net Position at Beginning of Year	<u>45,762,233</u>	<u>5,016,651</u>	<u>50,778,884</u>
Net Position at End of Year	<u>\$ 46,055,820</u>	<u>\$ 5,474,837</u>	<u>\$ 51,530,657</u>

12. RISK MANAGEMENT AND HEALTHCARE MANAGEMENT FUND

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, 2020, 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.

**TOWN OF JOHNSTON, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020**

The Town’s finance department oversees the self-insured program for all Town employees and claims payment services are provided by Blue Cross and 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.

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

Medical Insurance					
	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,	
2018-19	\$ 2,443,138	\$ 18,187,650	\$ (19,430,511)	\$ 1,200,277	
2019-20	1,200,277	20,045,491	(19,305,659)	1,940,109	

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 outline 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 the Trust, the participation agreement requires three months’ notice and the payment of a severance penalty.

13. 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 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 \$3,247,296 was received under the terms of the agreement for the year ended June 30, 2020.

14. COMMITMENTS AND LITIGATION

Amounts received or receivable from federal and state grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

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.

The Town was named as the defendant in a case involving the pension obligation to three retirees. In fiscal 2012, the Town was unsuccessful in its defense but has appealed the verdict to the Rhode Island Supreme Court. The obligation resulting from this case, including interest in accordance with the initial judgment, was estimated to be \$826,810. This potential obligation has been reported as a liability in the Police and Fire Pension Trust Fund as of June 30, 2020. The obligation is reported in the Police

**TOWN OF JOHNSTON, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

and Fire Pension Trust Fund since the assets related to this obligation are a component of the assets which comprise the Trust Fund. At June 30, 2020, the Town has established a letter of credit for the potential interest owed on the judgment and deposited funds equal to that letter of credit into separate restricted cash accounts. In addition, the initial judgment of approximately \$199,130 has been placed on deposit with the State of Rhode Island Superior Court and is currently being held in escrow pending the outcome of the Town's appeal.

15. TAX ABATEMENTS

The Town of Johnston, Rhode Island, may, from time to time, enter into Tax Stabilization agreements (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 an increase in the tax base of the Town, provide increased tax revenue, enhance property values in 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, 2020, the Town of Johnston maintained two 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, 2020.

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, 2020 were \$1,337,181.
- 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, 2020 were \$54,021.

16. CORONAVIRUS (COVID-19)

On January 30, 2020, the World Health Organization declared the coronavirus to be a public health emergency. On March 9, 2020, the Governor of the State of Rhode Island declared a state of emergency to combat a novel coronavirus disease (COVID-19).

The Town derives a significant portion of its revenues from property taxes. While the Town has not experienced any significant increase in the amount of delinquency from its taxpayers, the situation creates uncertainty about the impact of future revenues that might be generated. In addition, at this time, it is uncertain what the effects of the pandemic will be on the Town's health care costs, changes in interest rates, investment valuation and future federal or state fiscal relief.

17. SUBSEQUENT EVENTS

In July of 2020, the Town executed a lease purchase agreement to finance the purchase of \$1,310,000 of equipment.

On February 28, 2021, the Town entered into a Merger and Annexation Agreement with the City of Providence and the Providence Water Supply Board which will transfer all tangible and intangible assets of the Johnston Water Department to the Providence Water Supply Board.

Required Supplementary Information

**TOWN OF JOHNSTON, RHODE ISLAND
BUDGETARY BASIS - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance - Positive (Negative)</u>
Tax Revenues:				
Current year	\$ 71,448,051	\$ 71,448,051	\$ 73,265,152	\$ 1,817,101
1st preceding year	1,731,011	1,731,011	1,333,152	(397,859)
2nd preceding year			355,182	355,182
All other preceding years			393,878	393,878
Abatements	(150,000)	(150,000)	(84,479)	65,521
Power plant tax treaty	3,247,296	3,247,296	3,247,296	
Citizens Bank tax stabilizator	250,000	250,000	250,000	
Total tax revenues	<u>76,526,358</u>	<u>76,526,358</u>	<u>78,760,181</u>	<u>2,233,823</u>
Departmental Fees and Revenues:				
Business licenses and registration	65,000	65,000	62,890	(2,110)
Nonbusiness licenses and fees	100,000	100,000	110,938	10,938
Infrastructure fees	14,000	14,000	14,350	350
Inspection fees:				
Plumbing	78,000	78,000	100,685	22,685
Building	435,000	435,000	553,446	118,446
Electrical	127,500	127,500	144,970	17,470
Engineering fees	6,000	6,000	14,250	8,250
Public works			2,228	2,228
DPW - release and discharge of liens	35,000	35,000	34,354	(646)
Zoning board	50,000	50,000	35,960	(14,040)
Planning board fees	40,000	40,000	20,127	(19,873)
Tax collector's fees	25,000	25,000	37,160	12,160
Investment and interest income	545,000	545,000	749,466	204,466
Municipal court fees	265,000	265,000	258,417	(6,583)
Recreation program fees	15,000	15,000	15,000	-
Recreation Day Camp revenues			29,642	29,642
Entertainment licenses	2,500	2,500	2,400	(100)
Marriage, death and birth certificates	26,000	26,000	29,959	3,959
Real estate conveyance - State of RI			34,072	34,072
Stamps	275,000	275,000	388,509	113,509
Advertising	15,000	15,000	16,096	1,096
Dog licenses	600	600	565	(35)
Other	13,650	13,650	16,379	2,729
Recording/probate land evidence	250,000	250,000	301,021	51,021
Probate fees	25,000	25,000	37,033	12,033
Recycling bins revenue	1,500	1,500		(1,500)
VIN number checks	50,000	50,000	58,065	8,065
BCI fees	2,000	2,000	1,855	(145)
Police department reimbursement	50,000	50,000	50,000	-
Pistol permit fees	5,500	5,500	11,360	5,860
Fire department revenues	1,000	1,000	1,883	883
Fire plan review	125,000	125,000	116,000	(9,000)
Medical reimbursements	325,000	325,000	352,978	27,978
Pilot and settlement payments	611,096	611,096	615,001	3,905
Commercial vehicle surcharges	350,000	350,000	388,440	38,440
Cell phone towers	175,000	175,000	192,384	17,384
Interest and penalties on property tax	700,000	700,000	1,038,014	338,014
Rescue services reimbursement	950,000	950,000	950,000	-
Housing authority	21,500	21,500	28,013	6,513
Total departmental fees and revenue	<u>5,775,846</u>	<u>5,775,846</u>	<u>6,813,910</u>	<u>1,038,064</u>
Intergovernmental:				
State Aid - School	17,982,544	17,982,544	17,407,633	(574,911)
School housing aid	377,469	377,469	396,552	19,083
Distressed community relief	532,972	532,972	532,972	-
Motor vehicle phase out	3,407,574	3,407,574	4,281,733	874,159
Public service corporation tax	367,606	367,606	364,114	(3,492)
Meal and beverage tax distribution	740,016	740,016	728,841	(11,175)
Host community agreement	4,140,631	4,140,631	4,361,210	220,579
Library aid	116,724	116,724	119,438	2,714
Total intergovernmental	<u>27,665,536</u>	<u>27,665,536</u>	<u>28,192,493</u>	<u>526,957</u>
Miscellaneous:				
Town	25,000	25,000	134,585	109,585
School	1,240,000	1,240,000	1,124,304	(115,696)
	<u>1,265,000</u>	<u>1,265,000</u>	<u>1,258,889</u>	<u>(6,111)</u>
Total revenues	<u>111,232,740</u>	<u>111,232,740</u>	<u>115,025,473</u>	<u>3,792,733</u>

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**TOWN OF JOHNSTON, RHODE ISLAND
 BUDGETARY BASIS - GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance - Positive (Negative)</u>
Legislative, judicial and general administrative:				
Town Council:				
Salaries	\$ 32,700	\$ 32,700	\$ 32,700	\$ -
FICA	2,685	2,685	2,685	-
Retirement Town's share	1,213	1,213	927	286
Department	150	150	117	33
Telephone	2,000	2,000	1,563	437
Office	100	100	71	29
Town Sargent's salary	2,400	2,400	2,400	-
Claims	2,000	2,000		2,000
Contingency	4,000	4,000	325	3,675
Total Town Council	<u>47,248</u>	<u>47,248</u>	<u>40,788</u>	<u>6,460</u>
Mayor:				
Mayor's salary	75,000	75,000	75,837	(837)
Chief of Staff's salary	40,700	40,700	41,248	(548)
Full-time salaries	58,000	58,000	58,281	(281)
FICA	13,288	13,288	13,272	16
Health insurance	48,410	48,410	53,968	(5,558)
Life insurance	284	284	284	-
Retirement Town's share	10,475	10,475	11,110	(635)
Office	4,250	4,250	2,440	1,810
Equipment lease	2,295	2,295	1,572	723
Telephone	500	500		500
Department expense	3,250	3,250	3,166	84
Total Mayor	<u>256,452</u>	<u>256,452</u>	<u>261,178</u>	<u>(4,726)</u>
Courts:				
Probate court	7,500	7,500	7,584	(84)
FICA	574	574	558	16
Health & dental insurance	17,872	17,872	19,883	(2,011)
Department	150	150		150
Total Courts	<u>26,096</u>	<u>26,096</u>	<u>28,025</u>	<u>(1,929)</u>
Canvassers:				
Full-time salaries	52,330	52,330	52,713	(383)
Part-time salaries	5,000	5,000		5,000
Overtime salaries			1,006	(1,006)
FICA	4,845	4,845	4,036	809
Life insurance	95	95	95	-
Health insurance	1,315	1,315	1,315	-
Retirement Town's share	9,319	9,319	9,615	(296)
Office	8,500	8,500	3,897	4,603
Board salaries	6,000	6,000	5,500	500
Election expense	45,000	45,000	2,229	42,771
Department expense	500	500		500
Equipment lease	1,200	1,200	840	360
Total Canvassers	<u>134,104</u>	<u>134,104</u>	<u>81,246</u>	<u>52,858</u>
Legal:				
Salaries	52,000	52,000	52,580	(580)
Health insurance	9,180	9,180	10,249	(1,069)
FICA	3,978	3,978	4,022	(44)
Hourly billings	475,000	475,000	340,805	134,195
Contingency: judgments	50,000	50,000	56,981	(6,981)
Legal services	25,000	25,000	20,186	4,814
Office	450	450	166	284
Total legal	<u>615,608</u>	<u>615,608</u>	<u>484,989</u>	<u>130,619</u>

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**TOWN OF JOHNSTON, RHODE ISLAND
BUDGETARY BASIS - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance - Positive (Negative)
Town Clerk:				
Town clerk's salary	\$ 80,136	\$ 80,136	\$ 81,046	\$ (910)
Deputy clerk	5,513	5,513	3,381	2,132
Full-time salaries	134,690	134,690	77,967	56,723
Overtime salaries	10,000	10,000	12,508	(2,508)
Severance pay				-
FICA	17,621	17,621	12,725	4,896
Health & dental insurance	49,707	49,707	55,448	(5,741)
Life insurance	379	379	284	95
Retirement Town's share	38,271	38,271	28,341	9,930
Stenographer	14,000	14,000	9,352	4,648
Department expense	1,500	1,500	1,024	476
Office	8,200	8,200	3,649	4,551
Advertising	17,000	17,000	16,709	291
Training	500	500	185	315
Equipment lease	2,500	2,500	1,600	900
Operating	42,300	42,300	43,612	(1,312)
Total Town clerk	422,317	422,317	347,831	74,486
Zoning Board:				
Board salaries	8,900	8,900	10,429	(1,529)
FICA	681	681	798	(117)
Postage	200	200		200
Building and advertising	4,000	4,000	1,899	2,101
Stenographer	5,500	5,500	3,380	2,120
Total zoning board	19,281	19,281	16,506	2,775
Total legislative, judicial and general administrative	1,521,106	1,521,106	1,260,563	260,543
Financial Administration:				
Finance:				
Salaries	517,657	517,657	451,978	65,679
Overtime	18,000	18,000	56,971	(38,971)
Conference fees	250	250		250
ACA processing	15,000	15,000		15,000
Health insurance	179,704	179,704	200,295	(20,591)
Life insurance	853	853	758	95
Retirement Town's share	87,006	87,006	75,424	11,582
FICA	40,595	40,595	38,978	1,617
Office	5,250	5,250	4,299	951
Audit	80,000	80,000	44,250	35,750
Consulting fee	80,000	80,000	69,996	10,004
Department expense	20,000	20,000	28,443	(8,443)
Dues, publications and subscriptions	1,100	1,100	1,055	45
Payroll processing	60,000	60,000	60,023	(23)
Training	3,200	3,200	2,282	918
Fiscal advisor	5,000	5,000		5,000
Computer service contracts	31,500	31,500	22,538	8,962
Postage	35,500	35,500	20,815	14,685
Bank and bond fees	5,000	5,000	5,636	(636)
Telephone	5,000	5,000	5,514	(514)
Tax collection fees	60,000	60,000	109,261	(49,261)
Equipment lease purchase	2,500	2,500	2,221	279
Total financial administration	1,253,115	1,253,115	1,200,737	52,378
Assessor:				
Full-time salaries	99,881	99,881	105,446	(5,565)
Part-time and overtime salaries	17,800	17,800	14,877	2,923
FICA	9,003	9,003	8,923	80
Health insurance	48,409	48,409	53,968	(5,559)
Life insurance	190	190	190	-
Retirement Town's share	17,858	17,858	18,904	(1,046)
Processing tax roll	52,000	52,000	51,101	899
Training and college	250	250		250
Computer service contracts	16,000	16,000	12,788	3,212
Consulting fee	4,500	4,500		4,500
Equipment service contract	1,700	1,700	1,285	415
Office	5,500	5,500	2,734	2,766
Maps and reproduction supplies	850	850		850
Department expense	1,950	1,950	1,130	820
Dues, publications and subscriptions	250	250		250
Bidding and advertising	250	250	70	180
Equipment lease	1,000	1,000		1,000
Full real estate tax valuation	125,000	125,000	75,577	49,423
Software support fees	1,000	1,000		1,000
Total assessor	403,391	403,391	346,993	56,398

(Continued on next page)

