

**TOWN OF JOHNSTON, RHODE ISLAND**  
**ANNUAL FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2022**

# TOWN OF JOHNSTON, RHODE ISLAND

## TABLE OF CONTENTS

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### Introductory Section

List of Town Officials.....	i
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### Financial Section

<b>Independent Auditors' Report</b> .....	1-4
---	-----

<b>Management's Discussion and Analysis</b> .....	5-13
---	------

### Basic Financial Statements

#### **Government-Wide Financial Statements:**

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

#### **Fund Financial Statements:**

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

<b>Notes to Basic Financial Statements</b> .....	29-115
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# TOWN OF JOHNSTON, RHODE ISLAND

## TABLE OF CONTENTS (CONTINUED)

---

### Required Supplementary Information

Schedule of Changes in Town's Net OPEB Liability and Related Ratios .....	116
Schedule of Town's OPEB Contributions .....	117
Schedule of Town's OPEB Investment Returns .....	118
Schedule of Changes in Net Pension Liability and Related Ratios – MERS .....	119-121
Schedule of Town's Contributions – MERS .....	122
Schedule of Town's Proportionate Share of the Net Pension Liability – ERS.....	123
Schedule of Town's Contributions – ERS .....	124
Schedule of Town's Proportionate Share of the Net Pension Asset – TSB.....	125
Schedule of Town's Contributions – TSB .....	126
Schedule of Changes in Town's Police Net Pension Liability and Related Ratios .....	127
Schedule of Town's Police Pension Contributions and Investment Returns.....	128
Schedule of Changes in Town's Fire Net Pension Liability and Related Ratios.....	129
Schedule of Town's Fire Pension Contributions and Investment Returns .....	130
Schedule of Changes in Town's Fire Longevity Pension Liability and Related Ratios.....	131
Schedule of Changes in Town's Police COLA Pension Liability and Related Ratios.....	132
Schedule of Changes in Town's Fire COLA Pension Liability and Related Ratios .....	133
Notes to Required Supplementary Information .....	134-137
Budgetary Comparison Schedule – General Fund.....	138-139
Budgetary Comparison Schedule – School Unrestricted Fund.....	140
Notes to the Budgetary Comparison Schedules.....	141

### Other Supplementary Information

Tax Collector's Annual Report.....	142-143
Annual Supplemental Transparency Report (MTP2) .....	144-148
Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2) .....	149-150
Non-Major Governmental Funds:	
Combining Balance Sheet.....	151-164
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	165-178
Non-Major Enterprise Funds <sup>8</sup>	
Combining Statement of Net Position .....	179
Combining Statement of Revenues, Expenses and Changes in Fund Position.....	180
Combining Statement of Cash Flows .....	181

**PRINCIPAL OFFICIALS**  
Town of Johnston, Rhode Island  
As of June 30, 2022

**ELECTED OFFICIALS**  
Joseph M. Polisena, Mayor

**TOWN COUNCIL**

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

Joseph Polisena, Jr., Vice President  
Linda Folcarelli

**SCHOOL COMMITTEE**

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

Joseph W. Rotella, Vice Chairperson  
Dawn M. Aloisio

**DEPARTMENT DIRECTORS**

Police Chief  
Fire Chief  
Chief of Staff  
Town Clerk  
Finance Director  
Tax Collector  
Tax Assessor  
Town Solicitor  
Superintendent of Schools  
Director of Parks and 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  
Donald DelSignore



## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Audit of the Financial Statements**

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Johnston, Rhode Island (Town) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Emphasis of Matter***

### ***Implementation of an Accounting Standard***

During the year ended June 30, 2022, the Town adopted GASB Statement No. 87, *Leases*. The impact of this standard increased assets for lease receivables and increased deferred inflows for lease revenue by \$2,712,731 at July 1, 2021.

### ***Restatements***

During the year ended June 30, 2022, the Town restated net position to disclose previously unreported pension benefit plan liabilities. The impact of this restatement increased liabilities by \$3,075,096 at July 1, 2021.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, presented on pages 5 through 13, and required supplementary information presented on pages 116 through 141, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The supplementary information on pages 142 through 181, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of these basic financial statements.

The supplementary information presented on pages 142 through 181 is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information presented on pages 142 through 181 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2023, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*Marcum LLP*

Providence, RI  
March 28, 2023



# TOWN OF JOHNSTON, RHODE ISLAND

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

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As management of the Town of Johnston, Rhode Island, we offer readers of the Town of Johnston's financial statements this narrative overview and analysis of the Town's financial activities for the fiscal year ended June 30, 2022. The information complements the data presented in the basic financial statements and is intended to enhance the reader's understanding of the Town's financial performance.

### Financial Highlights:

- The assets and deferred outflows of resources for the Town of Johnston were exceeded by its liabilities and deferred inflows of resources at the end of the fiscal year ended June 30, 2022 by \$291,546,399 for its Governmental Activities and its assets and deferred outflows exceeded its liabilities and deferred inflows at the end of fiscal year ended June 30, 2022 by \$3,766,239 for its Business-Type Activities (net position). The total net position is broken down into three captions: 1) Net investment in capital assets (capital assets section), which is essentially the net worth of the infrastructure the Town owns; 2) Restricted, which is not spendable by the Town; and 3) Unrestricted, which is unassigned.
- The Town's total net position increased by \$15,029,044 and \$966,735 for its Governmental Activities and Business-Type Activities, respectively.
- As of the close of the current fiscal year, the Town of Johnston's total governmental funds reported combined ending fund balances of \$51.2 million an increase of \$2.9 million from the previous year. Approximately 79.2% of this total, \$40.5 million, is available for spending at the Town's discretion (unassigned).
- At the end of the current fiscal year, the total unassigned fund balance of the General Fund was \$44.1 million, or 43.0% of total general fund expenditures and other net financing uses.
- The remaining balance consisted of:
  - \$808,135 non-spendable prepaid items.
  - Restricted Funds of \$3,841,297 which consists of School Special Revenue Grant Funds in the amount of \$575,207, Capital Projects Funds of \$2,460,091, Town and Special Revenue Grant Funds of \$805,092.
  - Committed Funds of \$6,009,252 which consists of Capital Projects of \$2,780,633 and Town Special Revenue Funds of \$3,228,619.

# TOWN OF JOHNSTON, RHODE ISLAND

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

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### Overview of the Financial Statements:

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

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

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

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

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

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

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

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

# TOWN OF JOHNSTON, RHODE ISLAND

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

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### Fund Financial Statements

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

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

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

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

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

The Town of Johnston adopts an annual budget for its General Fund and School Unrestricted Fund. A Budgetary comparison statement has been provided on pages 138 through 141.

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

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

# TOWN OF JOHNSTON, RHODE ISLAND

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

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

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

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

Notes to the Financial Statements can be found on pages 29-115 of this report.

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

Required supplementary information can be found on pages 116-141 of this report.

Combining Statements referred to earlier in connection with non-major governmental funds and fiduciary funds are presented immediately following the required supplementary information on pages 151-181 of this report.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the Town of Johnston, Rhode Island, liabilities, and deferred inflows of resources for the Town exceeded its assets and deferred outflows of resources by \$287,780,160 at the end of the fiscal year ended June 30, 2022.

The Town of Johnston's unrestricted net deficit at June 30, 2022 is \$(334,149,560). Consistent with prior year, the Town of Johnston has significant investment in capital assets (e.g., land, buildings, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town of Johnston uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

# TOWN OF JOHNSTON, RHODE ISLAND

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**JUNE 30, 2022**

The restricted net position of \$14.3 million is subject to external restrictions on how it may be used.

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

### Town of Johnston Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		Percent Change
	2022	2021	2022	2021	2022	2021	
Current & other assets	\$ 89,574,563	\$ 81,530,822	\$ 2,647,648	\$ 2,355,500	\$ 92,222,211	\$ 83,886,322	9.9%
Capital assets	<u>48,186,823</u>	<u>49,736,860</u>	<u>2,768,267</u>	<u>2,434,010</u>	<u>50,955,090</u>	<u>52,170,870</u>	-2.3%
Total assets	<u>137,761,386</u>	<u>131,267,682</u>	<u>5,415,915</u>	<u>4,789,510</u>	<u>143,177,301</u>	<u>136,057,192</u>	5.2%
Deferred outflows of resources	<u>45,451,739</u>	<u>43,896,522</u>	<u>11,725</u>	<u>17,588</u>	<u>45,463,464</u>	<u>43,914,110</u>	3.5%
Current liabilities	19,027,467	13,259,491	294,387	292,233	19,321,854	13,551,724	42.6%
Long-term liabilities	<u>345,435,200</u>	<u>416,760,296</u>	<u>778,224</u>	<u>982,630</u>	<u>346,213,424</u>	<u>417,742,926</u>	-17.1%
Total liabilities	<u>364,462,667</u>	<u>430,019,787</u>	<u>1,072,611</u>	<u>1,274,863</u>	<u>365,535,278</u>	<u>431,294,650</u>	-15.2%
Deferred inflows of resources	<u>110,296,857</u>	<u>51,719,860</u>	<u>588,790</u>	<u>732,731</u>	<u>110,885,647</u>	<u>52,452,591</u>	111.4%
Net investment in capital assets	30,255,058	28,886,379	1,804,807	1,268,720	32,059,865	30,155,099	6.3%
Restricted	14,309,535	10,745,395	--	--	14,309,535	10,745,395	33.2%
Unrestricted	<u>(336,110,992)</u>	<u>(346,207,217)</u>	<u>1,961,432</u>	<u>1,530,784</u>	<u>(334,149,560)</u>	<u>(344,676,433)</u>	-3.1%
Total net position	<u>\$ (291,546,399)</u>	<u>\$ (306,575,443)</u>	<u>\$ 3,766,239</u>	<u>\$ 2,799,504</u>	<u>\$ (287,780,160)</u>	<u>\$ (303,775,939)</u>	-5.3%

The assets and deferred outflows of resources for the Town of Johnston were exceeded by its liabilities and deferred inflows of resources at the end of the fiscal year ended June 30, 2022 by \$291,546,399 for its Governmental Activities and its assets and deferred outflows exceeded its liabilities and deferred inflows at the end of fiscal year ended June 30, 2022 by \$3,766,239 for its Business-Type Activities (net position).