TOWN OF JOHNSTON, RHODE ISLAND
 BUDGETARY BASIS - GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance - Positive (Negative)</u>
Public Safety:				
Police Department:				
Salaries	\$ 4,877,343	\$ 4,877,343	\$ 4,799,111	\$ 78,232
Overtime salaries	1,000,000	1,000,000	966,480	33,520
JARE overtime salaries	75,000	75,000	122,394	(47,394)
Civilian overtime salaries	55,000	55,000	28,277	26,723
Part-time salaries	128,700	128,700	58,174	70,526
Holiday salaries	261,957	261,957	267,425	(5,468)
Training and college	45,000	45,000	40,213	4,787
Training and accreditation	16,450	16,450	11,975	4,475
FICA	543,395	543,395	582,292	(38,897)
Health insurance	1,309,088	1,309,088	1,962,861	(653,773)
Supplementary medical	11,222	11,222	11,222	-
Admin costs - HRA	5,481	5,481	5,481	-
HRA payments and claims	109,635	109,635	109,635	-
Life insurance	15,302	15,302	15,215	87
Severance pay	150,000	150,000	348,457	(198,457)
Longevity	381,417	381,417	375,082	6,335
Stipend - police retirees local plan	15,750	15,750	15,750	-
Accreditation stipend	71,000	71,000	66,000	5,000
Gasoline	125,000	125,000	93,700	31,300
Arms and ammunition	31,000	31,000	23,341	7,659
Clothing and maintenance	130,450	130,450	128,214	2,236
Firearm allowance	33,500	33,500	33,000	500
Medical examinations	3,750	3,750	60	3,690
Police pension	4,999,713	4,999,713	4,999,713	-
Bureau of criminal investigation	36,900	36,900	17,707	19,193
Office	17,960	17,960	16,247	1,713
Police chief department expense	3,000	3,000	1,304	1,696
Retirement	221,611	221,611	208,281	13,330
Retiree health insurance	1,481,333	1,481,333	2,164,127	(682,794)
Retiree life insurance	37,504	37,504	42,464	(4,960)
Dues and publications	5,500	5,500	4,915	585
Bids and advertising	1,750	1,750	280	1,470
Radio maintenance	4,000	4,000	2,875	1,125
Vehicle repair deductible	25,000	25,000	5,140	19,860
Equipment rental	8,850	8,850	7,211	1,639
Computer service contracts	50,760	50,760	39,574	11,186
Equipment maintenance	28,700	28,700	13,550	15,150
Explorer	10,000	10,000	2,761	7,239
Utilities	79,860	79,860	62,286	17,574
Telephone	41,480	41,480	39,017	2,463
Department expense	22,000	22,000	17,086	4,914
Recruits expense	35,050	35,050	24,269	10,781
Animal control	7,500	7,500	6,075	1,425
Grant matching funds	5,238	5,238	9,143	(3,905)
Injured on duty TPA	7,600	7,600	5,400	2,200
Information technology	8,500	8,500	12,347	(3,847)
SWAT Team (Special Response Team)	8,000	8,000	10,616	(2,616)
Medicare	252,691	252,691	252,691	-
Building maintenance	50,000	50,000	64,278	(14,278)
Total police department	<u>16,845,940</u>	<u>16,845,940</u>	<u>18,093,716</u>	<u>(1,247,776)</u>
Municipal Court:				
Full-time salaries	80,899	80,899	88,511	(7,612)
Part-time salaries	49,555	49,555	57,755	(8,200)
Overtime salaries	1,500	1,500	789	711
Auxiliary judge	3,000	3,000	7,700	(4,700)
FICA	10,094	10,094	9,070	1,024
Health insurance	57,589	57,589	64,218	(6,629)
Life insurance	190	190	205	(15)
Retirement Towns share	14,430	14,430	16,286	(1,856)
Office	3,200	3,200	1,008	2,192
Building maintenance	3,500	3,500	1,939	1,561
Heat	2,300	2,300	2,300	-
Electric	4,800	4,800	8,085	(3,285)
Telephone	1,700	1,700	1,268	432
Water	1,500	1,500	1,241	259
Interpreter Services	500	500	500	-
Service contracts	6,500	6,500	6,366	134
Department	4,000	4,000	4,197	(197)
Equipment lease	2,300	2,300	588	1,712
Total municipal court	<u>247,557</u>	<u>247,557</u>	<u>271,526</u>	<u>(23,969)</u>

(Continued on next page)

**TOWN OF JOHNSTON, RHODE ISLAND
 BUDGETARY BASIS - GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance - Positive (Negative)</u>
Fire Department:				
Department salaries	\$ 5,698,166	\$ 5,698,166	\$ 5,753,917	\$ (55,751)
Part-time salaries	14,100	14,100	10,753	3,347
Call-back and overtime salaries	2,624,500	2,624,500	2,889,814	(265,314)
Longevity	738,124	738,124	718,701	19,423
Holiday salaries	396,745	396,745	386,655	10,090
Unused sick day bonus	18,000	18,000	14,452	3,548
FICA	730,262	730,262	729,921	341
Health insurance	1,468,130	1,468,130	2,080,334	(612,204)
Admin costs - HRA	11,644	11,644	11,644	-
HRA payments and claims	109,635	109,635	109,635	-
Life insurance	18,880	18,880	18,702	178
Severance pay	150,000	150,000	69,930	80,070
Radio maintenance	25,000	25,000	18,884	6,116
Medical examinations			1,820	(1,820)
Fire prevention	7,000	7,000	5,612	1,388
Sanitary supplies	20,000	20,000	21,883	(1,883)
Clothing and allowance	161,200	161,200	161,200	-
Fire alarm	15,000	15,000	20,168	(5,168)
First aid and ambulance service	150,000	150,000	183,180	(33,180)
Gasoline	60,000	60,000	71,452	(11,452)
Office	9,500	9,500	17,442	(7,942)
Haz-Mat stipend	69,420	69,420	69,894	(474)
Fire pension	4,288,466	4,288,466	4,288,466	-
SCBA operations	15,000	15,000	11,947	3,053
Utilities	87,500	87,500	105,000	(17,500)
Telephone	50,000	50,000	95,071	(45,071)
Hydrants	218,339	218,339	218,339	-
Hazardous materials	3,500	3,500	6,075	(2,575)
Fire chief contracted expense	3,500	3,500	315	3,185
Fire chief department expense	1,000	1,000	950	50
Retirement	546,776	546,776	541,624	5,152
Retiree health insurance	1,313,926	1,313,926	1,863,088	(549,162)
Training	20,000	20,000	18,845	1,155
Training and college	25,000	25,000	53,711	(28,711)
Equipment rental	2,000	2,000	1,770	230
Department expense	6,000	6,000	8,216	(2,216)
Building maintenance	80,000	80,000	118,436	(38,436)
Fire fighter equipment and supplies	92,500	92,500	87,194	5,306
Injured on duty TPA	7,600	7,600	7,600	-
Grant matching funds	50,000	50,000	50,000	-
Vehicle repairs	130,000	130,000	213,292	(83,292)
Medicare	297,684	297,684	297,684	-
Total fire department	<u>19,734,097</u>	<u>19,734,097</u>	<u>21,353,616</u>	<u>(1,619,519)</u>
Emergency Management:				
Salaries	15,000	15,000	15,167	(167)
FICA	1,148	1,148	1,219	(71)
Total emergency management	<u>16,148</u>	<u>16,148</u>	<u>16,386</u>	<u>(238)</u>
Total public safety	<u>36,843,742</u>	<u>36,843,742</u>	<u>39,735,244</u>	<u>(2,891,502)</u>
Public Works Department:				
Street and highways:				
Salaries	551,127	551,127	546,882	4,245
Overtime	65,000	65,000	63,234	1,766
FICA	47,134	47,134	42,908	4,226
Health insurance	200,308	200,308	249,403	(49,095)
Life insurance	1,138	1,138	1,359	(221)
Retirement Town's share	75,233	75,233	89,606	(14,373)
Snow removal	125,000	125,000	100,130	24,870
Drainage	12,000	12,000	3,855	8,145
Street lighting	850,000	850,000	913,747	(63,747)
Street and traffic control	20,000	20,000	18,791	1,209
Street and highway materials	60,000	60,000	41,562	18,438
Department expense	60,000	60,000	29,928	30,072
GPS expenditures	7,598	7,598	8,450	(852)
Equipment maintenance	2,500	2,500	955	1,545
Total streets and highways	<u>2,077,038</u>	<u>2,077,038</u>	<u>2,110,810</u>	<u>(33,772)</u>

(Continued on next page)

**TOWN OF JOHNSTON, RHODE ISLAND
BUDGETARY BASIS - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance - Positive (Negative)
Building Maintenance:				
Salaries	\$ 190,369	\$ 190,369	\$ 184,881	\$ 5,488
Part-time salaries	9,360	9,360	8,620	740
Overtime	7,000	7,000	2,007	4,993
FICA	15,815	15,815	14,752	1,063
Health insurance	57,589	57,589	64,218	(6,629)
Life insurance	379	379	284	95
Retirement Town's share	33,987	33,987	32,604	1,383
Building maintenance	25,000	25,000	34,743	(9,743)
Building supplies	800	800	1,406	(606)
Department expense	500	500		500
Total building maintenance	<u>340,799</u>	<u>340,799</u>	<u>343,515</u>	<u>(2,716)</u>
Public Works Administration:				
Salaries	231,081	231,081	260,919	(29,838)
Overtime	10,000	10,000	10,430	(430)
Severance pay			3,480	(3,480)
FICA	18,443	18,443	20,936	(2,493)
Health insurance	66,770	66,770	74,467	(7,697)
Life insurance	379	379	387	(8)
Retirement Town's share	40,362	40,362	42,067	(1,705)
Bidding and advertising	700	700	209	491
Garbage collections	1,450,000	1,450,000	1,421,287	28,713
Recycling bins	6,000	6,000	1,992	4,008
Safety equipment	7,000	7,000	3,904	3,096
Tree removal	20,000	20,000	14,825	5,175
Gasoline	100,000	100,000	32,498	67,502
Equipment lease	10,000	10,000	3,010	6,990
Telephone	13,500	13,500	8,515	4,985
Utilities	38,500	38,500	30,814	7,686
Computer and software upgrades	7,000	7,000	947	6,053
Office expense	7,700	7,700	5,610	2,090
Department	4,000	4,000	6,988	(2,988)
Uniforms	6,700	6,700	10,538	(3,838)
Emergency repairs and security	30,000	30,000	14,281	15,719
Total public works administration	<u>2,068,135</u>	<u>2,068,135</u>	<u>1,968,104</u>	<u>100,031</u>
Sewer Department:				
Salaries	66,303	66,303	73,512	(7,209)
Part-time salaries	11,000	11,000		11,000
Town engineer	28,943	28,943	29,628	(685)
FICA	8,128	8,128	6,277	1,851
Health insurance	24,204	24,204	26,985	(2,781)
Life insurance	95	95	95	-
Retirement Town's share	11,643	11,643	13,368	(1,725)
Department	500	500	358	142
GPS expenditures	1,036	1,036		1,036
Computer service contract	10,000	10,000		10,000
Total sewer department	<u>161,852</u>	<u>161,852</u>	<u>150,223</u>	<u>11,629</u>
Waste Water Management:				
Part-time salaries	8,925	8,925	4,133	4,792
FICA	1,142	1,142	603	539
Postage	350	350	191	159
Bidding and advertising	200	200		200
Board salaries	6,000	6,000	4,150	1,850
Total waste water management	<u>16,617</u>	<u>16,617</u>	<u>9,077</u>	<u>7,540</u>
Fleet Maintenance:				
Salaries	102,010	102,010	114,644	(12,634)
Overtime salaries	10,000	10,000	2,198	7,802
FICA	8,569	8,569	8,747	(178)
Health insurance	48,409	48,409	53,968	(5,559)
Life insurance	190	190	300	(110)
Retirement Town's share	17,913	17,913	19,389	(1,476)
Vehicle repair - Police	70,000	70,000	58,193	11,807
Vehicle repair - Highway	120,000	120,000	122,498	(2,498)
Vehicle repair - Inspections	1,000	1,000		1,000
Department expense	1,000	1,000	276	724
Capital purchases			71,132	(71,132)
Total fleet maintenance	<u>379,091</u>	<u>379,091</u>	<u>451,345</u>	<u>(72,254)</u>

(Continued on next page)

TOWN OF JOHNSTON, RHODE ISLAND
 BUDGETARY BASIS - GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual Budgetary Basis	Variance - Positive (Negative)
Inspector's Fees:				
Overtime	\$ 2,500	\$ 2,500	\$	\$ 2,500
Plumbing inspector's salary	18,682	18,682	18,890	(208)
Building inspector's salary	36,400	36,400	42,935	(6,535)
Electrical inspector's salary	15,600	15,600	16,189	(589)
Severance pay			40,536	(40,536)
CDBG coordinator	65,000	65,000	60,063	4,937
Building official	85,000	85,000	73,558	11,442
FICA	17,073	17,073	19,221	(2,148)
Health & Dental insurance	24,204	24,204	26,985	(2,781)
Life insurance	190	190	166	24
Retirement Town's share	26,340	26,340	24,630	1,710
Dues, publications and subscriptions	300	300	80	220
Office	9,000	9,000	4,689	4,311
Department expense	4,000	4,000	2,150	1,850
Total inspector's office	<u>304,289</u>	<u>304,289</u>	<u>330,092</u>	<u>(25,803)</u>
Parks and recreation:				
Director salary	66,043	66,043	36,514	29,529
Park salaries	193,803	193,803	223,754	(29,951)
Recreation salaries	142,979	142,979	149,982	(7,003)
Overtime salaries	25,000	25,000	37,538	(12,538)
Part-time salaries	105,000	105,000	98,695	6,305
Severance pay			73,152	(73,152)
FICA	40,761	40,761	46,931	(6,170)
Health & dental insurance	133,704	133,704	149,118	(15,414)
Life insurance	758	758	624	134
Retirement Town's share	69,320	69,320	68,290	1,030
Equipment maintenance	4,500	4,500	1,472	3,028
Park maintenance	40,000	40,000	34,126	5,874
Vehicle repairs	8,500	8,500	4,309	4,191
Equipment lease	1,800	1,800	1,092	708
Recreation supplies	500	500	486	14
Utilities	56,000	56,000	60,444	(4,444)
Gasoline	13,000	13,000	7,784	5,216
Telephone	8,000	8,000	4,057	3,943
Uniforms	3,600	3,600	2,108	1,492
Office	2,000	2,000	1,201	799
Day camp	5,000	5,000	6,713	(1,713)
Department	5,000	5,000	2,495	2,505
GPS expenditures	2,072	2,072	1,892	180
Rainone gym rent	5,000	5,000	5,000	-
Building maintenance	5,000	5,000	3,448	1,552
Total parks and recreation	<u>937,340</u>	<u>937,340</u>	<u>1,021,225</u>	<u>(83,885)</u>
Total public works	<u>6,285,161</u>	<u>6,285,161</u>	<u>6,384,391</u>	<u>(99,230)</u>
Municipal land trust:				
FICA	551	551	393	158
Board salaries	7,200	7,200	5,143	2,057
Department expense	500	500	475	25
Utilities	3,800	3,800	3,461	339
Total municipal land trust	<u>12,051</u>	<u>12,051</u>	<u>9,472</u>	<u>2,579</u>
Human Resources:				
General Public Assistance:				
Salaries	2,400	2,400	2,400	-
FICA	184	184	184	-
Department	50	50		50
Food stamps and holidays	1,000	1,000		1,000
Total general public assistance	<u>3,634</u>	<u>3,634</u>	<u>2,584</u>	<u>1,050</u>
Personnel:				
Full-time salaries	85,322	85,322	85,542	(220)
FICA	6,527	6,527	5,990	537
Health insurance	24,205	24,205	26,985	(2,780)
Life insurance	190	190	103	87
Retirement Town's share	7,957	7,957	11,255	(3,298)
Postage	500	500	190	310
Training	500	500		500
Department expense	600	600	398	202
Total personnel	<u>125,801</u>	<u>125,801</u>	<u>130,463</u>	<u>(4,662)</u>
Total human resources	<u>129,435</u>	<u>129,435</u>	<u>133,047</u>	<u>(3,612)</u>

(Continued on next page)