# TOWN OF JOHNSTON, RHODE ISLAND

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

### Governmental Activities

Governmental Activities net position increased by \$15,029,044. Property taxes are the largest revenue source for governmental activities, accounting for 60.5% of total revenues while operating grants and contributions contributed to 24.3% of the revenues. A comparison of FY 2022 and FY 2021 activity can be found below:

#### Town of Johnston Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>Percent Change</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
<b>Revenues</b>							
Program revenues:							
Charges for services	\$ 6,758,551	\$ 6,549,913	\$ 1,238,209	\$ 1,541,473	\$ 7,996,760	\$ 8,091,386	-1.2%
Operating grants	30,440,697	27,450,910	1,937,174	764,131	32,377,871	28,215,041	14.8%
General revenues:							
Property taxes	75,682,494	76,383,906	--	--	75,682,494	76,383,906	-0.9%
Motor vehicle phase-out taxes	5,962,367	2,140,867	--	--	5,962,367	2,140,867	178.5%
Unrestricted grants and contributions	4,769,228	10,282,850	--	--	4,769,228	10,282,850	-53.6%
State COVID aid	--	3,648,118	--	--	--	3,648,118	100.0%
Unrestricted investment earnings	1,135,531	970,789	--	--	1,135,531	970,789	17.0%
Other	<u>247,468</u>	<u>962,770</u>	<u>--</u>	<u>--</u>	<u>247,468</u>	<u>962,770</u>	<u>-74.3%</u>
Total Revenue	<u>124,996,336</u>	<u>128,390,123</u>	<u>3,175,383</u>	<u>2,305,604</u>	<u>128,171,719</u>	<u>130,695,727</u>	<u>-1.9%</u>
<b>Program Expenses</b>							
General government	2,172,937	6,710,802	--	--	2,172,937	6,710,802	-67.6%
Public safety	40,246,798	42,597,311	--	--	40,246,798	42,597,311	-5.5%
Public works	5,779,845	5,815,352	--	--	5,779,845	5,815,352	-0.6%
Public libraries	740,809	707,250	--	--	740,809	707,250	4.7%
Education	58,629,771	63,931,824	--	--	58,629,771	63,931,824	-8.3%
Parks and recreation	1,461,771	1,325,546	--	--	1,461,771	1,325,546	10.3%
Interest on long-term debt	935,361	676,588	--	--	935,361	676,588	38.2%
Water	--	--	--	1,113,835	--	1,113,835	-100.0%
Sewer	--	--	712,264	668,790	712,264	668,790	6.5%
Other business-type activities	<u>--</u>	<u>--</u>	<u>1,496,384</u>	<u>777,206</u>	<u>1,496,384</u>	<u>777,206</u>	<u>92.5%</u>
Total Program Expenses	<u>109,967,292</u>	<u>121,764,673</u>	<u>2,208,648</u>	<u>2,559,831</u>	<u>112,175,940</u>	<u>124,324,504</u>	<u>-9.8%</u>
Change in net position prior to transfers	15,029,044	6,625,450	966,735	(254,227)	15,995,779	6,371,223	151.1%
Transfers / Special Items	<u>--</u>	<u>--</u>	<u>--</u>	<u>(9,809,221)</u>	<u>--</u>	<u>(9,809,221)</u>	<u>0.0%</u>
Change in net position	15,029,044	6,625,450	966,735	(10,063,448)	15,995,779	(3,437,998)	-565.3%
Net Position - Beginning	<u>(306,575,443)</u>	<u>(313,200,893)</u>	<u>2,799,504</u>	<u>12,862,952</u>	<u>(303,775,939)</u>	<u>(300,337,941)</u>	<u>1.1%</u>
Net Position - Ending	<u>\$ (291,546,399)</u>	<u>\$ (306,575,443)</u>	<u>\$ 3,766,239</u>	<u>\$ 2,799,504</u>	<u>\$ (287,780,160)</u>	<u>\$ (303,775,939)</u>	<u>-5.3%</u>

# TOWN OF JOHNSTON, RHODE ISLAND

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

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- Grant Income saw an increase of \$2,989,787 or 10.9%.
- Education expenses account for approximately 53.3% of the total expenses within the governmental activities of the Town. Public safety and public works expenses account for 36.6% and 5.3%, respectively, general government makes up 1.9% and the remainder relates to the public library, parks and recreation and interest on long-term debt.

**Business-Type Activities:** Net position of business-type activities increased by \$966,735 which consists an increase of \$290,831 in its Sewer Fund and an increase of \$675,904 in its Non-Major Enterprise Funds.

Charges for services for Sewer Fund increased \$135,259 or 16.0% while expenses increased \$45,854 or 7.2%.

### Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Town of Johnston's governmental funds reported combined ending fund balances of \$51.2 million. Approximately 79.2% of this amount, \$40.5 million constitutes unassigned fund balance which is available for spending at the government's discretion.

**General Fund.** The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$44.1 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 46.1% of the 2022 Adopted General Fund Expenditure Budget.

The total fund balance of the Town's General Fund increased by \$1,260,183 during the current fiscal year.

**School Unrestricted Fund:** The school fund has a total fund balance of \$(871,996). The total fund balance of the School Unrestricted Fund decreased by \$17 thousand during the current fiscal year.

# TOWN OF JOHNSTON, RHODE ISLAND

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

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### General Fund Budgetary Highlights

The Town finished the 2021-2022 Fiscal Year with budgetary surplus (deficit) as follows:

- General Fund – \$1,304,804
- School Unrestricted Fund – (\$16,996)

The Town continues to increase collection efforts on prior year taxes with tax revenue received over anticipated budget by \$4.0 million. Federal and State funds, primarily associated with FEMA related increases in intergovernmental funds and state aid. Public work expenditures were over budget by \$885 thousand whereas Fire expenditures were over budget by \$1.4 million.

### Capital Asset and Debt Administration:

**Capital Assets** – The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounts to \$50,955,090 (net of accumulated depreciation). This investment in capital assets includes investments in land and building improvements, machinery and equipment, park facilities, infrastructure and construction in progress. The total gross decreased in the Town's investment in governmental activities capital assets, prior to accumulated depreciation, for the current fiscal year was \$435,772.

	<b>Gross Governmental Capital Assets</b>	
	<b>June 30, 2022</b>	<b>June 30, 2021</b>
Land	\$ 8,979,477	\$ 8,979,477
Construction in progress	873,810	--
Land improvements	3,356,064	3,356,064
Infrastructure	61,781,251	61,781,251
Buildings and improvements	49,955,743	49,955,743
Vehicles and equipment	15,490,727	16,800,309
	<u>\$ 140,437,072</u>	<u>\$ 140,872,844</u>



# TOWN OF JOHNSTON, RHODE ISLAND

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

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

- Public safety motor vehicles
- Rainone Gym capital improvements

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

**Long-term Debt** – At the end of the current fiscal year, the Town of Johnston's governmental activities had \$18,038,296 in bonds outstanding, compared to \$20,643,475 last year, a decrease of \$2,605,179. Total bonded debt for the Town is entirely backed by the full faith and credit of the Town.

State statutes limit the amount of general obligation bonded debt a town can issue to 3% of net assessed property values. However, all bonds approved through State enabling legislation and voter referendums are exempt from the limit. As of June 30, 2022, the Town had a legal debt limit of \$83,903,276, based on net assessed valuations as of December 31, 2021. As of June 30, 2022, the Town had outstanding debt subject to the 3% debt limit of \$16,740,296.

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

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

### **Subsequent Fiscal Year 2022-2023 Budget and Tax Rates**

The 2022-2023 general fund budget will be \$120,632,935, an increase of \$3,920,866 over the fiscal year 2022 budget of \$116,712,069. This represents an increase of 3.36%.

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

# TOWN OF JOHNSTON, RHODE ISLAND

## STATEMENT OF NET POSITION

JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 64,264,074	\$ 148,758	\$ 64,412,832
Tax receivable, net	4,956,702	--	4,956,702
Accounts receivable, net	3,056,142	385,722	3,441,864
Internal balances	(1,503,973)	1,503,973	--
Due from federal and state governments	4,540,232	--	4,540,232
Prepays and other assets	1,205,200	20,405	1,225,605
Lease receivables	2,587,948	--	2,587,948
<b>Total Current Assets</b>	<b>79,106,325</b>	<b>2,058,858</b>	<b>81,165,183</b>
<b>Noncurrent Assets</b>			
Assessment and fees receivable	--	588,790	588,790
Net pension asset	10,468,238	--	10,468,238
Capital assets not being depreciated	9,853,287	--	9,853,287
Capital assets, net of accumulated depreciation	38,333,536	2,768,267	41,101,803
<b>Total Noncurrent Assets</b>	<b>58,655,061</b>	<b>3,357,057</b>	<b>62,012,118</b>
<b>Total Assets</b>	<b>137,761,386</b>	<b>5,415,915</b>	<b>143,177,301</b>
<b>Deferred Outflows of Resources</b>			
Deferred charge on bond refunding, net	104,556	11,725	116,281
Pension related deferred outflows of resources	19,313,475	--	19,313,475
OPEB related deferred outflows of resources	26,033,708	--	26,033,708
<b>Total Deferred Outflows of Resources</b>	<b>45,451,739</b>	<b>11,725</b>	<b>45,463,464</b>

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

# TOWN OF JOHNSTON, RHODE ISLAND

## STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	8,142,437	104,487	8,246,924
Unearned revenue	6,126,523	4,664	6,131,187
Escrow deposits	82,185	--	82,185
Current portion of compensated absences	1,822,718	--	1,822,718
Current portion of general obligation bonds	2,668,604	185,236	2,853,840
Current portion of capital lease obligations	185,000	--	185,000
<b>Total Current Liabilities</b>	19,027,467	294,387	19,321,854
<b>Noncurrent Liabilities</b>			
Compensated absences, net	7,290,873	--	7,290,873
General obligation bonds, net	15,462,161	778,224	16,240,385
Capital lease obligations, net	940,000	--	940,000
Net pension liability	169,343,408	--	169,343,408
Net OPEB liability	152,398,758	--	152,398,758
<b>Total Noncurrent Liabilities</b>	345,435,200	778,224	346,213,424
<b>Total Liabilities</b>	364,462,667	1,072,611	365,535,278
<b>Deferred inflows of resources</b>			
Deferred sewer assessment	--	588,790	588,790
Deferred lease receivables	2,614,655	--	2,614,655
Pension related deferred inflows of resources	30,064,113	--	30,064,113
OPEB related deferred inflows of resources	77,618,089	--	77,618,089
<b>Total Deferred Inflows of Resources</b>	110,296,857	588,790	110,885,647
<b>Net Position</b>			
Net investment in capital assets	30,255,058	1,804,807	32,059,865
Restricted:			
Net pension asset	10,468,238	--	10,468,238
School grant funds	575,207	--	575,207
Town grant funds	805,999	--	805,999
Capital project funds	2,460,091	--	2,460,091
Unrestricted	(336,110,992)	1,961,432	(334,149,560)
<b>Total Net Position</b>	\$ (291,546,399)	\$ 3,766,239	\$ (287,780,160)

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

**TOWN OF JOHNSTON, RHODE ISLAND**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Governmental Activities</b>							
General government	\$ 2,172,937	\$ 1,496,253	\$ 227,089	\$ --	\$ (449,595)		\$ (449,595)
Public safety	40,246,798	1,947,052	1,025,597	--	(37,274,149)		(37,274,149)
Public works	5,779,845	3,052,497	227,948	--	(2,499,400)		(2,499,400)
Public libraries	740,809	--	--	--	(740,809)		(740,809)
Education	58,629,771	120,373	28,933,661	--	(29,575,737)		(29,575,737)
Parks and recreation	1,461,771	142,376	26,402	--	(1,292,993)		(1,292,993)
Interest on long-term debt	935,361	--	--	--	(935,361)		(935,361)
<b>Total Governmental Activities</b>	<u>109,967,292</u>	<u>6,758,551</u>	<u>30,440,697</u>	<u>--</u>	<u>(72,768,044)</u>		<u>(72,768,044)</u>
<b>Business-Type Activities</b>							
Sewer	712,264	981,563	21,532	--		\$ 290,831	290,831
Other business-type activities	1,496,384	256,646	1,915,642	--		675,904	675,904
<b>Total Business-Type Activities</b>	<u>2,208,648</u>	<u>1,238,209</u>	<u>1,937,174</u>	<u>--</u>		<u>966,735</u>	<u>966,735</u>
<b>Total</b>	<u>\$ 112,175,940</u>	<u>\$ 7,996,760</u>	<u>\$ 32,377,871</u>	<u>\$ --</u>	<u>(72,768,044)</u>	<u>966,735</u>	<u>(71,801,309)</u>

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

**TOWN OF JOHNSTON, RHODE ISLAND**

**STATEMENT OF ACTIVITIES (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>General Revenues</b>			
Property taxes, levied for general purposes	75,682,494	--	75,682,494
Motor vehicle phase-out taxes	5,962,367	--	5,962,367
Other State aid	455,201	--	455,201
Grants and aid not restricted for specific programs	4,314,027	--	4,314,027
Unrestricted investment earnings	1,135,531	--	1,135,531
Miscellaneous	247,468	--	247,468
<b>Total General Revenues and Special Items</b>	<u>87,797,088</u>	<u>--</u>	<u>87,797,088</u>
<b>Change in Net Position</b>	15,029,044	966,735	15,995,779
<b>Net Position - Beginning of Year, As Restated</b>	<u>(306,575,443)</u>	<u>2,799,504</u>	<u>(303,775,939)</u>
<b>Net Position - End of Year</b>	<u>\$ (291,546,399)</u>	<u>\$ 3,766,239</u>	<u>\$ (287,780,160)</u>

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

# TOWN OF JOHNSTON, RHODE ISLAND

## BALANCE SHEET GOVERNMENTAL FUNDS

JUNE 30, 2022

	General Fund	School Unrestricted Fund	ARPA Funds	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 43,658,577	\$ --	\$ 4,405,448	\$ 8,277,525	\$ 56,341,550
Taxes receivable, net	4,298,014	--	--	--	4,298,014
Other receivables, net	2,185,089	845,714	--	25,339	3,056,142
Lease receivable	2,587,948	--	--	--	2,587,948
Due from federal and state governments	3,794,619	--	--	745,613	4,540,232
Prepays	724,501	83,634	--	--	808,135
Due from other funds	4,551,443	--	--	4,724,872	9,276,315
<b>Total Assets</b>	<u>\$ 61,800,191</u>	<u>\$ 929,348</u>	<u>\$ 4,405,448</u>	<u>\$ 13,773,349</u>	<u>\$ 80,908,336</u>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 2,494,360	\$ 1,305,120	\$ --	\$ 2,577,700	\$ 6,377,180
Due to other funds	6,274,343	496,224	16,593	2,874,537	9,661,697
Unearned revenue	728,491	--	4,387,948	1,010,084	6,126,523
Escrow deposits	--	--	--	82,185	82,185
<b>Total Liabilities</b>	<u>9,497,194</u>	<u>1,801,344</u>	<u>4,404,541</u>	<u>6,544,506</u>	<u>22,247,585</u>
<b>Deferred Inflows of Resources</b>					
Unavailable tax and EMS revenue	4,849,571	--	--	--	4,849,571
Deferred lease receivable	2,614,655	--	--	--	2,614,655
<b>Total Deferred Inflows of Resources</b>	<u>7,464,226</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>7,464,226</u>
<b>Fund Balances</b>					
Non-spendable	724,501	83,634	--	--	808,135
Restricted	--	--	907	3,840,390	3,841,297
Committed	--	--	--	6,009,252	6,009,252
Unassigned	44,114,270	(955,630)	--	(2,620,799)	40,537,841
<b>Total Fund Balances</b>	<u>44,838,771</u>	<u>(871,996)</u>	<u>907</u>	<u>7,228,843</u>	<u>51,196,525</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 61,800,191</u>	<u>\$ 929,348</u>	<u>\$ 4,405,448</u>	<u>\$ 13,773,349</u>	<u>\$ 80,908,336</u>

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

# TOWN OF JOHNSTON, RHODE ISLAND

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

JUNE 30, 2022

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<i>Total Fund Balance reported in Governmental Funds</i>	\$ 51,196,525
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore are not reported in the Governmental Funds Balance Sheet	48,186,823
Deferred outflows related to pension plan and OPEB plan are not current measurable and available resources and therefore not reported in the Fund Statements but are reported in the Statement of Net Position	45,347,183
Deferred inflows related to pension plan and OPEB plan are not current measurable and available resources and therefore not reported in the Fund Statements but are reported in the Statement of Net Position	(107,682,202)
Deferred loss on refunding of bonds which is amortized over the life of the new bond	104,556
Long-term assets (liabilities) and related items are not due and payable in the current period and therefore are not reported in the funds. These liabilities are reported in the Statement of Net Position:	
Accrual for net pension asset	10,468,238
Accrual for net pension and net OPEB liabilities	(309,372,071)
Accrual for compensated absences	(9,113,591)
Fire longevity obligation	(9,294,999)
Police COLA obligation	(242,086)
Fire COLA obligation	(2,833,010)
Capital lease obligations	(1,125,000)
General obligation bonds	(18,038,296)
Bond premium, net of amortization	(92,469)
Unavailable tax and EMS revenues (net of an allowance for uncollectibles) are recorded in the funds, but are not recorded under the measurement focus employed in the Statement of Net Position	4,849,571
Internal Service Funds are recorded as Proprietary Funds in the Fund Statements but are recorded as Governmental Activities on the Government-Wide Statement of Net Position. This is the 2022 impact on the Statement of Net Position, excluding capital assets, net of accumulated depreciation, and long-term liabilities, the impact of which is reflected above	5,559,923
Interest receivable on property taxes, net of allowance	658,688
Interest accrued on long-term debt obligations is reported as a liability in the Statement of Net Position but does not get reported in the Fund Statements	(124,182)
<i>Total Net Position reported in Statement of Net Position</i>	<u>\$ (291,546,399)</u>

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

# TOWN OF JOHNSTON, RHODE ISLAND

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

**FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	School Unrestricted Fund	ARPA Funds	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 77,567,946	\$ --	\$ --	\$ 535,371	\$ 78,103,317
Intergovernmental	12,575,412	20,518,016	16,594	5,336,671	38,446,693
Charges for services	12,013,690	120,373	--	1,542,572	13,676,635
Investment income	1,131,185	--	907	3,439	1,135,531
State on behalf pension contribution	--	2,727,637	--	--	2,727,637
Other miscellaneous	--	246,561	--	913,098	1,159,659
<b>Total Revenues</b>	<u>103,288,233</u>	<u>23,612,587</u>	<u>17,501</u>	<u>8,331,151</u>	<u>135,249,472</u>
<b>Expenditures</b>					
Current					
General government	7,282,970	--	16,594	114,613	7,414,177
Public safety	41,722,493	--	--	318,757	42,041,250
Public works	4,791,149	--	--	--	4,791,149
Public libraries	627,626	--	--	17,769	645,395
Education	--	63,078,598	--	8,326,660	71,405,258
Parks and recreation	1,187,153	--	--	70,786	1,257,939
Debt Service					
Principal	2,778,179	--	--	130,000	2,908,179
Interest and other costs	888,128	--	--	47,233	935,361
Capital Outlays	456,902	--	--	1,456,239	1,913,141
<b>Total Expenditures</b>	<u>59,734,600</u>	<u>63,078,598</u>	<u>16,594</u>	<u>10,482,057</u>	<u>133,311,849</u>
<b>Excess of Revenues Over (Under) Expenditures</b>					
<b>Before Other Financing Sources (Uses)</b>	<u>43,553,633</u>	<u>(39,466,011)</u>	<u>907</u>	<u>(2,150,906)</u>	<u>1,937,623</u>
<b>Other Financing Sources (Uses)</b>					
Transfers in	125,000	39,449,015	--	3,764,435	43,338,450
Transfers out	(42,418,450)	--	--	--	(42,418,450)
<b>Total Other Financing Sources (Uses)</b>	<u>(42,293,450)</u>	<u>39,449,015</u>	<u>--</u>	<u>3,764,435</u>	<u>920,000</u>
<b>Net Change in Fund Balances</b>	1,260,183	(16,996)	907	1,613,529	2,857,623
<b>Fund Balance - Beginning of Year, as restated</b>	<u>43,578,588</u>	<u>(855,000)</u>	<u>--</u>	<u>5,615,314</u>	<u>48,338,902</u>
<b>Fund Balance - End of Year</b>	<u>\$ 44,838,771</u>	<u>\$ (871,996)</u>	<u>\$ 907</u>	<u>\$ 7,228,843</u>	<u>\$ 51,196,525</u>