TOWN OF JOHNSTON, RHODE ISLAND
BUDGETARY BASIS - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual Budgetary Basis	Variance - Positive (Negative)
Miscellaneous Appropriations:				
General liability insurance	\$ 693,618	\$ 693,618	\$ 704,258	\$ (10,640)
Workers compensation insurance	409,066	409,066	380,587	28,479
FICA	16,934	16,934	14,323	2,611
Health insurance retirees	289,827	289,827	376,053	(86,226)
Declination - health and dental insurance	214,754	214,754	220,181	(5,427)
Unemployment compensation	6,500	6,500	24,425	(17,925)
Stop - loss health insurance	378,257	378,257	449,948	(71,691)
Dues, publications and subscriptions	17,000	17,000	12,627	4,373
Sealer of weights and measures	6,000	6,000	6,000	-
Tree warden	600	600	-	600
Contingency	12,000	12,000	844	11,156
Sick time salaries	-	-	1,289	(1,289)
Human needs program	5,000	5,000	5,000	-
Rent	3,800	3,800	3,800	-
Police/fire pension actuarial	32,000	32,000	14,700	17,300
Tri-Town	35,000	35,000	35,000	-
Admin fees	4,300	4,300	4,300	-
Utilities	26,500	26,500	27,134	(634)
Medicare	562,803	562,803	562,802	1
ACA Fed Govt costs	6,000	6,000	9,165	(3,165)
HRA Retiree Reimbursement	146,180	146,180	146,180	-
Johnston Senior Citizen Center, Inc.	225,949	225,949	222,057	3,892
Building maintenance - Town Hall	22,000	22,000	19,469	2,531
Total miscellaneous appropriations	<u>3,114,088</u>	<u>3,114,088</u>	<u>3,240,142</u>	<u>(126,054)</u>
Planning and Assessment Board:				
Planning Board:				
Town Planner	52,000	52,000	36,858	15,142
Full-time salaries	39,458	39,458	35,598	3,860
Overtime	1,000	1,000	-	1,000
Board salaries	9,000	9,000	9,404	(404)
FICA	7,762	7,762	6,203	1,559
Health insurance	9,179	9,179	10,249	(1,070)
Life insurance	95	95	95	-
Retirement Town's share	6,929	6,929	6,140	789
Stenographer	5,650	5,650	2,692	2,958
Department expense	1,800	1,800	1,638	162
Office	1,000	1,000	166	834
Building and advertising	2,500	2,500	938	1,562
Dues, publications and subscriptions	2,000	2,000	-	2,000
Capital purchases	31,800	31,800	27,411	4,389
Total planning board	<u>170,173</u>	<u>170,173</u>	<u>137,392</u>	<u>32,781</u>
Assessment Board:				
Board salaries	2,550	2,550	2,550	-
FICA	195	195	195	-
Total assessment board	<u>2,745</u>	<u>2,745</u>	<u>2,745</u>	<u>-</u>
Total planning board	<u>172,918</u>	<u>172,918</u>	<u>140,137</u>	<u>32,781</u>
Library:				
Full-time salaries	260,094	260,094	262,499	(2,405)
Part-time salaries	119,574	119,574	66,345	53,229
Overtime	500	500	-	500
FICA	29,083	29,083	24,680	4,403
Health insurance	139,382	139,382	155,420	(16,038)
Life insurance	664	664	648	16
Retirement Town's share	45,813	45,813	45,758	55
Books and media	16,000	16,000	6,245	9,755
Dues and publications	300	300	300	-
Bidding and advertising	250	250	-	250
Computer service contracts	55,500	55,500	49,379	6,121
Auto expense	500	500	-	500
Conferences	200	200	-	200
Printing	500	500	390	110
Training	500	500	-	500
Utilities	28,000	28,000	26,460	1,540
Telephone	1,200	1,200	914	286
Building maintenance	22,000	22,000	13,773	8,227
Office	5,000	5,000	1,441	3,559
Information technology equipment	4,000	4,000	3,612	388
Department expense	3,200	3,200	1,215	1,985
Total library	<u>732,260</u>	<u>732,260</u>	<u>659,079</u>	<u>73,181</u>

(Continued on next page)

TOWN OF JOHNSTON, RHODE ISLAND
BUDGETARY BASIS - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance - Positive (Negative)</u>
Debt Service:				
Bond interest expense	\$ 786,102	\$ 786,102	\$ 704,309	\$ 81,793
Master lease interest expense	17,829	17,829	10,925	6,904
Bonded debt payments	2,807,424	2,807,424	2,687,425	119,999
Master lease principal payments	402,559	402,559	306,663	95,896
Total debt service	<u>4,013,914</u>	<u>4,013,914</u>	<u>3,709,322</u>	<u>304,592</u>
Total expenditures	<u>54,481,181</u>	<u>54,481,181</u>	<u>56,819,127</u>	<u>(2,337,946)</u>
Excess of Revenues over Expenditures	<u>56,751,559</u>	<u>56,751,559</u>	<u>58,206,346</u>	<u>1,454,787</u>
Other budgeted financing (sources) uses:				
Transfer to School - Town appropriation	37,529,015	37,529,015	37,529,015	-
Transfer to School - State aid and miscellaneous receipts	19,222,544	19,222,544	18,531,937	690,607
Total other budgeted financing uses	<u>56,751,559</u>	<u>56,751,559</u>	<u>56,060,952</u>	<u>690,607</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	2,145,394	<u>\$ 2,145,394</u>
Investment earnings on restoration fund note part of budget			46,415	
Inclusion of net income of Police Detail Fund with the General Fund, for GAAP purposes, not part of budget			48,914	
Inclusion of net income of Town grants fund with the General Fund, for GAAP purposes, not part of budget			43,793	
Forgiveness of Water Control Fund Due From balance			3,646,773	
Refunding bonds issued			2,800,000	
Payment to refunding bond escrow agent			<u>(2,759,901)</u>	
Net Change in Fund Balance - GAAP Basis (Exhibit IV)			<u>\$ 5,971,388</u>	

TOWN OF JOHNSTON, RHODE ISLAND
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2020

Revenues:		
Total General Fund Revenues and Other Financing Sources, from Exhibit IV	\$	104,266,392
Adjustments:		
School State Aid budgeted in General Fund		17,407,633
School Medicaid reimbursement budgeted in General Fund		959,698
School's miscellaneous income budgeted in General Fund		164,606
Inclusion of revenue of Police Detail Fund with the General Fund, for GAAP purposes, not part of budget		(1,185,615)
Inclusion of revenue of Fund Balance Restoration with the General Fund, for GAAP purposes, not part of the budget		(46,415)
Inclusion of revenue of Town grants fund with the General Fund, for GAAP purposes, not part of the budget		(94,053)
Forgiveness of Water Control Fund Due From balance		(3,646,773)
Refunding bonds issued, not part of the budget		<u>(2,800,000)</u>
Total Budgetary Basis Revenues and Other Financing Sources from RSI-1	\$	<u><u>115,025,473</u></u>
Expenditures:		
Total General Fund Expenditures and Other Financing Uses, from Exhibit IV	\$	98,295,004
Adjustments:		
School State Aid budgeted in General Fund		17,407,633
School Medicaid reimbursement budgeted in General Fund		959,698
School's miscellaneous income budgeted in General Fund		164,606
Inclusion of expenditures of Police Detail Fund with the General Fund, for GAAP purposes, not part of budget (includes transfers out)		(1,136,701)
Inclusion of expenditures of Town grants fund with the General Fund, for GAAP purposes, not part of the budget		(50,260)
Payment to refunded bond escrow agent		<u>(2,759,901)</u>
Total Budgetary Basis Expenditures and Other Financing Uses from RSI-1	\$	<u><u>112,880,079</u></u>

TOWN OF JOHNSTON, RHODE ISLAND
BUDGET AND ACTUAL - BUDGETARY BASIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SCHOOL UNRESTRICTED FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Intergovernmental	\$ 17,982,544	\$ 17,982,544	\$ 17,387,372	\$ (595,172)
Medicaid	1,025,000	1,025,000	1,045,524	20,524
Other income	215,000	215,000	266,729	51,729
Total revenues	<u>19,222,544</u>	<u>19,222,544</u>	<u>18,699,625</u>	<u>(522,919)</u>
Expenditures:				
Salaries:				
Certified personnel	23,872,606	23,872,606	23,861,785	10,821
Noncertified personnel	4,487,588	4,487,588	4,405,067	82,521
Administrative	1,896,282	1,896,282	1,828,165	68,117
Total salaries	<u>30,256,476</u>	<u>30,256,476</u>	<u>30,095,017</u>	<u>161,459</u>
Fringe Benefits:				
Health and dental benefits	7,275,299	7,275,299	8,569,927	(1,294,628)
Pension benefits	4,953,782	4,953,782	4,567,682	386,100
Payroll taxes	782,420	782,420	734,948	47,472
Life insurance and other	445,355	445,355	467,319	(21,964)
Total fringe benefits	<u>13,456,856</u>	<u>13,456,856</u>	<u>14,339,876</u>	<u>(883,020)</u>
Purchased Services:				
Out of District tuition	4,270,824	4,270,824	4,928,613	(657,789)
Transportation	3,450,000	3,450,000	2,830,119	619,881
Other	3,740,623	3,740,623	3,712,317	28,306
Total purchased services	<u>11,461,447</u>	<u>11,461,447</u>	<u>11,471,049</u>	<u>(9,602)</u>
Supplies and materials	<u>1,178,775</u>	<u>1,178,775</u>	<u>1,033,744</u>	<u>145,031</u>
Capital outlay	<u>398,005</u>	<u>398,005</u>	<u>204,681</u>	<u>193,324</u>
Total expenditures	<u>56,751,559</u>	<u>56,751,559</u>	<u>57,144,367</u>	<u>(392,808)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(37,529,015)	(37,529,015)	(38,444,742)	(915,727)
Other Financing Sources (Uses):				
Transfer from Town of Johnston General Fund	<u>37,529,015</u>	<u>37,529,015</u>	<u>37,529,015</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (915,727)</u>	<u>\$ (915,727)</u>

**TOWN OF JOHNSTON, RHODE ISLAND
BUDGET AND ACTUAL - BUDGETARY BASIS
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SCHOOL UNRESTRICTED FUND
FOR THE YEAR ENDED JUNE 30, 2020**

Revenues:	
Total School Unrestricted Revenues and Other Financing Sources, from Exhibit IV	\$ 58,872,640
Adjustments:	
State on behalf pension contributions not budgeted	<u>(2,644,000)</u>
Total Budgetary Basis Revenues and Other Financing Sources from RSI-2	\$ <u>56,228,640</u>
Expenditures:	
Total School Unrestricted Expenditures and Other Financing Uses, from Exhibit IV	\$ 59,788,367
Adjustments:	
State on behalf pension contributions not budgeted	<u>(2,644,000)</u>
Total Budgetary Basis Expenditures and Other Financing Uses from RSI-2	\$ <u>57,144,367</u>

TOWN OF JOHNSTON, RHODE ISLAND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE LOCAL PENSION PLAN
LAST SEVEN FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:							
Service cost	\$ 1,502,837	\$ 1,477,049	\$ 1,494,639	\$ 5,820,728	\$ 4,354,675	\$ 3,237,765	\$ 3,486,338
Interest	5,590,184	5,447,208	5,264,762	5,023,358	5,462,015	5,320,690	4,843,141
Changes of benefit terms				(15,869,440)			
Differences between expected and actual experience	(941,623)	(588,200)	(608,109)	(853,055)	(3,200,839)	1,627,147	5,744,046
Changes of assumptions			3,182,625	(87,523,217)	29,239,726	15,613,100	
Benefit payments, including refunds of member contributions	(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	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	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>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	4,999,713	4,854,090	4,714,480	4,797,069	2,783,429	2,786,367	2,711,326
Contributions - employee	302,388	314,146	363,787	426,286	394,051	388,335	369,825
Net investment income	(19,621)	763,639	1,512,485	1,753,780	21,130	141,369	2,301,494
Benefit payments, including refunds of member contributions	(4,385,639)	(4,393,907)	(4,364,593)	(4,100,493)	(4,002,706)	(3,982,881)	(3,929,063)
Pension plan administrative expense	(50,096)	(66,174)	(73,110)	(84,157)	(77,728)	(71,000)	(127,317)
Other	1,754	37,077	4,215	(49,245)		(40,576)	
Net change in plan fiduciary net position	848,499	1,508,871	2,157,264	2,743,240	(881,824)	(778,386)	1,326,265
Plan fiduciary net position - beginning	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>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>
Net Pension Liability - Ending	<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	28.58%	28.14%	26.87%	25.71%	9.19%	11.99%	14.94%
Covered payroll	\$ 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 payroll	1231.20%	1196.78%	1169.92%	1049.04%	3024.88%	2379.78%	2133.71%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

TOWN OF JOHNSTON, RHODE ISLAND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIRE LOCAL PENSION PLAN
LAST SEVEN FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:							
Service cost	\$ 651,848	\$ 621,647	\$ 528,576	\$ 2,268,136	\$ 2,314,587	\$ 1,991,455	\$ 2,208,787
Interest	5,630,730	5,644,481	5,808,544	4,778,023	5,227,209	5,462,967	5,185,774
Changes of benefit terms				(8,256,305)			
Differences between expected and actual experience	(347,071)	(1,558,937)	(4,039,743)	(3,153,677)	2,235,932	(2,195,103)	2,570,343
Changes of assumptions			2,939,026	(72,009,127)	24,437,339	12,115,339	
Benefit payments, including refunds of member contributions	(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	1,001,382	(212,821)	312,786	(81,291,471)	29,630,858	13,225,888	5,929,327
Total pension liability - beginning	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>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	4,288,466	4,163,560	4,041,720	3,924,059	2,576,831	2,620,273	2,706,157
Contributions - employee	161,588	171,202	160,257	185,921	233,585	295,539	356,584
Net investment income	(20,744)	858,655	1,814,122	2,283,935	29,412	199,660	3,228,280
Benefit payments, including refunds of member contributions	(4,934,125)	(4,920,012)	(4,923,617)	(4,918,521)	(4,584,209)	(4,148,770)	(4,035,577)
Pension plan administrative expense	(50,097)	(66,174)	(73,110)	(84,157)	(77,829)	(71,000)	(127,317)
Other							
Net change in plan fiduciary net position	(554,912)	207,231	1,019,372	1,391,237	(1,822,210)	(1,104,298)	2,128,127
Plan fiduciary net position - beginning	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>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>
Net Pension Liability - Ending	<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	28.97%	30.03%	29.69%	28.53%	13.23%	17.61%	20.52%
Covered payroll	\$ 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 payroll	2520.97%	2433.32%	2545.74%	2853.61%	6322.36%	3625.52%	3097.29%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF JOHNSTON, RHODE ISLAND
SCHEDULE OF CONTRIBUTIONS
POLICE AND FIRE LOCAL PENSION PLANS
LAST SEVEN FISCAL YEARS***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Police:							
Actuarially-determined contribution	\$ 4,999,713	\$ 4,854,090	\$ 8,509,584	\$ 8,073,936	\$ 7,197,627	\$ 6,579,139	\$ 6,633,618
Contributions in relation to the actuarially-determined contribution	<u>4,999,713</u>	<u>4,854,090</u>	<u>4,714,480</u>	<u>4,797,069</u>	<u>2,783,429</u>	<u>2,786,367</u>	<u>2,711,326</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,795,104</u>	\$ <u>3,276,867</u>	\$ <u>4,414,198</u>	\$ <u>3,792,772</u>	\$ <u>3,922,292</u>
Covered payroll	\$ 4,615,136	\$ 4,671,254	\$ 4,741,461	\$ 5,019,760	\$ 5,054,901	\$ 5,049,628	\$ 4,573,055
Contributions as a percentage of covered payroll	108.33%	103.91%	99.43%	95.56%	55.06%	55.18%	59.29%
Fire:							
Actuarially-determined contribution	\$ 4,288,466	\$ 4,163,560	\$ 7,430,222	\$ 6,954,295	\$ 6,607,532	\$ 6,331,388	\$ 6,325,477
Contributions in relation to the actuarially-determined contribution	<u>4,288,466</u>	<u>4,163,560</u>	<u>4,041,720</u>	<u>3,924,059</u>	<u>2,576,831</u>	<u>2,620,273</u>	<u>2,706,157</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,388,502</u>	\$ <u>3,030,236</u>	\$ <u>4,030,701</u>	\$ <u>3,711,115</u>	\$ <u>3,619,320</u>
Covered payroll	\$ 2,267,624	\$ 2,285,342	\$ 2,200,925	\$ 1,988,230	\$ 2,205,173	\$ 2,977,948	\$ 3,023,153
Contributions as a percentage of covered payroll	189.12%	182.19%	183.64%	197.36%	116.85%	87.99%	89.51%

Notes to Schedule

Valuation date June 30, 2020
Measurement date June 30, 2020

Actuarially-determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent, closed
Remaining amortization period	27 years - Police, 27.33 years - Fire
Asset valuation method	Market value
Inflation	2.50%
Salary increases	3.75%
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Retirement age	Refer to June 30, 2017 actuarial valuation report
Mortality	Refer to June 30, 2017 actuarial valuation report

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF JOHNSTON, RHODE ISLAND
 SCHEDULE OF INVESTMENT RETURNS
 POLICE AND FIRE LOCAL PENSION PLANS
 LAST SEVEN FISCAL YEARS***

	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	-0.09%	3.61%	7.84%	0.01%	-0.01%	0.53%	14.72%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

TOWN OF JOHNSTON, RHODE ISLAND
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EMPLOYEES' RETIREMENT SYSTEM
LAST SIX FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	1.40%	1.39%	1.35%	1.41%	1.40%	1.30%
Town's proportionate share of the net pension liability	\$ 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 school district	<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>\$ 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	\$ 26,048,282	\$ 26,137,886	\$ 25,310,860	\$ 23,089,090	\$ 22,674,661	\$ 26,384,676
Town's proportionate share of the net pension liability as a percentage of its covered payroll	171.31%	169.57%	168.80%	182.29%	165.38%	119.83%
Plan fiduciary net position as a percentage of the total pension liability	54.60%	54.30%	54.00%	54.06%	57.55%	59.32%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Note: The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year end.

**TOWN OF JOHNSTON, RHODE ISLAND
SCHEDULE OF CONTRIBUTIONS
EMPLOYEES' RETIREMENT SYSTEM
LAST SIX FISCAL YEARS***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially-determined contribution	\$ 3,191,214	\$ 3,588,539	\$ 3,558,216	\$ 3,182,090	\$ 2,968,073	\$ 3,538,185
Contributions in relation to the actuarially-determined contribution	<u>3,191,214</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>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 26,048,282	\$ 26,137,886	\$ 25,310,860	\$ 23,089,090	\$ 22,674,661	\$ 26,384,676
Contributions as a percentage of covered payroll	12.25%	13.73%	14.06%	13.78%	13.09%	13.41%

Notes to Schedule

Valuation date June 30, 2018
Measurement date June 30, 2019

Actuarially-determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age Normal
Amortization method Level percent, closed
Remaining amortization period 20 years at June 30, 2017
Inflation 2.50%
Salary increases Teachers - 3.0% to 13.0%
Investment rate of return 7.00%
Mortality

Males: PR-2014 Combined Healthy for Males with White Collar adjustments, projected with Scale Ultimate MP16.
Females: PR-2014 Combined Healthy for Females with White Collar adjustments, projected with Scale Ultimate MP16.

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

TOWN OF JOHNSTON, RHODE ISLAND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS) - GENERAL EMPLOYEES
LAST SIX FISCAL YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 772,077	\$ 766,931	\$ 737,891	\$ 724,766	\$ 726,120	\$ 742,315
Interest	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	(773,499)	(240,905)	(911,415)	38,342	(474,099)	
Changes of assumptions			2,265,521			30,100
Benefit payments, including refunds of member contributions	(2,948,308)	(2,861,885)	(2,855,249)	(2,899,591)	(2,724,611)	(2,797,073)
Net change in total pension liability	200,126	763,403	2,378,182	932,834	1,321,553	883,763
Total pension liability - beginning	<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>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	1,361,051	1,279,294	1,313,489	1,241,203	1,254,378	1,050,131
Contributions - employee	215,773	220,303	233,647	220,343	162,213	145,488
Net investment income	2,029,157	2,405,314	3,324,653	8,614	721,793	4,198,765
Benefit payments, including refunds of member contributions	(2,948,308)	(2,861,885)	(2,855,249)	(2,899,591)	(2,724,611)	(2,797,073)
Pension plan administrative expense	(32,016)	(32,021)	(31,410)	(46,174)	(28,933)	(26,293)
Other	840	(173,048)	(2,573)	(2)	(110,090)	253,162
Net change in plan fiduciary net position	626,497	837,957	1,982,557	(1,475,607)	(725,250)	2,824,180
Plan fiduciary net position - beginning	<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>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>
Net Pension Liability - Ending	<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	70.80%	69.75%	69.07%	68.28%	73.31%	77.48%
Covered payroll	\$ 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	160.17%	174.15%	174.75%	173.83%	140.20%	118.28%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

TOWN OF JOHNSTON, RHODE ISLAND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS) - POLICE
LAST SIX FISCAL YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 210,311	\$ 166,174	\$ 125,451	\$ 110,120	\$ 93,320	\$ 79,271
Interest	70,696	55,621	41,289	30,769	17,733	10,616
Changes of benefit terms					16,739	
Differences between expected and actual experience	(36,170)	(28,509)	(17,348)	(8,279)	37,616	
Changes of assumptions			74,307			(2,021)
Benefit payments, including refunds of member contributions						(7)
Net change in total pension liability	<u>244,837</u>	<u>193,286</u>	<u>223,699</u>	<u>132,610</u>	<u>165,408</u>	<u>87,859</u>
Total pension liability - beginning	<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>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	78,612	65,893	65,378	61,293	56,198	35,823
Contributions - employee	102,536	81,237	70,238	61,429	42,390	35,823
Net investment income (loss)	69,449	65,258	70,152	(158)	7,812	30,268
Benefit payments, including refunds of member contributions						(7)
Pension plan administrative expense	(1,096)	(869)	(663)	(425)	(312)	(190)
Other	(2)		(1)	(1)	(1)	37,680
Net change in plan fiduciary net position	<u>249,499</u>	<u>211,519</u>	<u>205,104</u>	<u>122,138</u>	<u>106,087</u>	<u>139,397</u>
Plan fiduciary net position - beginning	<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>1,121,601</u>	<u>872,102</u>	<u>660,583</u>	<u>455,479</u>	<u>333,341</u>	<u>227,254</u>
Net Pension Liability - Ending	<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	97.56%	96.39%	92.84%	93.37%	93.85%	119.75%
Covered payroll	\$ 1,139,280	\$ 902,628	\$ 780,165	\$ 678,916	\$ 605,582	\$ 511,759
Net pension liability as a percentage of covered payroll	2.46%	3.62%	6.53%	4.76%	3.61%	-7.32%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

TOWN OF JOHNSTON, RHODE ISLAND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS) - FIRE
LAST SIX FISCAL YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 881,187	\$ 846,595	\$ 719,151	\$ 657,278	\$ 543,904	\$ 516,218
Interest	760,619	624,347	535,882	457,138	390,096	340,281
Changes of benefit terms					187,802	
Differences between expected and actual experience	(417,107)	602,544	(5,835)	6,024	(206,476)	
Changes of assumptions			583,764			(134,099)
Benefit payments, including refunds of member contributions	<u>(161,651)</u>	<u>(126,426)</u>	<u>(118,651)</u>	<u>(84,257)</u>	<u>(71,970)</u>	<u>(72,130)</u>
Net change in total pension liability	1,063,048	1,947,060	1,714,311	1,036,183	843,356	650,270
Total pension liability - beginning	<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>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	358,292	338,814	334,335	352,791	330,728	276,573
Contributions - employee	422,066	407,671	400,601	341,251	239,904	231,191
Net investment income (loss)	641,756	681,992	842,725	(2,251)	134,680	681,794
Benefit payments, including refunds of member contributions	(161,651)	(126,426)	(118,651)	(84,257)	(71,970)	(72,130)
Pension plan administrative expense	(10,126)	(9,079)	(7,962)	(6,055)	(5,394)	(4,269)
Other		<u>(114,369)</u>	<u>(18)</u>	<u>136,054</u>	<u>12</u>	<u>(1)</u>
Net change in plan fiduciary net position	1,250,337	1,178,603	1,451,030	737,533	627,960	1,113,158
Plan fiduciary net position - beginning	<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>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>
Net Pension Liability - Ending	<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	89.59%	86.75%	92.71%	94.74%	98.94%	103.10%
Covered payroll	\$ 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	25.69%	30.73%	14.59%	9.03%	1.80%	-4.65%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF JOHNSTON, RHODE ISLAND
 SCHEDULE OF CONTRIBUTIONS
 MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS) - GENERAL EMPLOYEES
 LAST SEVEN FISCAL YEARS***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially-determined contribution	\$ 1,253,463	\$ 1,361,051	\$ 1,279,294	\$ 1,313,489	\$ 1,241,203	\$ 1,254,378	\$ 1,050,131
Contributions in relation to the actuarially-determined contribution	<u>1,253,463</u>	<u>1,361,051</u>	<u>1,279,294</u>	<u>1,313,489</u>	<u>1,241,203</u>	<u>1,254,378</u>	<u>1,050,131</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 8,775,515	\$ 8,437,995	\$ 8,005,543	\$ 8,020,555	\$ 7,835,304	\$ 7,996,917	\$ 7,873,321
Contributions as a percentage of covered payroll	14.28%	16.13%	15.98%	16.38%	15.84%	15.69%	13.34%

Notes to Schedule

Valuation date June 30, 2018
 Measurement date June 30, 2019

Actuarially-determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age Normal
 Amortization method Level percent, closed
 Remaining amortization period 23 years
 Asset valuation method 5-year smoothed market
 Inflation 2.75%
 Salary increases 3.5% to 7.50%
 Investment rate of return 7.50%
 Retirement age Experience-based table of rates that are specific to the type of eligibility condition. Last updated for 2014 valuation.
 Mortality Males: 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.
 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF JOHNSTON, RHODE ISLAND
 SCHEDULE OF CONTRIBUTIONS
 MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS) - POLICE
 LAST SEVEN FISCAL YEARS***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially-determined contribution	\$ 111,061	\$ 78,612	\$ 65,893	\$ 65,378	\$ 61,293	\$ 56,198	\$ 35,823
Contributions in relation to the actuarially-determined contribution	<u>111,061</u>	<u>78,612</u>	<u>65,893</u>	<u>65,378</u>	<u>61,293</u>	<u>56,198</u>	<u>35,823</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,184,851	\$ 1,139,280	\$ 902,628	\$ 780,165	\$ 678,916	\$ 605,582	\$ 598,373
Contributions as a percentage of covered payroll	9.37%	6.90%	7.30%	8.38%	9.03%	9.28%	5.99%

Notes to Schedule

Valuation date June 30, 2018
 Measurement date June 30, 2019

Actuarially-determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age Normal
 Amortization method Level percent, closed
 Remaining amortization period 23 years
 Asset valuation method 5-year smoothed market
 Inflation 2.75%
 Salary increases 4.0% to 14.00%
 Investment rate of return 7.50%
 Retirement age Experience-based table of rates that are specific to the type of eligibility condition. Last updated for 2014 valuation.
 Mortality Males: 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.
 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

TOWN OF JOHNSTON, RHODE ISLAND
SCHEDULE OF CONTRIBUTIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS) - FIRE
LAST SEVEN FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially-determined contribution	\$ 515,454	\$ 358,292	\$ 338,814	\$ 334,335	\$ 352,791	\$ 330,728	\$ 276,573
Contributions in relation to the actuarially-determined contribution	<u>515,454</u>	<u>358,292</u>	<u>338,814</u>	<u>334,335</u>	<u>352,791</u>	<u>330,728</u>	<u>276,573</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,877,247	\$ 4,689,661	\$ 4,529,668	\$ 4,273,030	\$ 3,990,758	\$ 3,427,246	\$ 3,302,741
Contributions as a percentage of covered payroll	10.57%	7.64%	7.48%	7.82%	8.84%	9.65%	8.37%

Notes to Schedule

Valuation date June 30, 2018
Measurement date June 30, 2019

Actuarially-determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent, closed
Remaining amortization period	23 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	4.0% to 14.00%
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for 2014 valuation.
Mortality	Males: 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000. 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF JOHNSTON, RHODE ISLAND
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET
TEACHERS' SURVIVORS BENEFITS PLAN
LAST SIX FISCAL YEARS***

	2020	2019	2018	2017	2016	2014
Town's proportion of the net pension asset	5.13%	5.13%	5.08%	4.98%	4.93%	4.65%
Town's proportionate share of the net pension asset	\$ 5,972,304	\$ 4,578,176	\$ 4,205,570	\$ 4,958,163	\$ 4,604,566	\$ 5,779,628
Town's covered payroll	\$ 26,048,282	\$ 26,137,886	\$ 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	22.93%	17.52%	16.62%	21.47%	20.31%	21.91%
Plan fiduciary net position as a percentage of the total pension liability	137.4%	137.4%	136.1%	153.3%	146.6%	173.3%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Note: The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year end.

**TOWN OF JOHNSTON, RHODE ISLAND
SCHEDULE OF CONTRIBUTIONS
TEACHERS' SURVIVORS BENEFIT PLAN
LAST SIX FISCAL YEARS***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially-determined contribution	\$ 40,977	\$ 39,265	\$ 38,175	\$ 29,988	\$ 29,761	\$ 29,256
Contributions in relation to the actuarially-determined contribution	<u>40,977</u>	<u>39,265</u>	<u>38,175</u>	<u>29,988</u>	<u>29,761</u>	<u>29,256</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 26,048,282	\$ 26,137,886	\$ 25,310,860	\$ 23,089,090	\$ 22,674,661	\$ 26,384,676
Contributions as a percentage of covered payroll	0.16%	0.15%	0.15%	0.13%	0.13%	0.11%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Notes:

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

Notes to Schedule:

Valuation date: June 30, 2018
Measurement date: June 30, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age normal
Amortization method: Level percentage of payroll, closed
Remaining amortization period: 20 years at June 30, 2017
Inflation: 2.50%
Salary Increases: Teachers - 3.0% to 13.0%
Investment rate of return: 7.00%
Mortality:

Males: PR-2014 Combined Healthy for Males with White Collar adjustments, projected with Scale Ultimate MP16.

Females: PR-2014 Combined Healthy for Females with White Collar adjustments, projected with Scale Ultimate MP16.