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



# TOWN OF JOHNSTON, RHODE ISLAND

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

FOR THE YEAR ENDED JUNE 30, 2022

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ 2,857,623
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay, net of disposals	(435,772)
Depreciation expense, net of disposals	(1,114,265)
Governmental funds report principal repayments on debt obligations as an expenditure. However, the repayment of principal has no effect on the net position.	2,908,179
Governmental funds do not report fire longevity obligations as a liability. This reports the activity of the liability for 2022.	(3,731,520)
Changes to the following accounts related to the Town's pension and OPEB plans are reported as an expense for governmental activities but are not reported as an expenditure in the fund financial statements until they are paid with measurable and available resources:	
Increase in net pension asset	3,421,316
Decrease in net pension liability	10,942,352
Increase in net OPEB liability	61,315,611
Increase in deferred outflows of resources	1,601,524
Increase in deferred inflows of resources	(55,962,342)
Governmental funds report premiums received on debt financing as other financing sources when received. However, the Statement of Activities amortizes these premiums over the life of the obligations and records the amortization as a credit to expenses. This is the amortization amount for 2022.	10,537
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in governmental funds. Net unavailable tax and EMS revenue decreased from 2021.	(2,375,552)
Accrued interest on long-term debt obligations is reported in the governmental activities but is not reported in the governmental fund statements. This is the decrease in accrued interest expense from 2021.	2,332
The governmental funds reflect compensated absences when they will be paid with measurable and available resources. The change from prior year balances is reflected in the Statement of Activities. Compensated absences decreased from 2021.	494,120
The activity for the current year amortization of loss on bond refundings.	(46,307)
The activity reported in the Internal Service Funds is presented with the Proprietary Fund Statements. However, this activity is reported as a component of the Governmental Activities in the Statement of Activities. This is the net activity reported for 2022.	<u>(4,858,792)</u>
<b>Change in Net Position of Governmental Activities in the Statement of Activities</b>	<u>\$ 15,029,044</u>

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

**TOWN OF JOHNSTON, RHODE ISLAND**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

**JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds			
	Sewer	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ --	\$ 148,758	\$ 148,758	\$ 7,922,524
User charges receivable	221,725	--	221,725	--
Other receivables	--	163,997	163,997	--
Due from other funds	641,810	908,250	1,550,060	--
Deposits	--	--	--	393,000
Other assets	--	20,405	20,405	4,065
<b>Total Current Assets</b>	<b>863,535</b>	<b>1,241,410</b>	<b>2,104,945</b>	<b>8,319,589</b>
<b>Noncurrent Assets</b>				
Assessments receivable	588,790	--	588,790	--
Capital assets, net of accumulated depreciation	2,729,952	38,315	2,768,267	--
<b>Total Noncurrent Assets</b>	<b>3,318,742</b>	<b>38,315</b>	<b>3,357,057</b>	<b>--</b>
<b>Total Assets</b>	<b>4,182,277</b>	<b>1,279,725</b>	<b>5,462,002</b>	<b>8,319,589</b>
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	11,725	--	11,725	--
<b>Total Deferred Outflows of Resources</b>	<b>11,725</b>	<b>--</b>	<b>11,725</b>	<b>--</b>

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

**TOWN OF JOHNSTON, RHODE ISLAND**

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

**JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds			
	Sewer	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued expenses	--	98,318	98,318	1,641,075
Due to other funds	--	46,087	46,087	1,118,591
Unearned revenue	--	4,664	4,664	--
Accrued interest	6,169	--	6,169	--
Current portion of general obligation bonds	185,236	--	185,236	--
<b>Total Current Liabilities</b>	191,405	149,069	340,474	2,759,666
<b>Noncurrent Liabilities</b>				
General obligation bonds, net	778,224	--	778,224	--
<b>Total Noncurrent Liabilities</b>	778,224	--	778,224	--
<b>Total Liabilities</b>	969,629	149,069	1,118,698	2,759,666
<b>Deferred Inflows of Resources</b>				
Deferred sewer assessment	588,790	--	588,790	--
<b>Total Deferred Inflows of Resources</b>	588,790	--	588,790	--
<b>Net Position</b>				
Net investment in capital assets	1,766,492	38,315	1,804,807	--
Unrestricted	869,091	1,092,341	1,961,432	5,559,923
<b>Total Net Position</b>	\$ 2,635,583	\$ 1,130,656	\$ 3,766,239	\$ 5,559,923

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

**TOWN OF JOHNSTON, RHODE ISLAND**

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

**FOR THE YEAR ENDED JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds			
		Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Sewer			
<b>Operating Revenues</b>				
Charges for usage, service, and assessments	\$ 981,563	\$ 256,646	\$ 1,238,209	\$ 19,880,221
Intergovernmental	21,532	1,915,642	1,937,174	--
<b>Total Operating Revenues</b>	<u>1,003,095</u>	<u>2,172,288</u>	<u>3,175,383</u>	<u>19,880,221</u>
<b>Operating Expenses</b>				
Salaries and benefits	339,330	--	339,330	--
Contractual services	18,565	1,496,384	1,514,949	--
Repairs and maintenance	99,090	--	99,090	--
Utilities	28,888	--	28,888	--
Healthcare management	--	--	--	20,327,012
Contribution to OPEB	--	--	--	3,500,000
Depreciation and amortization	199,423	--	199,423	--
<b>Total Operating Expenses</b>	<u>685,296</u>	<u>1,496,384</u>	<u>2,181,680</u>	<u>23,827,012</u>
<b>Operating Income (Loss)</b>	<u>317,799</u>	<u>675,904</u>	<u>993,703</u>	<u>(3,946,791)</u>
<b>Nonoperating Revenues (Expenses)</b>				
Interest income	--	--	--	7,999
Interest expense	(26,968)	--	(26,968)	--
<b>Net Nonoperating Revenues (Expenses)</b>	<u>(26,968)</u>	<u>--</u>	<u>(26,968)</u>	<u>7,999</u>
<b>Income (Loss) Before Transfers</b>	<u>290,831</u>	<u>675,904</u>	<u>966,735</u>	<u>(3,938,792)</u>
Transfers out	--	--	--	(920,000)
<b>Total transfers</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(920,000)</u>
<b>Changes in Net Position</b>	290,831	675,904	966,735	(4,858,792)
<b>Total Net Position - Beginning, restated</b>	<u>2,344,752</u>	<u>454,752</u>	<u>2,799,504</u>	<u>10,418,715</u>
<b>Total Net Position - Ending</b>	<u>\$ 2,635,583</u>	<u>\$ 1,130,656</u>	<u>\$ 3,766,239</u>	<u>\$ 5,559,923</u>

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

# TOWN OF JOHNSTON, RHODE ISLAND

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

**FOR THE YEAR ENDED JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds			
	Sewer	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>Cash Flows from Operating Activities</b>				
Cash received from customers	\$ 959,117	\$ 256,646	\$ 1,215,763	\$ 19,880,221
Cash received from grantor	21,532	1,864,368	1,885,900	--
Claims paid	--	--	--	(20,057,476)
Contributions to OPEB trust fund	--	--	--	(3,500,000)
Cash paid to suppliers for goods and services and other operating payments	(146,543)	(1,495,702)	(1,642,245)	--
Cash paid for employees and benefits	(339,330)	--	(339,330)	--
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>494,776</u>	<u>625,312</u>	<u>1,120,088</u>	<u>(3,677,255)</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers to other funds	--	--	--	(920,000)
(Payments to) receipts from other funds	237,524	(476,954)	(239,430)	1,054,590
<b>Net Cash (Used in) Provided by Noncapital Financing Activities</b>	<u>237,524</u>	<u>(476,954)</u>	<u>(239,430)</u>	<u>134,590</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition of capital assets	(527,817)	--	(527,817)	--
Principal payments on long-term debt	(182,660)	--	(182,660)	--
Interest and finance charges paid on debt obligations	(22,023)	--	(22,023)	--
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(732,500)</u>	<u>--</u>	<u>(732,500)</u>	<u>--</u>
<b>Cash Flows from Investing Activities</b>				
Investment income	--	--	--	7,999
<b>Net Cash Provided by Investing Activities</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>7,999</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(200)</u>	<u>148,358</u>	<u>148,158</u>	<u>(3,534,666)</u>
<b>Cash, Cash Equivalents, and Restricted Cash - Beginning of Year</b>	<u>200</u>	<u>400</u>	<u>600</u>	<u>11,457,190</u>
<b>Cash, Cash Equivalents, and Restricted Cash - End of Year</b>	<u>\$ --</u>	<u>\$ 148,758</u>	<u>\$ 148,758</u>	<u>\$ 7,922,524</u>

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

**TOWN OF JOHNSTON, RHODE ISLAND**

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

**FOR THE YEAR ENDED JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds			
		Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Sewer	Funds	Funds	Service Funds
<b>Reconciliation of Operating Income to Net Cash</b>				
<b>    Provided by Operating Activities</b>				
Operating income (loss)	\$ 317,799	\$ 675,904	\$ 993,703	\$ (3,946,791)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization expense	199,423	--	199,423	--
(Increase) decrease in assessments and fees receivable	(22,446)	--	(22,446)	--
(Increase) decrease in prepaid expenses and inventory	--	--	--	(262)
(Increase) decrease in intergovernmental receivables	--	(50,938)	(50,938)	--
Increase (decrease) in accounts payable and accrued expenses	--	682	682	269,798
Increase (decrease) in unearned revenue	--	(336)	(336)	--
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 494,776</b>	<b>\$ 625,312</b>	<b>\$ 1,120,088</b>	<b>\$ (3,677,255)</b>