TOWN OF JOHNSTON, RHODE ISLAND
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST FOUR FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:				
Service cost	\$ 5,219,371	\$ 6,198,704	\$ 7,067,566	\$ 8,833,235
Interest	6,899,657	7,987,364	7,777,513	6,598,353
Changes of benefit terms			1,555,927	
Changes of assumptions	16,571,033	(4,383,253)	(12,833,741)	(26,076,367)
Differences between expected and actual experience	(508,457)	(11,697,088)	(7,400,008)	2,971,612
Benefit payments	<u>(7,173,184)</u>	<u>(6,718,528)</u>	<u>(8,027,130)</u>	<u>(5,793,237)</u>
Net change in total OPEB liability	21,008,420	(8,612,801)	(11,859,873)	(13,466,404)
Total OPEB liability - beginning	<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>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	7,673,184	7,618,528	9,367,130	6,043,237
Net investment loss	(28,426)	330,700	15,818	102,793
Benefit payments	(7,173,184)	(6,718,528)	(8,027,130)	(5,793,237)
Administrative expense	<u>(13,388)</u>	<u>(10,877)</u>	<u>(6,309)</u>	<u>(5,466)</u>
Net change in plan fiduciary net position	458,186	1,219,823	1,349,509	347,327
Plan fiduciary net position - beginning	<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>5,474,837</u>	<u>5,016,651</u>	<u>3,796,828</u>	<u>2,447,319</u>
Net OPEB Liability - Ending	<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	2.54%	2.57%	1.87%	1.14%
Covered payroll	N/A	N/A	N/A	N/A
Net OPEB liability as a percentage of covered payroll	N/A	N/A	N/A	N/A

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Notes to Schedule:

- Mortality table has been updated from RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 for healthy retirees and RPH-2018 Disabled Mortality Table fully generational using Scale MP-2018 for disabled retirees to:
 - Healthy Police/Fire participants: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019
 - Healthy School Certified participants: SOA Pub-2010 Teachers Headcount Weighted Mortality Table fully generational using Scale MP-2019
 - All other healthy participants: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019
 - Disabled Police/Fire participants: SOA Pub-2010 Public Safety Disabled Headcount Weighted Mortality Table fully generational using Scale MP- 2019
 - All other disabled participants: SOA Pub-2010 Non-Safety Disabled Headcount Weighted Mortality Table fully generational using Scale MP-2019
 - Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019

The impact of this change is a slight decrease in the Town's liabilities.
- The health care coverage election rate for active employees with current coverage has been updated from 100% to 90% based on the Town's 2019 experience study. This change has caused a decrease in liabilities.
- The payroll growth assumption has been updated to follow the most recent tables from the RI ERS and MERS actuarial valuations as of June 30, 2019. This change led to a slight increase in liabilities.
- Discount rate as of the Measurement Date has been updated based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) and the Town's expected asset rate of return. The current valuation uses a discount rate of 3.51% as of July 1, 2019 and 3.00% as of June 30, 2020. This change has caused an increase in liabilities.
- Health care trend rates have been updated as follows. This change caused a decrease in the Town's liabilities.
 - For medical and rx benefits, the trend rates have been updated to an initial rate of 8.00% decreasing by 0.50% annually to an ultimate rate of 4.50%.
 - For HRA benefit, the trend rates have been reset to an initial rate of 1.70% decreasing annually to an ultimate rate of 0.40% in 9 years.
 - For Medicare Part B benefit, the trend rates have been reset to an initial rate of 3.00% increasing by 0.25% annually to an ultimate rate of 4.50%.

TOWN OF JOHNSTON, RHODE ISLAND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OPEB
LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially-determined contribution	\$ 15,779,391	\$ 18,140,760	\$ 18,051,553	\$ 16,785,322	\$ 16,032,814	\$ 15,214,424	\$ 15,214,424	\$ 14,727,631	\$ 17,249,186	\$ 17,249,187
Contributions in relation to the actuarially-determined contribution	<u>7,673,184</u>	<u>7,618,528</u>	<u>9,367,130</u>	<u>6,043,237</u>	<u>6,167,417</u>	<u>4,764,265</u>	<u>4,764,265</u>	<u>5,189,692</u>	<u>5,284,569</u>	<u>5,755,376</u>
Contribution Deficiency (Excess)	<u>\$ 8,106,207</u>	<u>\$ 10,522,232</u>	<u>\$ 8,684,423</u>	<u>\$ 10,742,085</u>	<u>\$ 9,865,397</u>	<u>\$ 10,450,159</u>	<u>\$ 10,450,159</u>	<u>\$ 9,537,939</u>	<u>\$ 11,964,617</u>	<u>\$ 11,493,811</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Valuation date:	June 30, 2020									
Measurement date:	June 30, 2020									

Notes to Schedule

Actuarially-determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Amortization period	19 years
Asset valuation method	Market value
Inflation	1.60%
Healthcare cost trend rates	8.00% initial, decreasing 0.50% per year to an ultimate rate of 4.50%
Salary increases	3.50%
Discount rate	3.00%
Mortality	See RSI-17 for details.

**TOWN OF JOHNSTON, RHODE ISLAND
 SCHEDULE OF INVESTMENT RETURNS
 OPEB
 LAST FOUR FISCAL YEARS***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	-0.57%	8.01%	0.56%	3.56%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Nonmajor Governmental Funds

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Community Development Block Grant - to account for the annual Entitlement Community program of the U.S. Department of Housing and Urban Development and related expenditures addressing housing and community development needs.

Police Special Account - to account for the receipt and disbursement of state and federal seizure funds.

Memorial Park Rec Fields Restoration - to account for receipts and disbursements related to Memorial Park

Blue Riptide Grant - to account for receipts and disbursements relative to this grant.

Scholarship Fund - to account for private contributions and related expenditures for various educational purposes.

Indoor Athletic Complex - to account for revenues generated by rents and vending machines utilized for operational expenses.

Historical Document Preservation - to account for receipts and disbursements associated with historical documents preservation.

Fire Plan Review - to account for receipts and disbursements associated with fire plan review.

Fire Prevention - to account for receipts and disbursements of fire inspection fees dedicated to fire prevention.

Memorial Library Fund - to account for library support services.

Nonmajor Governmental Funds

Special Revenue Funds

School Restricted Funds - Funds established to account for federal, state, and private grant monies used for the benefit of the Johnston School Department. The following is a list of the School funds included in this section:

- IDEA Part B
- Pre-School IDEA Section 619
- School Implementation
- Title I
- ATSI Grant
- Title II
- Title III
- Title IV
- Perkins Vocational
- USDA Fresh Fruit & Vegetables
- ESSER Grant
- Race to the Top – HCD
- Evidence Based Science
- RIDHS Rising Star
- Pre-K Grant
- Healthier US Schools and Communities
- Student Equity
- General Assembly
- Pre-K Demonstration Project
- RI State Council on the Arts
- Electrify RI
- CTE Categorical
- CS4RI
- ELL Grant
- Science Mini Grant
- RI Learning Champion
- SBA Tech
- Champlin Foundation Manufacturing
- Feinstein Foundation
- RI Education Foundation
- Feinstein Elementary
- Verizon Foundation
- Scholarship America
- Janice Mele Scholarship
- Target Grant
- Walmart Grant
- Exxon Mobile
- Stop & Shop A+ Rewards
- Broadrock Energy
- Panther Partner Donation
- Donations and Misc. Grants
- EDC Grant
- Lifetouch Commission
- PTO Donations
- SEAC
- High School Donations

Nonmajor Governmental Funds

Capital Project Funds

The Capital Project Funds account for all resources used for the acquisition and/or construction of capital facilities by the Town, except those financed by the Enterprise Funds.

School Facilities Fund - to account for capital expenditures of the Johnston Schools.

Pezza Property Acquisition - to account for activities relative to the acquisition of the property.

Fire Equipment Fund - to account for revenues generated by ambulance rescue services which are then used to purchase fire equipment.

Dams Escrow Fund - to account for monies set aside per agreement for dam repairs.

Capital Project 2013 Series A - to account for proceeds used for capital expenditures relative to this bond issuance.

Capital Projects Fund - to account for proceeds used for capital expenditures relative to 2017 bond issuance.

2018 Capital Projects Fund - to account for proceeds used for capital expenditures relative to this bond issuance.

Capital Lease Fund - to account for expenditures of the 2020 capital lease proceeds.

**TOWN OF JOHNSTON, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020**

	<u>Special Revenue Funds</u>			
	<u>Special Revenue Funds - Town</u>	<u>Special Revenue Funds - School Restricted</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 632,547	\$ 300	\$ 5,636,234	\$ 6,269,081
Accounts receivable:				
Intergovernmental		2,974,298		2,974,298
Due from other funds	517,142	258,541	412,380	1,188,063
Total Assets	<u>\$ 1,149,689</u>	<u>\$ 3,233,139</u>	<u>\$ 6,048,614</u>	<u>\$ 10,431,442</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	\$ 12,657	\$ 29,200	\$	\$ 41,857
Accrued expenses	46,115			46,115
Due to other funds		2,941,471	162,566	3,104,037
Total liabilities	<u>58,772</u>	<u>2,970,671</u>	<u>162,566</u>	<u>3,192,009</u>
Fund balances:				
Restricted	620,289	283,953	5,259,895	6,164,137
Committed	470,628		788,719	1,259,347
Unassigned		(21,485)	(162,566)	(184,051)
Total fund balances	<u>1,090,917</u>	<u>262,468</u>	<u>5,886,048</u>	<u>7,239,433</u>
Total Liabilities and Fund Balances	<u>\$ 1,149,689</u>	<u>\$ 3,233,139</u>	<u>\$ 6,048,614</u>	<u>\$ 10,431,442</u>

**TOWN OF JOHNSTON, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Special Revenue Funds</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Special Revenue Funds - Town</u>	<u>Special Revenue Funds - School Restricted</u>	<u>Capital Projects Funds</u>	
Revenues:				
Intergovernmental	\$ 17,501	\$ 3,371,563	\$	\$ 3,389,064
Charges for services	229,403	5,798	412,380	647,581
Investment and interest income	5,479		84,141	89,620
Contributions and private grants	10,000			10,000
Other revenue	31,885	52,631		84,516
Total revenues	<u>294,268</u>	<u>3,429,992</u>	<u>496,521</u>	<u>4,220,781</u>
Expenditures:				
General government	29,084			29,084
Public safety	23,079			23,079
Public works	12,630			12,630
Library	10,114			10,114
Parks and recreation	56,869			56,869
Education		3,376,661		3,376,661
Capital outlay			646,413	646,413
Debt service			60,690	60,690
Total expenditures	<u>131,776</u>	<u>3,376,661</u>	<u>707,103</u>	<u>4,215,540</u>
Excess (Deficiency) of Revenues over Expenditures	<u>162,492</u>	<u>53,331</u>	<u>(210,582)</u>	<u>5,241</u>
Other Financing Sources (Uses):				
Transfers in				-
Transfers out				-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	162,492	53,331	(210,582)	5,241
Fund Balances at Beginning of Year	<u>928,425</u>	<u>209,137</u>	<u>6,096,630</u>	<u>7,234,192</u>
Fund Balances at End of Year	<u>\$ 1,090,917</u>	<u>\$ 262,468</u>	<u>\$ 5,886,048</u>	<u>\$ 7,239,433</u>

TOWN OF JOHNSTON, RHODE ISLAND
 NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - TOWN
 COMBINING BALANCE SHEET
 JUNE 30, 2020

	<u>Community Development Block Grant</u>	<u>Police Special Account</u>	<u>Memorial Park Rec Fields Restoration</u>	<u>Blue Riptide Grant</u>	<u>Scholarship Fund</u>	<u>Indoor Athletic Complex</u>
ASSETS						
Cash and cash equivalents	\$ 10,593	\$ 90,810	\$ 49,690	\$ -	\$ 171,565	\$ 316
Due from other funds						26,936
Total Assets	<u>\$ 10,593</u>	<u>\$ 90,810</u>	<u>\$ 49,690</u>	<u>\$ -</u>	<u>\$ 171,565</u>	<u>\$ 27,252</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 4,000					\$ 1,195
Accrued expenses		46,115				
Total liabilities	<u>4,000</u>	<u>46,115</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,195</u>
Fund balances:						
Restricted	6,593	44,695	49,690		171,565	
Committed						26,057
Total fund balances	<u>6,593</u>	<u>44,695</u>	<u>49,690</u>	<u>-</u>	<u>171,565</u>	<u>26,057</u>
Total Liabilities and Fund Balances	<u>\$ 10,593</u>	<u>\$ 90,810</u>	<u>\$ 49,690</u>	<u>\$ -</u>	<u>\$ 171,565</u>	<u>\$ 27,252</u>

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TOWN OF JOHNSTON, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2020

	<u>Historical Document Preservation</u>	<u>Fire Plan Review</u>	<u>Fire Prevention</u>	<u>Memorial Library Fund</u>	<u>Total Special Revenue Funds - Town</u>
ASSETS					
Cash and cash equivalents	\$ 147,377	\$	\$	\$ 162,196	\$ 632,547
Due from other funds	<u>3,116</u>	<u>444,571</u>	<u>42,519</u>	<u>162,196</u>	<u>517,142</u>
Total Assets	<u>\$ 150,493</u>	<u>\$ 444,571</u>	<u>\$ 42,519</u>	<u>\$ 162,196</u>	<u>\$ 1,149,689</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$	\$	\$	\$ 7,462	\$ 12,657
Accrued expenses	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>46,115</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,462</u>	<u>58,772</u>
Fund balances:					
Restricted	150,493		42,519	154,734	620,289
Committed	<u> </u>	<u>444,571</u>	<u> </u>	<u> </u>	<u>470,628</u>
Total fund balances	<u>150,493</u>	<u>444,571</u>	<u>42,519</u>	<u>154,734</u>	<u>1,090,917</u>
Total Liabilities and Fund Balances	<u>\$ 150,493</u>	<u>\$ 444,571</u>	<u>\$ 42,519</u>	<u>\$ 162,196</u>	<u>\$ 1,149,689</u>

**TOWN OF JOHNSTON, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Community Development Block Grant</u>	<u>Police Special Account</u>	<u>Memorial Park Rec Fields Restoration</u>	<u>Blue Riptide Grant</u>	<u>Scholarship Fund</u>	<u>Indoor Athletic Complex</u>
Revenues:						
Intergovernmental	\$	\$	\$ 16,680	\$ 821	\$	\$
Charges for services						44,712
Investment and interest income			643		2,603	505
Contributions and private grants					10,000	
Other revenue	7,865	14,299				
Total revenues	<u>7,865</u>	<u>14,299</u>	<u>17,323</u>	<u>821</u>	<u>12,603</u>	<u>45,217</u>
Expenditures:						
General government					15,000	
Public safety		22,258		821		
Public works	12,630					
Library						
Parks and recreation			4,951			51,918
Total expenditures	<u>12,630</u>	<u>22,258</u>	<u>4,951</u>	<u>821</u>	<u>15,000</u>	<u>51,918</u>
Net Change in Fund Balances	(4,765)	(7,959)	12,372	-	(2,397)	(6,701)
Fund Balances at Beginning of Year	<u>11,358</u>	<u>52,654</u>	<u>37,318</u>	<u>-</u>	<u>173,962</u>	<u>32,758</u>
Fund Balances at End of Year	<u>\$ 6,593</u>	<u>\$ 44,695</u>	<u>\$ 49,690</u>	<u>\$ -</u>	<u>\$ 171,565</u>	<u>\$ 26,057</u>