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

**TOWN OF JOHNSTON, RHODE ISLAND**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

**JUNE 30, 2022**

	Pension and OPEB Trust Funds	Private Purpose Trust Funds	Custodial Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 90,539	\$ 23,745	\$ 248,616
Investments, at fair value:			
Money market mutual funds	61,660,821	--	--
Accounts receivable	937,600	--	107,750
Prepaid items	854,209	--	--
<b>Total Assets</b>	<u>63,543,169</u>	<u>23,745</u>	<u>356,366</u>
<b>Liabilities</b>			
Accrued expenses	2,916	--	--
Deposits held in custody for others	101,441	--	--
Claims and judgments	--	--	--
<b>Total Liabilities</b>	<u>104,357</u>	<u>--</u>	<u>--</u>
<b>Net Position</b>			
Held for individuals, organizations, and other governments	--	--	356,366
Restricted for other post-employment benefits	9,494,478	--	--
Restricted for pension benefits	53,944,334	--	--
Held in trust for private purposes per trust agreement	--	23,745	--
<b>Total Net Position</b>	<u>\$ 63,438,812</u>	<u>\$ 23,745</u>	<u>\$ 356,366</u>

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

# TOWN OF JOHNSTON, RHODE ISLAND

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

**FOR THE YEAR ENDED JUNE 30, 2022**

	Pension and OPEB Trust Funds	Private Purpose Trust Funds	Custodial Funds
<b>Additions</b>			
Contributions:			
Employer contributions	\$ 21,367,820	\$ --	\$ --
Plan member contributions	425,121	--	--
	1,037,474	--	--
<b>Total Contributions</b>	22,830,415	--	--
Investment earnings:			
Net change in fair value of investments	(8,646,270)		
Interest and dividends	(491,105)	12	118
<b>Total Investment Earnings</b>	(9,137,375)	12	118
<b>Total Additions</b>	13,693,040	12	118
<b>Deductions</b>			
Benefits paid	17,420,905	--	--
Administration	126,400	--	--
<b>Total Deductions</b>	17,547,305	--	--
<b>Change in Net Position</b>	(3,854,265)	12	118
<b>Net Position - Beginning of Year</b>	67,293,077	23,733	356,248
<b>Net Position - End of Year</b>	\$ 63,438,812	\$ 23,745	\$ 356,366

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



# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### ***REPORTING ENTITY***

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

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

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

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

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *REPORTING ENTITY (CONTINUED)*

#### *BASIS OF PRESENTATION*

#### *Government-Wide Financial Statements*

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

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

#### *Fund Financial Statements*

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

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

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *BASIS OF PRESENTATION (CONTINUED)*

#### *Fund Financial Statements (Continued)*

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

#### **GOVERNMENTAL FUNDS**

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

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

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

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

#### **Proprietary Funds**

Proprietary Funds are used to account for business-like activities provided to the general public (enterprise funds) or within the government (internal service funds). These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. Operating revenues of the Proprietary Funds consist of customer charges for uses and services and certain other miscellaneous revenues. All other revenues of the Proprietary Funds are considered non-operating sources of revenue. The Proprietary Funds include Enterprise Funds. During the year ended June 30, 2022 the Town maintained five enterprise funds including the Sewer Fund which is reported as a major fund.

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *BASIS OF PRESENTATION (CONTINUED)*

#### *Fund Financial Statements (Continued)*

#### **Fiduciary Funds (Not Included in Government-Wide Statements)**

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

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

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

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

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***MAJOR AND NON-MAJOR FUNDS***

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

<u>Fund</u>	<u>Brief Description</u>
<b><i>Major:</i></b>	
General Fund	See above for description.
<b>Special Revenue Funds:</b>	
School Unrestricted	Acts as the primary operating fund for the Johnston School Department.
<b>Proprietary Funds:</b>	
Sewer Fund	Accounts for the operations of the Town's Sewer Department.
Internal Service Fund	Accounts for the operations of the Town and School Department's Healthcare Management.
<b><i>Non-Major:</i></b>	
Special Revenue Funds	Grant programs including federal grants, state grants, and private grants. The Town currently maintains eighty-eight (88) special revenue funds which have been classified as non-major Governmental Funds. The details of these funds may be found in the combining non-major fund statements in the other supplementary information section of these financial statements.

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *MAJOR AND NON-MAJOR FUNDS (CONTINUED)*

##### *Non Major (Continued):*

Capital Project Funds                      The Town currently maintains ten (10) Capital Project Funds. The details of these funds may be found in the combining non-major fund statements in the other supplementary information section of these financial statements.

#### *MEASUREMENT FOCUS AND BASIS OF ACCOUNTING*

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

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

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)*

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

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

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

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

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

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)*

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

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

##### *Cash and Cash Equivalents*

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

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

##### *Investments*

The Town invests in various types of investments, which are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are reported as investment income. The Town's investments are held in the Town's Fiduciary Funds.

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



# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

##### *Accounts Receivable*

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

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes collected within 60 days of year end and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions earned/measurable but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the Government-wide financial statements in accordance with the accrual basis. Proprietary fund receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. At June 30, 2022 the Town has estimated the allowance for uncollectible receivables for delinquent taxes of \$4,414,219 and an allowance for uncollectible receivables for municipal court receivables and fire rescue receivables of \$1,021,620.

##### *Property Taxes*

Real and personal property taxes are based on values assessed as of each December 31 (lien date), and attach as an enforceable lien on property as of August 1 (levy date). Taxes are due in equal quarterly installments in August 24, October 24, January 24, and April 24 (delayed one month each quarter in fiscal year 2022 due to COVID). Taxes due and unpaid after the respective due dates are subject to interest at the rate of 12% per annum calculated on the unpaid portion of the total tax. An automatic lien is placed on the taxpayer's property if payment has not been received by the tax due date. Property taxes are recognized as revenue in the year they are levied. Property tax revenues are recorded in accordance with the modified accrual basis of accounting in the fund financial statements.

For 2022, Rhode Island General Law restricts the Town's ability to increase its total tax levy by more than 4.00% over that of the preceding fiscal year.

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

##### *Leases (as Lessor)*

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

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

##### *Prepays*

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

##### *Encumbrances*

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

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

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

##### *Capital Assets*

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

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

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

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

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

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

The Town reviews the carrying value of its long-lived assets to ensure that any impairment issues are identified and appropriately reflected in the financial statements. Should the expected cash flows be less than the carrying value, an impairment loss would be recognized to reduce the carrying value. There was no impairment loss recorded during 2022.

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

##### *Bond Premiums, Discounts and Issuance Costs*

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

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

##### *Long-Term Obligations*

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

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

##### *Compensated Absences*

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

##### *Judgments and Claims*

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

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

##### *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate section represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that later date. At June 30, 2022 the Town reported \$45,347,183 of deferred outflows of resources related to pension and OPEB in the Government-wide statement of net position. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active employees and inactive employees). In addition, at June 30, 2022 the Town also reported \$116,281 of deferred outflows related to deferred loss on refundings in the Government-wide statement of net position. The deferred loss on refunding is the unamortized balance of the difference between the carrying value of the refunded debt and the new debt.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate section represents the acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until a later date. At June 30, 2022 the Town reported \$107,682,202 of deferred inflows of resources related to pension and OPEB in the Government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension/OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees). In addition, at June 30, 2022 the Town also reported in the Government-wide statement of net position \$588,790 of deferred inflows related to deferred sewer assessments and \$2,614,655 related to deferred lease revenue.

At June 30, 2022 the Town also had two items that qualified as a deferred inflow of resources in the governmental funds balance sheet, the unavailable tax and EMS revenue of \$4,849,571. The unavailable tax revenue at June 30, 2022 represents property taxes receivables which are assessed on December 31, 2020 and prior and are not collected within 60 days of June 30, 2022. The unearned EMS revenue represents rescue fees for services provided prior to June 30, 2022 but not recognized as revenue since they are considered unavailable as of June 30, 2022. The net unavailable tax and EMS revenue are considered unavailable and will be recognized as an inflow of resources in the year(s) in which the amounts become available.

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

---

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

##### *Interfund Transactions*

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

Reciprocal interfund activities:

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

Non-reciprocal interfund activities:

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

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

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

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

##### *Net Position/Fund Balance*

##### **Government-Wide Financial Statements**

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

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

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

##### **Governmental Fund Financial Statements**

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

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

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

##### *Net Position/Fund Balance (Continued)*

##### **Governmental Fund Financial Statements (Continued)**

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

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

#### **PENSIONS**

##### ***Employees' Retirement System (ERS)***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employees' Retirement System plan (ERS) and the additions to/deductions from ERS' fiduciary net position have been determined on the same basis as they are reported by ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.



# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

#### *PENSIONS (CONTINUED)*

##### *Municipal Employees' Retirement System (MERS)*

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System (MERS) of Rhode Island and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### *Teachers' Survivors Benefit plan (TSB)*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Survivors Benefit plan (TSB) and the additions to/deductions from TSB fiduciary net position have been determined on the same basis as they are reported by TSB. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### *Police and Fire Pension*

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

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)*

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Town of Johnston's Post Employment Health Insurance Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### *RECENTLY ISSUED ACCOUNTING STANDARDS*

During the year ended June 30, 2022 the Town adopted GASB Statement No. 87, *Leases*. The impact of this standard increased assets for lease receivables and increased deferred inflows for lease revenue by \$1,614,956 at July 1, 2021. See Note 14. There was no significant impact on these financial statements from the implementation of additional accounting standards.

#### *USE OF ESTIMATES*

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

#### *SUBSEQUENT EVENTS*

Management has evaluated subsequent events through March 28, 2023, which is the date these financial statements were available to be issued and has concluded that the following events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

On September 29, 2022, the Town close an \$85 million general obligation school construction and renovation bond with Rhode Island Health and Educational Building Corporation. The bond matures May 15, 2052 and has a variable interest rate of 2.6-4.38%.

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 2 - CASH DEPOSITS AND INVESTMENTS

#### *CASH AND CASH EQUIVALENTS*

At June 30, 2022, the carrying amount of the Town's cash and cash equivalents was \$64,775,732 (including \$362,900 of cash held in fiduciary funds). The Town's entire balance was covered by either FDIC insurance or collateral held in the Town's name.

#### *INVESTMENTS*

Investments are stated at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Town follows the guidance for fair value measurements and disclosures in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

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

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

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

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

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 2 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS (CONTINUED)*

The following table summarizes the investments of the Town and also held in the Pension and OPEB trust fund, at fair value, as of June 30, 2022:

	Level 1	Level 2	Level 3	Total
<b>Investments by Fair Value Level</b>				
Mutual Funds	<u>\$ 61,660,821</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 61,660,821</u>
<b>Total Investments by Fair Value Level</b>	<u>\$ 61,660,821</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 61,660,821</u>

#### *Custodial Credit Risk*

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

#### *Interest Rate Risk*

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

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 2 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS (CONTINUED)*

##### *Credit Risk*

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

##### *Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer. The Town manages its risk by participating in a certificate of deposit pool, maximizing the Federal Deposit Insurance Corporation ("FDIC") coverage over deposits by limiting the amount on deposit in any one financial institution, and also by securing full collateralization of any remaining uninsured deposits.

### NOTE 3 - PROPERTY TAXES

The Town is responsible for assessing, collecting and distributing property taxes in accordance with enabling state legislation. Net property taxes levied for fiscal year 2022 were based on a net asset value of \$2,796,775,878, and amounted to \$76,820,854.

Unpaid property taxes as of June 30, 2022 of \$8,712,234, are recorded as a receivable, net of an allowance for uncollectible property taxes of \$4,414,219. Those net property taxes receivable which were not collected within 60 days immediately following June 30, 2022, are recorded as a deferred inflow in fiscal 2022. Property taxes collected within 60 days following June 30, 2022, are recognized as revenue in the governmental fund financial statements and amounted to \$817,734. As of July 1, 2021 the Town levied property taxes for its fiscal year as follows:

	Taxable Assessment	Exemptions	Net Tax Assessment	Rate Per \$1,000	Net Levy
Real property Residential	\$ 2,342,382,921	\$ 450,222,684	\$ 1,892,160,237	\$ 23.24	\$ 43,973,823
Real property Other	567,087,428	3,359,998	563,727,430	28.34	15,976,035
Motor vehicle	245,501,816	98,125,679	147,376,137	30.00	4,420,417
Tangible property	<u>193,512,074</u>	<u>--</u>	<u>193,512,074</u>	64.34	<u>12,450,579</u>
	<u>\$ 3,348,484,239</u>	<u>\$ 551,708,361</u>	<u>\$ 2,796,775,878</u>		<u>\$ 76,820,854</u>

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 4 - INTERFUND BALANCES AND TRANSFERS**

Due to/from balances represent short-term advances from one fund (primarily the General Fund) to another fund. The advances may represent balances resulting from operating advances or reimbursements for expenditures paid by one fund on behalf of another fund. The composition of interfund balances at June 30, 2022, was as follows:

	Due From	Due To
General Fund	\$ 4,551,443	\$ 6,274,343
School Unrestricted	--	496,224
Non-Major Governmental Funds	4,724,872	2,874,537
ARPA Funds	--	16,593
Internal Service Funds	--	1,118,591
Sewer	641,810	--
Non-Major Enterprise Funds	908,250	46,087
Total	\$ 10,826,375	\$ 10,826,375

The Town had interfund transfers totaling \$43,338,450 during the year ended June 30, 2022. The composition of these interfund transfers was as follows:

	Transfers In	Transfers Out
General Fund	\$ 125,000	\$ 42,418,450
School Unrestricted	39,449,015	--
Non-Major Governmental Funds	3,764,435	--
Internal Service Funds	--	920,000
Total	\$ 43,338,450	\$ 43,338,450

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 5 - CAPITAL ASSETS**

	Beginning Balance 7/1/2021	Increases	Decreases	Ending Balance 6/30/2022
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 8,979,477	\$ --	\$ --	\$ 8,979,477
Construction in progress	<u>    --</u>	<u>873,810</u>	<u>    --</u>	<u>873,810</u>
<b>Total Capital Assets Not Being Depreciated</b>	<u>8,979,477</u>	<u>873,810</u>	<u>    --</u>	<u>9,853,287</u>
<b>Capital Assets Being Depreciated</b>				
Land improvements	3,356,064	--	--	3,356,064
Buildings and improvements	49,955,743	--	--	49,955,743
Infrastructure	61,781,251	--	--	61,781,251
Vehicles and equipment	<u>16,800,309</u>	<u>1,039,331</u>	<u>(2,348,913)</u>	<u>15,490,727</u>
<b>Total Capital Assets Being Depreciated</b>	<u>131,893,367</u>	<u>1,039,331</u>	<u>(2,348,913)</u>	<u>130,583,785</u>
<b>Less: Accumulated Depreciation For</b>				
Land improvements	449,848	68,810	--	518,658
Buildings and improvements	25,187,396	1,144,817	--	26,332,213
Infrastructure	53,108,225	539,450	--	53,647,675
Vehicles and equipment	<u>12,390,515</u>	<u>1,524,181</u>	<u>(2,162,993)</u>	<u>11,751,703</u>
<b>Total Accumulated Depreciation</b>	<u>91,135,984</u>	<u>3,277,258</u>	<u>(2,162,993)</u>	<u>92,250,249</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 49,736,860</u>	<u>\$ (1,364,117)</u>	<u>\$ (185,920)</u>	<u>\$ 48,186,823</u>

Depreciation was charged to functions as follows:

**Governmental Activities:**

General government	\$ 92,873
Public safety	1,146,884
Public works	988,696
Parks and recreation	203,832
Education	749,559
Public libraries	<u>95,414</u>
<b>Total Governmental Activities Depreciation Expense</b>	<u>\$ 3,277,258</u>

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

**Business-Type Activities:**

	Beginning Balance 7/1/2021	Increases	Decreases	Ending Balance 6/30/2022
<b>Capital Assets Being Depreciated:</b>				
Distribution and collection systems	\$ 3,222,769	\$ 49,900	\$ --	\$ 3,272,669
Machinery and equipment	593,636	477,917	--	1,071,553
Vehicles	<u>317,223</u>	<u>--</u>	<u>--</u>	<u>317,223</u>
<b>Total Capital Assets Being Depreciated</b>	<u>4,133,628</u>	<u>527,817</u>	<u>--</u>	<u>4,661,445</u>
<b>Less: Accumulated Depreciation For</b>				
Distribution and collection systems	(990,443)	(118,874)	--	(1,109,317)
Machinery and equipment	(438,598)	(71,095)	--	(509,693)
Vehicles	<u>(265,103)</u>	<u>(9,065)</u>	<u>--</u>	<u>(274,168)</u>
<b>Total Accumulated Depreciation</b>	<u>(1,694,144)</u>	<u>(199,034)</u>	<u>--</u>	<u>(1,893,178)</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$ 2,439,484</u>	<u>\$ 328,783</u>	<u>\$ --</u>	<u>\$ 2,768,267</u>

Depreciation was charged to functions as follows:

**Business-Type Activities:**

Sewer	\$ 193,560
Nutrition Fund	<u>5,474</u>
<b>Total Business-Type Activities Depreciation Expense</b>	<u>\$ 199,034</u>



# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2022

#### NOTE 6 - LONG-TERM OBLIGATIONS

A summary of long-term obligations as of June 30, 2022, is as follows:

	Original Amount	Date of Issue	Date of Maturity	Interest Rate %	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>									
<b>Bonds and notes:</b>									
<b>Public offerings</b>									
General obligation bonds	\$ 5,000,000	6/12/2013	6/1/2033	2.00-4.00%	\$ 3,060,000	\$ --	\$ 255,000	\$ 2,805,000	\$ 255,000
<b>Direct borrowings and placements:</b>									
General obligation refunding bonds	6,955,000	5/29/2012	6/1/2024	2.85%	1,794,475	--	581,750	1,212,725	595,175
General obligation bonds	4,000,000	5/1/2014	5/1/2029	2.48%	2,440,000	--	265,000	2,175,000	275,000
General obligation bonds	3,990,000	3/5/2015	6/1/2025	1.89%	1,645,000	--	400,000	1,245,000	410,000
General obligation bonds	2,500,000	5/24/2016	5/1/2031	2.19%	1,755,000	--	160,000	1,595,000	160,000
General obligation bonds	1,238,000	11/16/2016	11/1/2031	2.63%	950,000	--	76,000	874,000	78,000
Tax increments financing bond	1,400,000	2/15/2017	6/15/2042	4.66%	1,324,000	--	26,000	1,298,000	29,000
General obligation bonds	710,000	8/16/2017	8/15/2027	2.35%	500,000	--	71,429	428,571	71,429
General obligation bonds	5,600,000	6/14/2018	7/15/2028	2.94%	4,630,000	--	510,000	4,120,000	530,000
General obligation refunding bonds	2,800,000	10/16/2019	9/1/2029	2.07%	2,545,000	--	260,000	2,285,000	265,000
<b>Total direct borrowing and placements</b>					<u>17,583,475</u>	<u>--</u>	<u>2,350,179</u>	<u>15,233,296</u>	<u>2,413,604</u>
<b>Total bonds and notes</b>					20,643,475	--	2,605,179	18,038,296	2,668,604
<b>Premiums</b>					103,006	--	10,537	92,469	--
<b>Total bonds, notes and premiums</b>					<u>20,746,481</u>	<u>--</u>	<u>2,615,716</u>	<u>18,130,765</u>	<u>2,668,604</u>
Capital leases payable					1,428,000	--	303,000	1,125,000	185,000
Compensated absences					9,607,771	1,597,732	2,091,912	9,113,591	1,822,718
Net pension liability					173,021,818	6,806,616	10,485,026	169,343,408	--
Net OPEB liability					213,714,369	--	61,315,611	152,398,758	--
<b>Total Governmental Activities</b>					<u>\$ 418,518,439</u>	<u>\$ 8,404,348</u>	<u>\$ 76,811,265</u>	<u>\$ 350,111,522</u>	<u>\$ 4,676,322</u>
<b>Long-Term Liabilities</b>									