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**TOWN OF JOHNSTON, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Historical Document Preservation</u>	<u>Fire Plan Review</u>	<u>Fire Prevention</u>	<u>Memorial Library Fund</u>	<u>Total Special Revenue Funds - Town</u>
Revenues:					
Intergovernmental	\$	\$	\$	\$	\$ 17,501
Charges for services	39,088	133,663	11,940		229,403
Investment and interest income	1,728				5,479
Contributions and private grants					10,000
Other revenue				9,721	31,885
Total revenues	<u>40,816</u>	<u>133,663</u>	<u>11,940</u>	<u>9,721</u>	<u>294,268</u>
Expenditures:					
General government	14,084				29,084
Public safety					23,079
Public works					12,630
Library				10,114	10,114
Parks and recreation					56,869
Total expenditures	<u>14,084</u>	<u>-</u>	<u>-</u>	<u>10,114</u>	<u>131,776</u>
Net Change in Fund Balances	26,732	133,663	11,940	(393)	162,492
Fund Balances at Beginning of Year	<u>123,761</u>	<u>310,908</u>	<u>30,579</u>	<u>155,127</u>	<u>928,425</u>
Fund Balances at End of Year	<u>\$ 150,493</u>	<u>\$ 444,571</u>	<u>\$ 42,519</u>	<u>\$ 154,734</u>	<u>\$ 1,090,917</u>

TOWN OF JOHNSTON, RHODE ISLAND
 NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
 COMBINING BALANCE SHEET
 JUNE 30, 2020

	<u>IDEA Part B</u>	<u>Preschool IDEA Section 619</u>	<u>School Implementation</u>	<u>Title I</u>	<u>ATSI Grant</u>	<u>Title II</u>	<u>Title III</u>	<u>Title IV</u>	<u>Perkins Vocational</u>
ASSETS									
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable:									
Intergovernmental	1,044,077	31,009		811,188	10,728	177,616	15,390	60,955	
Due from other funds									
Total Assets	<u>\$ 1,044,077</u>	<u>\$ 31,009</u>	<u>\$ -</u>	<u>\$ 811,188</u>	<u>\$ 10,728</u>	<u>\$ 177,616</u>	<u>\$ 15,390</u>	<u>\$ 60,955</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued expenses	\$	\$	\$	\$	\$	1,250	\$	\$	\$
Due to other funds	1,044,077	32,222	6,200	811,188	9,027	172,628	15,051	60,955	4,604
Total liabilities	<u>1,044,077</u>	<u>32,222</u>	<u>6,200</u>	<u>811,188</u>	<u>9,027</u>	<u>173,878</u>	<u>15,051</u>	<u>60,955</u>	<u>4,604</u>
Fund balances:									
Restricted					1,701	3,738	339		
Unassigned		(1,213)	(6,200)						(4,604)
Total fund balances	<u>-</u>	<u>(1,213)</u>	<u>(6,200)</u>	<u>-</u>	<u>1,701</u>	<u>3,738</u>	<u>339</u>	<u>-</u>	<u>(4,604)</u>
Total Liabilities and Fund Balances	<u>\$ 1,044,077</u>	<u>\$ 31,009</u>	<u>\$ -</u>	<u>\$ 811,188</u>	<u>\$ 10,728</u>	<u>\$ 177,616</u>	<u>\$ 15,390</u>	<u>\$ 60,955</u>	<u>\$ -</u>

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TOWN OF JOHNSTON, RHODE ISLAND
 NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
 COMBINING BALANCE SHEET (CONTINUED)
 JUNE 30, 2020

	USDA Fresh Fruits and Vegetables	ESSER Grant	Race to the Top - HCD	Evidenced Based Science	RIDHS Rising Star	Pre-K Grant	Healthier US Schools and Communities	Student Equity	General Assembly
ASSETS									
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$ 300
Accounts receivable:									
Intergovernmental	58	659,572		122	2,000	28,000	2,000	7,684	3,527
Due from other funds									
Total Assets	\$ 58	\$ 659,572	\$ -	\$ 122	\$ 2,000	\$ 28,000	\$ 2,000	\$ 7,684	\$ 3,827
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued expenses	\$	\$ 22,695	\$	\$	\$	\$	\$	\$	\$
Due to other funds	58	631,674	1,000			28,000			
Total liabilities	58	654,369	1,000	-	-	28,000	-	-	-
Fund balances:									
Restricted		5,203		122	2,000		2,000	7,684	3,827
Unassigned			(1,000)						
Total fund balances	-	5,203	(1,000)	122	2,000	-	2,000	7,684	3,827
Total Liabilities and Fund Balances	\$ 58	\$ 659,572	\$ -	\$ 122	\$ 2,000	\$ 28,000	\$ 2,000	\$ 7,684	\$ 3,827

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TOWN OF JOHNSTON, RHODE ISLAND
 NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
 COMBINING BALANCE SHEET (CONTINUED)
 JUNE 30, 2020

	Pre-K Demonstration Project	RI State Council on the Arts	Electrify RI	CTE Categorical	CS4RI	ELL Grant	Science Mini-Grant	RI Learning Champion
ASSETS								
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable:								
Intergovernmental	117,439					221	750	
Due from other funds	2,134	7,269	0	1,857	8,627	7,559		4,053
Total Assets	\$ 119,573	\$ 7,269	\$ -	\$ 1,857	\$ 8,627	\$ 7,780	\$ 750	\$ 4,053
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued expenses	\$ 1,655	\$	\$	\$	\$ 372	\$	\$	\$
Due to other funds	117,863						750	
Total liabilities	119,518	-	-	-	372	-	750	-
Fund balances:								
Restricted	55	7,269		1,857	8,255	7,780		4,053
Unassigned								
Total fund balances	55	7,269	-	1,857	8,255	7,780	-	4,053
Total Liabilities and Fund Balances	\$ 119,573	\$ 7,269	\$ -	\$ 1,857	\$ 8,627	\$ 7,780	\$ 750	\$ 4,053

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TOWN OF JOHNSTON, RHODE ISLAND
 NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
 COMBINING BALANCE SHEET (CONTINUED)
 JUNE 30, 2020

	<u>SBA Tech</u>	<u>Champlin Foundation Manufacturing</u>	<u>Feinstein Foundation</u>	<u>RI Education Foundation</u>	<u>Feinstein Elementary</u>	<u>Verizon Foundation</u>	<u>Scholarship America</u>
ASSETS							
Cash and cash equivalents	\$	\$		\$	\$	\$	\$
Accounts receivable:							
Intergovernmental							
Due from other funds	<u>2,087</u>	<u>48,329</u>	<u>2,091</u>	<u>150</u>	<u>16,798</u>	<u>3,512</u>	<u>1,220</u>
Total Assets	<u>\$ 2,087</u>	<u>\$ 48,329</u>	<u>2,091</u>	<u>\$ 150</u>	<u>\$ 16,798</u>	<u>\$ 3,512</u>	<u>\$ 1,220</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$ 390	\$	14	\$	\$	\$	\$
Due to other funds							
Total liabilities	<u>390</u>	<u>-</u>	<u>14</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:							
Restricted	1,697	48,329	2,077	150	16,798	3,512	1,220
Unassigned							
Total fund balances	<u>1,697</u>	<u>48,329</u>	<u>2,077</u>	<u>150</u>	<u>16,798</u>	<u>3,512</u>	<u>1,220</u>
Total Liabilities and Fund Balances	<u>\$ 2,087</u>	<u>\$ 48,329</u>	<u>2,091</u>	<u>\$ 150</u>	<u>\$ 16,798</u>	<u>\$ 3,512</u>	<u>\$ 1,220</u>

(Continued on next page)

TOWN OF JOHNSTON, RHODE ISLAND
 NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
 COMBINING BALANCE SHEET (CONTINUED)
 JUNE 30, 2020

	<u>Janice Mele Scholarship</u>	<u>Target Grant</u>	<u>Walmart Grant</u>	<u>Exxon Mobil</u>	<u>Stop & Shop A+ Rewards</u>	<u>Broadrock Energy</u>	<u>Panther Partner Donation</u>
ASSETS							
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$
Accounts receivable:							
Intergovernmental						12,500	
Due from other funds	1,015		150		2,731	78,620	18,615
Total Assets	<u>\$ 1,015</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ 2,731</u>	<u>\$ 91,120</u>	<u>\$ 18,615</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$	\$	\$	\$	\$	\$	\$
Due to other funds		3,786					
Total liabilities	-	<u>3,786</u>	-	-	-	-	-
Fund balances:							
Restricted	1,015		150		2,731	91,120	18,615
Unassigned		<u>(3,786)</u>					
Total fund balances	<u>1,015</u>	<u>(3,786)</u>	<u>150</u>	<u>-</u>	<u>2,731</u>	<u>91,120</u>	<u>18,615</u>
Total Liabilities and Fund Balances	<u>\$ 1,015</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ 2,731</u>	<u>\$ 91,120</u>	<u>\$ 18,615</u>

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TOWN OF JOHNSTON, RHODE ISLAND
 NONMAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
 COMBINING BALANCE SHEET (CONTINUED)
 JUNE 30, 2020

	<u>Donations and Misc. Grants</u>	<u>EDC Grant</u>	<u>Lifetouch Commission</u>	<u>PTO Donations</u>	<u>SEAC</u>	<u>High School Donations</u>	<u>Total Special Revenue Funds - School Restricted</u>
ASSETS							
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$ 300
Accounts receivable:							
Intergovernmental		4,795					2,974,298
Due from other funds			19,802		12,060	4,529	258,541
Total Assets	\$ -	\$ 4,795	\$ 19,802	\$ -	\$ 12,060	\$ 4,529	\$ 3,233,139
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$ 2,524	\$	\$ 300	\$	\$	\$	\$ 29,200
Due to other funds	2,014	230		144			2,941,471
Total liabilities	4,538	230	300	144	-	-	2,970,671
Fund balances:							
Restricted		4,565	19,502		12,060	4,529	283,953
Unassigned	(4,538)			(144)			(21,485)
Total fund balances	(4,538)	4,565	19,502	(144)	12,060	4,529	262,468
Total Liabilities and Fund Balances	\$ -	\$ 4,795	\$ 19,802	\$ -	\$ 12,060	\$ 4,529	\$ 3,233,139

**TOWN OF JOHNSTON, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>IDEA Part B</u>	<u>Preschool IDEA Section 619</u>	<u>School Implementation</u>	<u>Title I</u>	<u>ATSI Grant</u>	<u>Title II</u>	<u>Title III</u>	<u>Title IV</u>	<u>Perkins Vocational</u>
Revenues:									
Intergovernmental	\$ 1,044,076	\$ 31,009	\$	\$ 811,189	\$ 10,728	\$ 177,615	\$ 11,202	\$ 65,455	\$ 22,191
Charges for services									
Other revenue									
Total revenues	<u>1,044,076</u>	<u>31,009</u>	<u>-</u>	<u>811,189</u>	<u>10,728</u>	<u>177,615</u>	<u>11,202</u>	<u>65,455</u>	<u>22,191</u>
Expenditures:									
Education	<u>1,044,076</u>	<u>32,222</u>		<u>856,750</u>	<u>9,027</u>	<u>170,036</u>	<u>10,863</u>	<u>65,455</u>	<u>26,317</u>
Net Change in Fund Balances	-	(1,213)	-	(45,561)	1,701	7,579	339	-	(4,126)
Fund Balances at Beginning of Year	-	-	(6,200)	45,561	-	(3,841)	-	-	(478)
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ (1,213)</u>	<u>\$ (6,200)</u>	<u>\$ -</u>	<u>\$ 1,701</u>	<u>\$ 3,738</u>	<u>\$ 339</u>	<u>\$ -</u>	<u>\$ (4,604)</u>

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**TOWN OF JOHNSTON, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>USDA Fresh Fruits and Vegetables</u>	<u>ESSER Grant</u>	<u>Race to the Top - HCD</u>	<u>Evidenced Based Science</u>	<u>RIDHS Rising Star</u>	<u>Pre-K Grant</u>	<u>Healthier US Schools and Communities</u>	<u>Student Equity</u>	<u>General Assembly</u>
Revenues:									
Intergovernmental	\$ 39,209	\$ 659,572	\$	\$ 4,523	\$	\$	\$	\$	\$ 2,470
Charges for services									
Other revenue									
Total revenues	<u>39,209</u>	<u>659,572</u>	<u>-</u>	<u>4,523</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,470</u>
Expenditures:									
Education	<u>39,209</u>	<u>654,369</u>		<u>4,401</u>					<u>4,019</u>
Net Change in Fund Balances	-	5,203	-	122	-	-	-	-	(1,549)
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>(1,000)</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>7,684</u>	<u>5,376</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 5,203</u>	<u>\$ (1,000)</u>	<u>\$ 122</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 7,684</u>	<u>\$ 3,827</u>

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**TOWN OF JOHNSTON, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Pre-K Demonstration Project</u>	<u>RI State Council on the Arts</u>	<u>Electrify RI</u>	<u>CTE Categorical</u>	<u>CS4RI</u>	<u>ELL Grant</u>	<u>Science Mini-Grant</u>	<u>RI Learning Champion</u>
Revenues:								
Intergovernmental	\$ 179,528	\$ 2,984	\$ 60,000	\$ 1,857	\$ 9,492	\$ 22,010	\$	\$
Charges for services								
Other revenue								
Total revenues	<u>179,528</u>	<u>2,984</u>	<u>60,000</u>	<u>1,857</u>	<u>9,492</u>	<u>22,010</u>	<u>-</u>	<u>-</u>
Expenditures:								
Education	<u>190,111</u>		<u>60,000</u>		<u>1,237</u>	<u>21,448</u>		
Net Change in Fund Balances	(10,583)	2,984	-	1,857	8,255	562	-	-
Fund Balances at Beginning of Year	<u>10,638</u>	<u>4,285</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,218</u>	<u>-</u>	<u>4,053</u>
Fund Balances at End of Year	<u>\$ 55</u>	<u>\$ 7,269</u>	<u>\$ -</u>	<u>\$ 1,857</u>	<u>\$ 8,255</u>	<u>\$ 7,780</u>	<u>\$ -</u>	<u>\$ 4,053</u>

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**TOWN OF JOHNSTON, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>SBA Tech</u>	<u>Champlin Foundation Manufacturing</u>	<u>Feinstein Foundation</u>	<u>RI Education Foundation</u>	<u>Feinstein Elementary</u>	<u>Verizon Foundation</u>	<u>Scholarship America</u>
Revenues:							
Intergovernmental	\$ 157,434	\$ 48,329	\$	\$	\$ 10,190	\$	\$ 500
Charges for services							
Other revenue							
Total revenues	<u>157,434</u>	<u>48,329</u>	<u>-</u>	<u>-</u>	<u>10,190</u>	<u>-</u>	<u>500</u>
Expenditures:							
Education	<u>155,737</u>		<u>259</u>		<u>1,366</u>		
Net Change in Fund Balances	1,697	48,329	(259)	-	8,824	-	500
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>2,336</u>	<u>150</u>	<u>7,974</u>	<u>3,512</u>	<u>720</u>
Fund Balances at End of Year	<u>\$ 1,697</u>	<u>\$ 48,329</u>	<u>\$ 2,077</u>	<u>\$ 150</u>	<u>\$ 16,798</u>	<u>\$ 3,512</u>	<u>\$ 1,220</u>

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**TOWN OF JOHNSTON, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Janice Mele Scholarship</u>	<u>Target Grant</u>	<u>Walmart Grant</u>	<u>Exxon Mobil</u>	<u>Stop & Shop A+ Rewards</u>	<u>Broadrock Energy</u>	<u>Panther Partner Donation</u>
Revenues:							
Intergovernmental	\$	\$	\$	\$	\$	\$	\$
Charges for services							
Other revenue	(300)					50,000	
Total revenues	<u>(300)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Expenditures:							
Education						24,514	
Net Change in Fund Balances	(300)	-	-	-	-	25,486	-
Fund Balances at Beginning of Year	<u>1,315</u>	<u>(3,786)</u>	<u>150</u>	<u>-</u>	<u>2,731</u>	<u>65,634</u>	<u>18,615</u>
Fund Balances at End of Year	<u>\$ 1,015</u>	<u>\$ (3,786)</u>	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ 2,731</u>	<u>\$ 91,120</u>	<u>\$ 18,615</u>

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TOWN OF JOHNSTON, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Donations and Misc. Grants</u>	<u>EDC Grant</u>	<u>Lifetouch Commission</u>	<u>PTO Donations</u>	<u>SEAC</u>	<u>High School Donations</u>	<u>Total Special Revenue Funds - School Restricted</u>
Revenues:							
Intergovernmental	\$	\$	\$	\$	\$	\$	\$ 3,371,563
Charges for services			5,798				5,798
Other revenue						2,931	52,631
Total revenues	<u>-</u>	<u>-</u>	<u>5,798</u>	<u>-</u>	<u>-</u>	<u>2,931</u>	<u>3,429,992</u>
Expenditures:							
Education	<u>2,524</u>		<u>2,148</u>		<u>358</u>	<u>215</u>	<u>3,376,661</u>
Net Change in Fund Balances	(2,524)	-	3,650	-	(358)	2,716	53,331
Fund Balances at Beginning of Year	<u>(2,014)</u>	<u>4,565</u>	<u>15,852</u>	<u>(144)</u>	<u>12,418</u>	<u>1,813</u>	<u>209,137</u>
Fund Balances at End of Year	<u>\$ (4,538)</u>	<u>\$ 4,565</u>	<u>\$ 19,502</u>	<u>\$ (144)</u>	<u>\$ 12,060</u>	<u>\$ 4,529</u>	<u>\$ 262,468</u>

TOWN OF JOHNSTON, RHODE ISLAND
 NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECT FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2020

	<u>School Facilities Fund</u>	<u>Pezza Property Acquisition</u>	<u>Fire Equipment Fund</u>	<u>Dams Escrow Fund</u>	<u>Capital Project 2013 Series A</u>	<u>Capital Projects Fund</u>	<u>2018 Capital Projects Fund</u>	<u>Capital Lease Fund</u>	<u>Total Capital Projects Funds</u>
ASSETS									
Cash and cash equivalents	\$ 139,761	\$ 5,990	\$ 376,339	\$ 1,499,065	\$ 535,461	\$ 454,449	\$ 2,625,169	\$	\$ 5,636,234
Due from other funds			412,380						412,380
Total Assets	<u>\$ 139,761</u>	<u>\$ 5,990</u>	<u>\$ 788,719</u>	<u>\$ 1,499,065</u>	<u>\$ 535,461</u>	<u>\$ 454,449</u>	<u>\$ 2,625,169</u>	<u>\$ -</u>	<u>\$ 6,048,614</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Due to other funds	\$	\$	\$	\$	\$	\$	\$	\$ 162,566	\$ 162,566
Fund balances:									
Restricted	139,761	5,990		1,499,065	535,461	454,449	2,625,169		5,259,895
Committed			788,719						788,719
Unassigned								(162,566)	(162,566)
Total fund balances	<u>139,761</u>	<u>5,990</u>	<u>788,719</u>	<u>1,499,065</u>	<u>535,461</u>	<u>454,449</u>	<u>2,625,169</u>	<u>(162,566)</u>	<u>5,886,048</u>
Total Liabilities and Fund Balances	<u>\$ 139,761</u>	<u>\$ 5,990</u>	<u>\$ 788,719</u>	<u>\$ 1,499,065</u>	<u>\$ 535,461</u>	<u>\$ 454,449</u>	<u>\$ 2,625,169</u>	<u>\$ -</u>	<u>\$ 6,048,614</u>

**TOWN OF JOHNSTON, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>School Facilities Fund</u>	<u>Pezza Property Acquisition</u>	<u>Fire Equipment Fund</u>	<u>Dams Escrow Fund</u>	<u>Capital Project 2013 Series A</u>	<u>Capital Projects Fund</u>	<u>2018 Capital Projects Fund</u>	<u>Capital Lease Fund</u>	<u>Total Capital Projects Funds</u>
Revenues:									
Investment and interest income	\$ 2,037	\$ 52	\$ 6,591	\$ 21,871	\$ 8,397	\$ 6,624	\$ 38,569	\$	\$ 84,141
Charges for services			412,380						412,380
Total revenues	<u>2,037</u>	<u>52</u>	<u>418,971</u>	<u>21,871</u>	<u>8,397</u>	<u>6,624</u>	<u>38,569</u>		<u>496,521</u>
Expenditures:									
Capital outlay			454,953	430			28,464	162,566	646,413
Debt service					60,690				60,690
Total expenditures	<u>-</u>	<u>-</u>	<u>454,953</u>	<u>430</u>	<u>60,690</u>	<u>-</u>	<u>28,464</u>	<u>162,566</u>	<u>707,103</u>
Net Change in Fund Balances	2,037	52	(35,982)	21,441	(52,293)	6,624	10,105	(162,566)	(210,582)
Fund Balances at Beginning of Year	<u>137,724</u>	<u>5,938</u>	<u>824,701</u>	<u>1,477,624</u>	<u>587,754</u>	<u>447,825</u>	<u>2,615,064</u>		<u>6,096,630</u>
Fund Balances at End of Year	<u>\$ 139,761</u>	<u>\$ 5,990</u>	<u>\$ 788,719</u>	<u>\$ 1,499,065</u>	<u>\$ 535,461</u>	<u>\$ 454,449</u>	<u>\$ 2,625,169</u>	<u>\$ (162,566)</u>	<u>\$ 5,886,048</u>

Nonmajor Proprietary Funds

Nonmajor Proprietary Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges

Cafeteria Fund - This fund is to account for the activity associated with the school department's cafeteria operations

Credit Recovery - This fund is utilized to account for the school department's credit recovery program.

Summer School - This fund is used to account for the activity associated with summer school.

Athletic Field - This fund is used to account for activity of the school department's athletic fields.

TOWN OF JOHNSTON, RHODE ISLAND
COMBINING STATEMENT OF NET POSITION - NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2020

	Enterprise Funds				Total
	Cafeteria Fund	Credit Recovery	Summer School	Athletic Field	
Assets:					
Current assets:					
Cash and cash equivalents	\$ 167,354	\$	\$	\$	\$ 167,354
Accounts receivable, net					
Intergovernmental receivable	150				150
Due from other funds	163,045	19,571		35,298	217,914
Other	14,931				14,931
Total current assets	345,480	19,571	-	35,298	400,349
Noncurrent assets:					
Capital assets, net of accumulated depreciation	43,789				43,789
Total assets	389,269	19,571	-	35,298	444,138
Liabilities:					
Current liabilities:					
Accounts payable	131,636				131,636
Unearned revenue	78,475				78,475
Due to other funds			46,087		46,087
Total current liabilities	210,111	-	46,087	-	256,198
Net Position:					
Net investment in capital assets	43,789				43,789
Unrestricted	135,369	19,571	(46,087)	35,298	144,151
Total Net Position	\$ 179,158	\$ 19,571	\$ (46,087)	\$ 35,298	\$ 187,940

TOWN OF JOHNSTON, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION - NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Enterprise Funds				Total
	Cafeteria Fund	Credit Recovery	Summer School	Athletic Field	
Operating Revenues:					
Charges for services	\$ 226,659	\$	\$	\$ 10,585	\$ 237,244
Intergovernmental revenue	545,734				545,734
Total revenues	<u>772,393</u>	<u>-</u>	<u>-</u>	<u>10,585</u>	<u>782,978</u>
Operating Expenses:					
Salaries and benefits	4,508		20,970		25,478
Contractual services	851,204				851,204
Depreciation and amortization	5,474				5,474
Total operating expenses	<u>861,186</u>	<u>-</u>	<u>20,970</u>	<u>-</u>	<u>882,156</u>
Operating Income	(88,793)	-	(20,970)	10,585	(99,178)
Nonoperating Revenues (Expenses):					
Investment income	4,194				4,194
Change in Net Position	(84,599)	-	(20,970)	10,585	(94,984)
Net Position at Beginning of Year	<u>263,757</u>	<u>19,571</u>	<u>(25,117)</u>	<u>24,713</u>	<u>282,924</u>
Net Position at End of Year	<u>\$ 179,158</u>	<u>\$ 19,571</u>	<u>\$ (46,087)</u>	<u>\$ 35,298</u>	<u>\$ 187,940</u>

TOWN OF JOHNSTON, RHODE ISLAND
COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Enterprise Funds				Total
	Cafeteria Fund	Credit Recovery	Summer School	Athletic Field	
Cash Flows from Operating Activities					
Receipts from customers and users	\$ 226,659	\$	\$	\$ 10,585	\$ 237,244
Intergovernmental receipts	654,632				654,632
Payments to suppliers	(894,817)				(894,817)
Payments to employees	(4,508)		(20,970)		(25,478)
Net cash provided by (used in) operating activities	(18,034)	-	(20,970)	10,585	(28,419)
Cash Flows from Noncapital Financing Activities:					
Interfund loans	(76,890)		20,970	(10,585)	(66,505)
Net cash provided by (used in) noncapital financing activities	(76,890)	-	20,970	(10,585)	(66,505)
Cash Flows from Investing Activities					
Interest and dividends on investments	4,194				4,194
Net cash provided by (used in) investing activities	4,194	-	-	-	4,194
Net Decrease in Cash and Cash Equivalents	(90,730)	-	-	-	(90,730)
Cash and Cash Equivalents at Beginning of Year	258,084	-	-	-	258,084
Cash and Cash Equivalents at End of Year	\$ 167,354	\$ -	\$ -	\$ -	\$ 167,354
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ (88,793)	\$	\$ (20,970)	\$ 10,585	\$ (99,178)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	5,474				5,474
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	30,423				30,423
Increase (decrease) in accounts payable and accrued expenses	(43,613)				(43,613)
Increase (decrease) in unearned revenue	78,475				78,475
Net Cash Provided by (Used in) Operating Activities	\$ (18,034)	\$ -	\$ (20,970)	\$ 10,585	\$ (28,419)

Fiduciary Funds

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity for individuals, private organizations, other governments, and/or other funds.

Agency Funds

Student Activity - This fund is established to account for receipt of funds from school related activities. The funds are in turn expended to benefit the students (field trips, books, supplies).

Performance Bonds - This fund is utilized to account for the bonds required for various Town projects and building construction activity.

TOWN OF JOHNSTON, RHODE ISLAND
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
Student Activity Funds				
Assets:				
Cash and cash equivalents	\$ 278,983	\$ 236,182	\$ 259,248	\$ 255,917
Liabilities:				
Deposits held for others	\$ 278,983	\$ 236,182	\$ 259,248	\$ 255,917
Performance Bonds				
Assets:				
Cash and cash equivalents	\$ 246,338	\$ 2,133	\$ -	\$ 248,471
Other receivables	107,750	-	-	107,750
Total Assets	\$ 354,088	\$ 2,133	\$ -	\$ 356,221
Liabilities:				
Deposits held for others	\$ 354,088	\$ 2,133	\$ -	\$ 356,221
Total				
Assets:				
Cash and cash equivalents	\$ 525,321	\$ 238,315	\$ 259,248	\$ 504,388
Due from other funds	107,750	-	-	107,750
Total Assets	\$ 633,071	\$ 238,315	\$ 259,248	\$ 612,138
Liabilities:				
Deposits held for others	\$ 633,071	\$ 238,315	\$ 259,248	\$ 612,138

Other Schedules

**TOWN OF JOHNSTON, RHODE ISLAND
TAX COLLECTOR'S ANNUAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020**

<u>Tax Roll Year</u>	<u>Mill Rate</u>	<u>Balance July 1, 2019</u>	<u>Current Year Assessment</u>	<u>Transfers Addendums (Net)</u>	<u>Abatements and Adjustments</u>	<u>Amount to be Collected</u>	<u>Collections Net of Refunds</u>	<u>Balance June 30, 2020</u>
2019	22.89	\$	\$ 75,584,256	\$ 417,525	\$ 291,432	\$ 75,710,349	\$ 72,578,156	\$ 3,132,193
2018	27.49	3,365,503		11,439	69,300	3,307,642	2,035,063	1,272,579
2017	27.49	1,194,487			54,940	1,139,547	613,509	526,038
2016	27.49	904,946			51,098	853,848	306,889	546,959
2015	28.99	589,913			1,095	588,818	48,374	540,444
2014	28.99	448,577			247	448,330	15,482	432,848
2013	28.75	460,383			246	460,137	18,190	441,947
2012	24.75	467,086			976	466,110	32,021	434,089
2011	24.75	488,427			395	488,032	10,166	477,866
2010	23.81	448,747			265	448,482	8,751	439,731
2009	19.49	277,318			87	277,231	1,286	275,945
2008	18.91	94,033				94,033	175	93,858
2007	17.84	36,871				36,871		36,871
2006	17.41	30,280				30,280	277	30,003
2005	16.99	16,787				16,787		16,787
2004	16.40	13,248				13,248		13,248
2003	26.30	31,378				31,378		31,378
2002	25.10	27,740				27,740		27,740
2001	23.79	20,580				20,580	184	20,396
Total		8,916,304	\$ 75,584,256	\$ 428,964	\$ 470,081	\$ 84,459,443	\$ 75,668,523	8,790,920
Less: allowance for uncollectible accounts		<u>(3,188,881)</u>						<u>(3,663,462)</u>
Net property taxes receivable		<u>\$ 5,727,423</u>						<u>\$ 5,127,458</u>

(Continued on next page)

TOWN OF JOHNSTON, RHODE ISLAND
TAX COLLECTOR'S ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT D

Collections Summary

<u>Year</u>	<u>Subject to 60 Day Rule July 1, 2019 August 31, 2019</u>	<u>Not Subject to 60 Day Rule July 1, 2019 June 30, 2020</u>	<u>Subject to 60 Day Rule July 1, 2020 August 31, 2020</u>	<u>Tax Revenue Recognized Fiscal Year End June 30, 2020</u>
2019	\$	\$ 72,578,156	\$ 756,737	\$ 73,334,893
2018	862,023	1,173,040	136,173	1,309,213
2017	325,278	288,231	8,507	296,738
2016	133,883	173,006	3,389	176,395
2015	4,945	43,429	4,177	47,606
2014	2,650	12,832	2,977	15,809
2013	1,340	16,850	10,323	27,173
2012	2,372	29,649	2,996	32,645
2011	503	9,663	1,499	11,162
2010	339	8,412	693	9,105
2009	231	1,055	568	1,623
2008		175		175
2007				
2006	261	16	146	162
2005				
2004				
2003				
2002				
2001		184		184
	<u>\$ 1,333,825</u>	<u>\$ 74,334,698</u>	<u>\$ 928,185</u>	<u>\$ 75,262,883</u>