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)**

	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate %</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Business-Type Activities:</b>									
<u>Sewer Fund</u>									
<b>Direct borrowings and placements:</b>									
General obligation refunding bonds	6,955,000	6/29/2012	6/1/2024	2.85%	\$ 210,525	\$ --	\$ 68,250	\$ 142,275	\$ 69,825
RIIB Revolving Fund	750,000	4/1/2002	9/1/2022	0.00%	98,765	--	48,580	50,185	50,185
RIIB Revolving Fund	2,500,000	10/6/2009	9/1/2029	2.69%-3.08%	856,000	--	85,000	771,000	65,226
<b>Total direct borrowings and placements</b>					<u>1,165,290</u>	<u>--</u>	<u>201,830</u>	<u>963,460</u>	<u>185,236</u>
<b>Total Business-Type Activities</b>									
<b>Long-Term Liabilities</b>					<u>\$ 1,165,290</u>	<u>\$ --</u>	<u>\$ 201,830</u>	<u>\$ 963,460</u>	<u>\$ 185,236</u>

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

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)**

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

Fiscal Year Ending June 30,	Pubic Offerings		Direct Borrowings and Placements			
	Governmental Activities		Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 255,000	\$ 98,430	\$ 2,413,604	\$ 396,634	\$ 185,236	\$ 50,878
2024	255,000	88,230	2,483,979	335,204	142,072	43,032
2025	255,000	80,580	1,913,429	271,861	69,018	35,041
2026	255,000	72,930	1,547,429	224,758	73,264	26,882
2027	255,000	55,335	1,598,429	193,626	77,509	22,687
2028-2032	1,275,000	195,585	4,411,429	397,321	416,361	48,192
2033-2037	255,000	9,435	386,000	168,972	--	--
2038-2041	--	--	478,997	61,978	--	--
	<u>\$ 2,805,000</u>	<u>\$ 600,525</u>	<u>\$ 15,233,296</u>	<u>\$ 2,050,355</u>	<u>\$ 963,460</u>	<u>\$ 226,712</u>

**TAX INCREMENT FINANCING BONDS**

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

In fiscal year 2017, the Town issued \$1,400,000 in special obligation tax increment revenue bonds. The debt service on these bonds is payable solely from the tax increment generated by the property within the project area. The Town and its taxpayer are not liable for such bonds, except to the extent of the additional property taxes generated within the project area 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 \$2,146,071 payable through 2041. For the current year, principal and interest paid was \$22,000 and \$62,724, respectively..

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

#### *TAX INCREMENT FINANCING BONDS (CONTINUED)*

In fiscal year 2022, the Town issued \$550,000 in special obligation tax increment revenue bonds. The debt service on these bonds is payable solely from the tax increment generated by the property within the project area. The Town and its taxpayer are not liable for such bonds, except to the extent of the additional property taxes generated within the project area and dedicated to repayment of the bonds. If the project does not generate enough additional taxes to pay the debt service on the bonds, the bondholders do not have any rights for claims against the Town's other taxes and revenues. The special obligation tax increment revenue bonds are not general obligations of the Town nor do they count against the Town's statutory debt limit. Total principal and interest remaining on the bonds is \$542,000 payable through 2046. For the current year, principal and interest paid was \$8,000 and \$0, respectively.

#### *CAPITAL LEASES*

At June 30, 2022, scheduled annual debt service requirements to maturity for governmental capital leases are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activity</u>
2023	\$ 197,597
2024	195,340
2025	193,082
2026	195,795
2027	193,477
Thereafter	191,159
Total minimum lease payments	1,166,450
Less: amount for interest	<u>(41,450)</u>
Present value of Minimum Lease Payments	<u>\$ 1,125,000</u>

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 7 - FUND BALANCES**

The Town has classified governmental fund balances at June 30, 2022 as follows:

**Non-Spendable:**

General Fund - prepaid expenditures	\$ 724,501
School Unrestricted Fund - prepaid expenditures	83,634
<b>Total Non-Spendable</b>	<b>\$ 808,135</b>

**Restricted:**

School Special Revenue - grant funds	\$ 575,207
ARPA Funds	907
Town Special Revenue - grant funds	805,092
Capital Projects	2,460,091
<b>Total Restricted Fund Balance</b>	<b>\$ 3,841,297</b>

**Committed:**

Town Special Revenue - nongrant funds	\$ 3,228,619
Capital Projects	2,780,633
<b>Total Assigned Fund Balance</b>	<b>\$ 6,009,252</b>

**Unassigned:**

General Fund	\$ 44,114,270
School Special Revenue - deficit fund balances	(128,745)
Capital Projects - deficit fund balances	(2,492,054)
School Unrestricted Fund - deficit fund balance	(955,630)
<b>Total Unassigned Fund Balance</b>	<b>\$ 40,537,841</b>

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 7 - FUND BALANCES (CONTINUED)

For the year ended June 30, 2022, the following funds recognized an operating deficit:

#### **Governmental Funds:**

##### *School Special Revenue Funds:*

Title III	\$	653
Perkins		6,385
Champlin Manufact		20,682
Janice Mele Scholarship		500
AIR Grant		1,155
Student Activities		21,381
Total School Department Funds		<u>50,756</u>

##### *Town Special Revenue Funds:*

Memorial Library		10,718
CDBG		6,593
Police State		3,562
Total Town Special Revenue Funds		<u>20,873</u>

##### *Capital Project Funds:*

Fire Equipment		300,679 *
Capital Projects Series A		166,251 *
2018 Capital Projects		10,879 *
Capital Lease Fund		179,371 *
Rainone Gym		5,883 *
School Bond Fund		2,492,054 *
Total Capital Project Funds		<u>3,155,117</u>

School Unrestricted		<u>16,996</u>
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<b>Total Operating Deficits - Governmental Funds</b>	<b>\$</b>	<b><u>3,243,742</u></b>
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#### **Proprietary Funds:**

Internal Service Funds	\$	4,858,792 **
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<b>Total Operating Deficits - Proprietary Funds</b>	<b>\$</b>	<b><u>4,858,792</u></b>
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\* Fund spent down accumulated funding in conjunction with capital plan

\*\* Deficit due to contribution to OPEB and transfer to school department

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 7 - FUND BALANCES (CONTINUED)**

At June 30, 2022, the following funds had a deficit (negative) fund balance or deficit net position, as applicable:

**Proprietary Funds:**

*Non-Major Proprietary Funds:*

Summer School	\$	46,087	*
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<b>Total Cummulative Deficits - Proprietary Funds</b>	<b>\$</b>	<b>46,087</b>	
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**Governmental Funds:**

School Unrestricted Fund	\$	871,996	**
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*School Special Revenue Funds:*

IDEA Pre K	\$	1,213	**
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Student Support		6,200	**
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CTE Consultant		300	**
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Title III		314	**
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Title IV		1,742	**
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Perkins		5,629	**
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RTTT		1,000	**
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EL Categorical		7,112	**
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SBA Tech		96,529	**
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Feinstein Grant		553	**
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Target Grant		3,786	**
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Misc Donations		144	**
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AJR Grant		4,223	**
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Total School Special Revenue Funds		<u>128,745</u>	
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*Capital Project Funds:*

School Bond Fund		<u>2,492,054</u>	***
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Total Capital Project Funds		<u>2,492,054</u>	
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<b>Total Cummulative Deficits - Governmental Funds</b>	<b>\$</b>	<b>1,000,741</b>	
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\* Deficit will be covered via user fees  
 \*\* Deficit will be covered via transfer of funds or additional revenue sources  
 \*\*\* Deficit will be covered via long-term debt proceeds

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 8 - PENSION PLANS

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

#### *MUNICIPAL PLAN*

##### *Plan Description*

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

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

##### *Benefits Provided*

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

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



# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 8 - PENSION PLANS (CONTINUED)

#### *MUNICIPAL PLAN (CONTINUED)*

##### *Benefits Provided (Continued)*

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

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

##### *General Employees*

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

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

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

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

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 8 - PENSION PLANS (CONTINUED)

#### *MUNICIPAL PLAN (CONTINUED)*

#### *Benefits Provided (Continued)*

#### *General Employees (Continued)*

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

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

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

#### *Police and Fire Employees*

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

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

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

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

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 8 - PENSION PLANS (CONTINUED)

#### *MUNICIPAL PLAN (CONTINUED)*

#### *Benefits Provided (Continued)*

#### *Police and Fire Employees (Continued)*

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

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

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

#### *Other Benefit Provisions*

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

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

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

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 8 - PENSION PLANS (CONTINUED)

#### *MUNICIPAL PLAN (CONTINUED)*

#### *Benefits Provided (Continued)*

#### *Other Benefit Provisions (Continued)*

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

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

c. The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on every fourth year provision described in (a) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016, and \$26,098 for 2017.

#### *Employees Covered by Benefit Terms*

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

	General	Police	Fire
Retirees and beneficiaries	239	0	6
Inactive, nonretired members	128	2	5
Active members	214	21	71
	<u>581</u>	<u>23</u>	<u>82</u>

#### *Contributions*

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

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 8 - PENSION PLANS (CONTINUED)**

*MUNICIPAL PLAN (CONTINUED)*

*Contributions (Continued)*

are required to contribute 8.25%. Public safety employees are required to contribute 10% of their salaries. The Town contributes at a rate of covered payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town contributed \$1,338,951, \$139,725 and \$569,919 for general, police and fire, respectively, in the year ended June 30, 2022, which was 16.98%, 9.05% and 10.91% of covered payroll, respectively.