(Continued on next page)

**TOWN OF JOHNSTON, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2020**

EXHIBIT D

**Schedule of Net Assessed Property Value by Category
Assessed December 31, 2018**

Description of Property	Valuations	Levy
Real property	\$ 2,849,474,400	\$ 57,555,410
Motor vehicle	237,781,766	6,101,051
Tangible property	186,400,730	11,927,795
Total	3,273,656,896	75,584,256
Exemptions and adjustments	520,156,212	
Net Assessed Value	\$ <u>2,753,500,684</u>	\$ <u>75,584,256</u>

Reconciliation of Current Year Property Tax Revenue

Current year collections	\$ 75,668,523
Revenue received 60 days subsequent to fiscal year ended June 30, 2020	928,185
Subtotal	<u>76,596,708</u>
Prior year revenue received in current year (2019 60 day rule)	<u>(1,333,825)</u>
Current Year Property Tax Revenue	75,262,883
Power Plant Tax Treaty	3,247,298
Citizens Bank Tax Stabilization	<u>250,000</u>
Tax Revenues per Exhibit IV	\$ <u>78,760,181</u>

Annual Supplemental Transparency Report

Town of Johnston
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

EXHIBIT E-1

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 73,180,673	\$ -
Last Year's Levy Tax Collection	1,333,152	-
Prior Years Property Tax Collection	749,058	-
Interest & Penalty	1,075,175	-
PILOT & Tax Treaty (excluded from levy) Collection	3,497,296	-
Other Local Property Taxes	-	-
Licenses and Permits	218,112	-
Fines and Forfeitures	292,771	-
Investment Income	804,430	-
Departmental	7,994,333	-
Rescue Run Revenue	950,000	-
Police & Fire Detail	1,185,615	-
Other Local Non-Property Tax Revenues	-	-
Tuition	-	95,309
Impact Aid	-	-
Medicaid	-	1,045,524
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	533,582
CDBG	-	-
COPS Grants	821	-
SAFER Grants	-	-
Other Federal Aid Funds	-	2,314,794
COVID - ESSER	-	616,511
COVID - CRF	-	43,062
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	-
MV Excise Tax Reimbursement	437,352	-
State PILOT Program	-	-
Distressed Community Relief Fund	532,972	-
Library Resource Aid	119,438	-
Library Construction Aid	-	-
Public Service Corporation Tax	364,114	-
Meals & Beverage Tax / Hotel Tax	728,841	-
LEA Aid	-	17,409,382
Group Home	-	-
Housing Aid Capital Projects	127,994	-
Housing Aid Bonded Debt	268,557	-
State Food Service Revenue	-	12,152
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	34,072	418,288
Motor Vehicle Phase Out	3,844,381	-
Other Revenue	366,866	428,185
Local Appropriation for Education	-	37,529,015
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 98,106,022	\$ 60,445,804
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	-	-
Financing Sources: Debt Proceeds	2,800,000	-
Financing Sources: Other	3,646,773	-
Rounding	-	-
Total Other Financing Sources	\$ 6,446,773	\$ -

Town of Johnston
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

EXHIBIT E-1

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public Works	Parks and Rec	Police Department
	Government	Finance	Services	IT					
Compensation- Group A	\$ 757,124	\$ 556,680	\$ 2,400	\$ -	\$ 81,859	\$ 319,818	\$ 1,444,146	\$ 508,945	\$ 5,121,738
Compensation - Group B	-	-	-	-	-	-	-	-	636,185
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	14,303	65,191	-	-	-	-	77,870	37,538	1,095,095
Overtime - Group B	-	-	-	-	-	-	-	-	28,277
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	1,136,701
Active Medical Insurance - Group A	478,474	241,494	-	-	9,876	148,101	473,265	142,348	1,536,590
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	337,300
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	12,382	12,769	-	-	373	7,319	22,761	6,770	72,956
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	16,015
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	68,240	47,335	184	-	6,203	24,680	113,837	46,931	583,511
Life Insurance	972	948	-	-	95	648	2,591	624	57,679
State Defined Contribution- Group A	4,886	6,023	-	-	351	2,768	13,825	3,155	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	5,489
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	626,483	-	-	-	-	9,026	44,015	73,152	348,457
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	4,999,713
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	72,648	88,307	-	-	5,789	42,990	207,838	65,135	111,061
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	91,731
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	395,113	264,634	-	69,996	2,692	-	14,825	-	10,616
Materials/Supplies	37,380	54,445	-	-	1,803	8,902	52,070	41,847	80,236
Software Licenses	-	35,326	-	-	-	49,379	-	-	51,920
Capital Outlays	4,601	2,221	-	-	-	3,612	78,993	6,092	7,211
Insurance	704,258	-	-	-	-	-	-	-	-
Maintenance	21,409	-	-	-	27,411	13,773	49,978	39,046	80,702
Vehicle Operations	-	-	-	-	-	-	213,189	12,093	98,840
Utilities	41,590	5,514	-	-	-	27,374	46,548	85,597	101,304
Contingency	-	-	-	-	938	-	-	-	-
Street Lighting	-	-	-	-	-	-	974,100	-	-
Revaluation	-	75,577	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	100,130	-	-
Trash Removal & Recycling	-	-	-	-	-	-	1,423,279	-	-
Claims & Settlements	97,927	-	-	-	-	-	-	-	-
Community Support	55,000	-	-	-	-	-	-	-	-
Other Operation Expenditures	131,325	10,328	232,170	-	-	690	19,373	8,821	117,398
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	\$ 3,524,114	\$ 1,466,793	\$ 234,754	\$ 69,996	\$ 137,390	\$ 659,080	\$ 5,372,634	\$ 1,078,095	\$ 16,726,726

Town of Johnston
 Annual Supplemental Transparency Report (MTP2)
 Fiscal Year Ended June 30, 2020

EXPENDITURES	Fire	Centralized	Public Safety	Education	Debt	OPEB	Total	Education
	Department	Dispatch	Other	Appropriation			Municipal	Department
Compensation- Group A	\$ 7,007,429	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,800,140	\$ 25,125,835
Compensation - Group B	108,140	-	-	-	-	-	744,325	2,173,419
Compensation - Group C	-	-	-	-	-	-	-	4,557,956
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	2,875,151	-	-	-	-	-	4,165,149	-
Overtime - Group B	12,231	-	-	-	-	-	40,508	-
Overtime - Group C	-	-	-	-	-	-	-	77,716
Police & Fire Detail	10,032	-	-	-	-	-	1,146,733	-
Active Medical Insurance - Group A	1,968,215	-	-	-	-	-	4,998,363	5,133,701
Active Medical Insurance- Group B	15,873	-	-	-	-	-	353,173	511,769
Active Medical Insurance- Group C	-	-	-	-	-	-	-	1,837,901
Active Dental insurance- Group A	93,838	-	-	-	-	-	229,168	312,810
Active Dental Insurance- Group B	2,408	-	-	-	-	-	18,423	29,296
Active Dental Insurance- Group C	-	-	-	-	-	-	-	101,199
Payroll Taxes	729,921	-	-	-	-	-	1,620,841	828,288
Life Insurance	18,702	-	-	-	-	-	82,259	157,443
State Defined Contribution- Group A	-	-	-	-	-	-	31,008	672,525
State Defined Contribution - Group B	512	-	-	-	-	-	6,001	43,956
State Defined Contribution - Group C	-	-	-	-	-	-	-	31,580
Other Benefits- Group A	69,930	-	-	-	-	-	1,171,063	562,297
Other Benefits- Group B	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	11,688
Local Defined Benefit Pension- Group A	4,288,466	-	-	-	-	-	9,288,179	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	540,041	-	-	-	-	-	1,133,809	3,041,558
State Defined Benefit Pension - Group B	1,071	-	-	-	-	-	92,802	267,898
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	644,594
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	6,390	-	-	-	-	-	764,267	11,770,625
Materials/Supplies	318,866	-	-	-	-	-	595,549	553,807
Software Licenses	-	-	-	-	-	-	136,625	110,493
Capital Outlays	1,770	-	-	-	-	-	104,501	366,210
Insurance	-	-	-	-	-	-	704,258	212,205
Maintenance	137,320	-	-	-	-	-	369,639	418,033
Vehicle Operations	284,744	-	-	-	-	-	608,867	26,258
Utilities	200,071	-	-	-	-	-	507,999	689,710
Contingency	-	-	-	-	-	-	938	-
Street Lighting	-	-	-	-	-	-	974,100	-
Revaluation	-	-	-	-	-	-	75,577	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	100,130	-
Trash Removal & Recycling	-	-	-	-	-	-	1,423,279	-
Claims & Settlements	-	-	-	-	-	-	97,927	-
Community Support	-	-	-	-	-	-	55,000	-
Other Operation Expenditures	380,443	-	-	-	-	-	900,548	100,842
Tipping Fees	-	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	37,529,015	-	-	37,529,015	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	2,994,088	-	2,994,088	-
Municipal Debt- Interest	-	-	-	-	675,135	-	675,135	-
School Debt- Principal	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	6,114,865	6,114,865	1,002,643
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 19,071,564	\$ -	\$ -	\$ 37,529,015	\$ 3,669,223	\$ 6,114,865	\$ 95,654,249	\$ 61,374,255

Financing Uses: Transfer to Capital Funds	\$ -	\$ -
Financing Uses: Transfer to Other Funds	-	-
Financing Uses: Payment to Bond Escrow Agent	2,759,901	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 2,759,901	\$ -
Net Change in Fund Balance¹	6,138,644	(928,451)
Fund Balance1- beginning of year	\$33,763,552	\$2,311,121
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	-	(107,744)
Fund Balance¹ - beginning of year adjusted	33,763,552	2,203,377
Rounding	-	-
Fund Balance¹ - end of year	\$ 39,902,196	\$ 1,274,926

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

Town of Johnston
 Annual Supplemental Transparency Report (MTP2)
 Combining Schedule of
 Reportable Government Services with
 Reconciliation to MTP2
 Municipal
 Fiscal Year Ended June 30, 2020

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, 2019						\$ 33,763,552	-	\$ 33,763,552	
<i>Removed Champlin Foundation Grant & BDDH Partenership for Success fund for fiscal 2020</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2020</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2020</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2019 adjusted						<u>\$ 33,763,552</u>	<u>-</u>	<u>\$ 33,763,552</u>	
General Fund	\$ 97,819,619	\$ 6,446,773	\$ 58,006,088	\$ 40,288,916	\$ 5,971,388	\$ 32,846,484	\$ -	\$ 32,846,484	\$ 38,817,872
Scholarship Fund	12,603	-	15,000	-	(2,397)	173,962	-	173,962	171,565
Johnston Memorial Library Fund	9,721	-	10,113	-	(392)	155,127	-	155,127	154,735
Police Seizure Fund - - Federal	459	-	-	-	459	27,909	-	27,909	28,368
Police Seizure Fund - Other Than Federal Funds	13,840	-	22,259	-	(8,419)	24,745	-	24,745	16,326
Memorial Park Recreation Fields Restoration Fund	17,323	-	4,951	-	12,372	37,318	-	37,318	49,690
Fire Prevention Fund	11,940	-	-	-	11,940	30,580	-	30,580	42,520
Indoor Athletic Complex Fund	45,217	-	51,918	-	(6,702)	32,759	-	32,759	26,057
Blue Riptide Grant Fund	821	-	821	-	-	-	-	-	-
Fire Plan Review Fund	133,663	-	-	-	133,663	310,908	-	310,908	444,571
Historical Records Fund	40,816	-	14,083	-	26,732	123,760	-	123,760	150,492
Totals per audited financial statements	<u>\$ 98,106,022</u>	<u>\$ 6,446,773</u>	<u>\$ 58,125,234</u>	<u>\$ 40,288,916</u>	<u>\$ 6,138,644</u>	<u>\$ 33,763,552</u>	<u>\$ -</u>	<u>\$ 33,763,552</u>	<u>\$ 39,902,196</u>
Reconciliation from financial statements to MTP2									
Municipal Appropriations for Education Reported as transfer on financial statements on Rounding	\$ -	\$ -	\$ 37,529,015	\$ (37,529,015)	\$ -	\$ -	\$ -	\$ -	\$ -
Totals Per MTP2	<u>\$ 98,106,022</u>	<u>\$ 6,446,773</u>	<u>\$ 95,654,249</u>	<u>\$ 2,759,901</u>	<u>\$ 6,138,644</u>	<u>\$ 33,763,552</u>	<u>\$ -</u>	<u>\$ 33,763,552</u>	<u>\$ 39,902,196</u>

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

Town of Johnston
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended June 30, 2020

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, 2019						\$ 2,311,121	-	\$ 2,311,121	
<i>Misc. Adjustments for Indirect Costs FY2020</i>						(107,744)	-	(107,744)	
Fund Balance¹ - per MTP-2 at June 30, 2019 adjusted						<u>\$ 2,203,377</u>	-	<u>\$ 2,203,377</u>	
School Unrestricted Fund	\$ 21,343,625	\$ 37,529,015	\$ 59,788,367	\$ -	\$ (915,727)	\$ 1,760,579	\$ -	\$ 1,760,579	\$ 844,852
Enterprise Fund1	782,978	4,194	882,156	-	(94,984)	282,924	-	282,924	187,940
SBA School Capital Project Fund	-	-	-	-	-	-	-	-	-
School Special Revenue Funds	3,429,992	-	3,376,661	-	53,331	209,137	-	209,137	262,468
Totals per audited financial statements	<u>\$ 25,556,595</u>	<u>\$ 37,533,209</u>	<u>\$ 64,047,184</u>	<u>\$ -</u>	<u>\$ (957,380)</u>	<u>\$ 2,252,640</u>	<u>\$ -</u>	<u>\$ 2,252,640</u>	<u>\$ 1,295,260</u>
<u>Reconciliation from financial statements to MTP2</u>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 37,529,015	\$ (37,529,015)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(2,644,000)	-	(2,644,000)	-	-	-	-	-	-
Depreciation Expense not recognized on MTP or UCOA for Cafeteria Fund	-	-	(5,474)	-	5,474	(49,263)	-	(49,263)	(43,789)
Investment Income labeled as a Revenue in UCOA and MTP2	4,194	(4,194)	-	-	-	-	-	-	-
Audit Adjustment made for FY 19 in Audit but not in UCOA or MTP2	-	-	(23,455)	-	23,455	-	-	-	23,455
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 60,445,804</u>	<u>\$ -</u>	<u>\$ 61,374,255</u>	<u>\$ -</u>	<u>\$ (928,451)</u>	<u>\$ 2,203,377</u>	<u>\$ -</u>	<u>\$ 2,203,377</u>	<u>\$ 1,274,926</u>
<u>Reconciliation from MTP2 to UCOA</u>									
Miscellaneous variance between UCOA and MTP	<u>\$ 428</u>	<u>\$ -</u>	<u>\$ (577)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Totals per UCOA Validated Totals Report	<u>\$ 60,446,232</u>	<u>\$ -</u>	<u>\$ 61,373,678</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

¹ 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) JUNE 30, 2020

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.

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.

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.

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 benefits costs are reported in the following employee groupings:

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

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

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

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

Other 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.

5. EDUCATION REVENUE AND EXPENDITURES

The revenues and expenditures presented on the MTP2 under the Education Department are 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/>.

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