*Net Pension Liability*

The total pension liability was determined by actuarial valuations performed as of June 30, 2020, and rolled forward to June 30, 2021, using the following actuarial assumptions applied to all periods included in the measurement:

<b>Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2021 measurement date (June 30, 2020 valuation rolled forward to June 30, 2021)</b>	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	General Employees - 3.50% to 7.50%; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.5 %
Mortality	Mortality – variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.
Cost of Living Adjustments	The known COLA for certain MERS units in calendar years 2019 and 2020 were 1.86% and 1.56%, respectively, and this was reflected in the June 30, 2019 valuation. All future COLAs were assumed to be 2.1% per annum for all MERS units with the COLA provision.

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

*MUNICIPAL PLAN (CONTINUED)*

*Net Pension Liability (Continued)*

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

The long-term expected rate of return best-estimate on pension plan investments were determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 39 sources. The June 30, 2021, expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

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

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

### NOTE 8 - PENSION PLANS (CONTINUED)

#### *MUNICIPAL PLAN (CONTINUED)*

#### *Net Pension Liability (Continued)*

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
<i>GROWTH</i>		
<b>Global Equity:</b>		
U.S. Equity	23.20%	5.83%
International Developed Equity	11.80%	6.35%
Emerging Markets Equity	5.00%	8.04%
<b>Sub-Total</b>	<b>40.00%</b>	
<b>Private Growth:</b>		
Private Equity	11.25%	9.47%
Non-Core RE	2.25%	5.32%
OPP Private Credit	1.50%	9.47%
<b>Sub-Total</b>	<b>15.00%</b>	
<i>INCOME</i>		
High Yield Infrastructure	1.00%	3.19%
REITS	1.00%	5.32%
Equity Options	2.00%	5.59%
EMD (50/50 Blend)	2.00%	1.96%
Liquid Credit	2.80%	3.19%
Private Credit	3.20%	3.19%
<b>Sub-Total</b>	<b>12.00%</b>	
<i>STABILITY</i>		
<b>Crisis Protection Class:</b>		
Treasury Duration	5.00%	-0.32%
Systematic Trend	5.00%	3.39%
<b>Sub-Total</b>	<b>10.00%</b>	
<b>Inflation Protection:</b>		
Core Real Estate	3.60%	5.32%
Private Infrastructure	2.40%	5.81%
TIPs	2.00%	0.30%
<b>Sub-Total</b>	<b>8.00%</b>	
<b>Volatility Protection:</b>		
IG Fixed Income	3.25%	1.14%
Securitized Credit	3.25%	1.14%
Absolute Return	6.50%	3.39%
Cash	2.00%	-0.32%
<b>Sub-Total</b>	<b>15.00%</b>	
<b>Total</b>	<b>100.00%</b>	

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 8 - PENSION PLANS (CONTINUED)**

*MUNICIPAL PLAN (CONTINUED)*

***Discount Rate***

The discount rate used to measure the total pension liability of the plan was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	General	Police	Fire	Total
<b>Pension Liability:</b>				
Balances as of July 1, 2020	\$ 46,381,813	\$ 1,405,926	\$ 14,083,670	\$ 61,871,409
<b>Changes for the year:</b>				
Service cost	634,732	266,164	898,029	1,798,925
Interest on the total pension liability	3,151,783	107,731	1,009,292	4,268,806
Difference between expected and actual experience	1,085,623	(31,411)	(159,421)	894,791
Benefit payments	(3,347,412)	--	(228,461)	(3,575,873)
Balances as of June 30, 2021	<u>47,906,539</u>	<u>1,748,410</u>	<u>15,603,109</u>	<u>65,258,058</u>
<b>Fiduciary Net Position:</b>				
Balances as of July 1, 2020	32,293,759	1,398,861	11,533,198	45,225,818
Employer contributions	1,276,570	135,257	539,324	1,951,151
Employee contributions	180,496	134,957	456,625	772,078
Pension plan net investment income	8,379,483	460,678	3,391,126	12,231,287
Benefit payments	(3,347,412)	--	(228,461)	(3,575,873)
Pension plan administrative expense	(31,928)	(1,755)	(12,921)	(46,604)
Other changes	(8,382)	1,956	--	(6,426)
Balances as of June 30, 2021	<u>38,742,586</u>	<u>2,129,954</u>	<u>15,678,891</u>	<u>56,551,431</u>
Net Pension Liability (Asset)	<u>\$ 9,163,953</u>	<u>\$ (381,544)</u>	<u>\$ (75,782)</u>	<u>\$ 8,706,627</u>



**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

*MUNICIPAL PLAN (CONTINUED)*

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

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
General employee plan	\$ 13,385,797	\$ 9,163,953	\$ 3,775,872
Police employee plan	(237,177)	(381,544)	(565,371)
Fire employee plan	1,225,530	(75,782)	(1,736,015)
Total	<u>\$ 14,374,150</u>	<u>\$ 8,706,627</u>	<u>\$ 1,474,486</u>

*Pension Plan Fiduciary Net Position*

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

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

For the year ended June 30, 2022, the Town recognized pension expense of \$133,870, \$53,687 and \$197,771 for their General, Police and Fire Plans, respectively.

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 8 - PENSION PLANS (CONTINUED)**

***MUNICIPAL PLAN (CONTINUED)***

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

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

	General	Police	Fire	Total
Deferred Outflows of Resources:				
Contributions after the measurement period	\$ 1,338,951	\$ 139,725	\$ 569,919	\$ 2,048,595
Differences between expected and actual experience	829,737	22,097	1,235,712	2,087,546
Changes in assumptions	--	52,407	407,491	459,898
Net differences between projected and actual earnings on pension plan investments	702,963	21,216	205,388	929,567
	\$ 2,871,651	\$ 235,445	\$ 2,418,510	\$ 5,525,606
Deferred Inflows of Resources:				
Differences between expected and actual experience	\$ 269,922	\$ 129,901	\$ 580,075	\$ 979,898
Changes in assumptions	264,069	23,211	63,507	350,787
Net differences between projected and actual earnings on pension plan investments	5,002,935	286,252	2,067,738	7,356,925
	\$ 5,536,926	\$ 439,364	\$ 2,711,320	\$ 8,687,610

An amount of \$2,048,595 reported as deferred outflows of resources related to pensions resulting from the Town's contributions in fiscal year 2022 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period.

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 8 - PENSION PLANS (CONTINUED)**

***MUNICIPAL PLAN (CONTINUED)***

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

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

Year Ended June 30,	Net Deferred Outflows/(Inflows) of Resources			
	General	Police	Fire	Total
2023	\$ (1,111,245)	\$ (71,477)	\$ (365,394)	\$ (1,548,116)
2024	(902,739)	(68,699)	(343,572)	(1,315,010)
2025	(815,024)	(68,279)	(347,079)	(1,230,382)
2026	(1,175,218)	(75,349)	(413,205)	(1,663,772)
2027	--	(4,692)	98,275	93,583
Thereafter	--	(55,148)	508,246	453,098
Total	\$ (4,004,226)	\$ (343,644)	\$ (862,729)	\$ (5,210,599)

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

***TEACHERS’ PLAN***

***Plan Description***

Certain employees of the Town participate in a cost-sharing multiple-employer defined benefit pension plan – the Employees’ Retirement System plan (“ERS”) – administered by the Employees’ Retirement System of the State of Rhode Island (“System”). Under a cost-sharing plan, pension obligations for employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers’ payment of its pension obligation to the plan. The plan provides retirement, disability and death benefits to plan members and beneficiaries.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at <http://www.ersi.org>.

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 8 - PENSION PLANS (CONTINUED)

#### *TEACHERS' PLAN (CONTINUED)*

##### *Benefit Provisions*

The level of benefits provided to participants is established by Chapter 36-10 of the General Laws, which is subject to amendment by the General Assembly. Member benefit provisions vary based on service credits accumulated at dates specified in various amendments to the General Laws outlining minimum retirement age, benefit accrual rates and maximum benefit provisions. In general, members accumulate service credits for each year of service subject to maximum benefit accruals of 80% or 75%. For those hired after June 30, 2012, the benefit accrual rate is 1% per year with a maximum benefit accrual of 40%. Members eligible to retire at September 30, 2009, may retire with 10 years of service at age 60 or after 28 years of service at any age. The retirement eligibility age increases proportionately for other members reflecting years of service and other factors until it aligns with the Social Security Normal Retirement Age, which applies to any member with less than five years of service as of July 1, 2012. Members are vested after five years of service. The plan provides for survivor's benefits for service connected death and certain lump-sum death benefits. Joint and survivor benefit provision options are available to members. Cost of living adjustments are provided but are currently suspended until the collective plans administered by ERSRI reach a funded status of 80%. Until the plans reach an 80% funded status, interim cost of living adjustments are provided at four-year intervals commencing with the plan year ended June 30, 2016. The plan also provides nonservice-connected disability benefits after five years of service and service-connected disability benefits with no minimum service requirement.

##### *Contributions*

The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2019, the Town's teachers were required to contribute 3.75% of their annual covered salary, except that teachers with twenty or more years of service as of June 30, 2012, must contribute 11% of their annual covered salary. The State of Rhode Island ("State") and the Town are required to contribute at an actuarially determined rate, 40% of which is to be paid by the State and the remaining 60% is to be paid by the Town; the rates were 10.94% and 14.78% of annual covered payroll for the fiscal year ended June 30, 2022, for the State and the Town, respectively. The Town contributed \$3,692,622, \$3,577,433, and \$4,247,379 for the fiscal years ended June 30, 2022, 2021, and 2020, respectively, equal to 100% of the required contributions for each year. The State's share of contribution for fiscal 2022 was \$2,727,637 and is reported as on-behalf payments and included in both revenue and expenditures on the financial statements.

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

*TEACHERS' PLAN (CONTINUED)*

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

At June 30, 2022, the Town reported a liability of \$30,967,192 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the State. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ 30,967,192
State's proportionate share of the net pension liability	<u>22,964,949</u>
Total Net Pension Liability	<u>\$ 53,932,141</u>

The net pension liability was measured as of June 30, 2021, 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, 2020, rolled forward to June 30, 2021. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State, actuarially determined. At June 30, 2021, the Town's proportion was 1.32%.

For the year ended June 30, 2022, the Town recognized gross pension expense of \$2,435,528 and revenue of \$1,150,690 for support provided by the State.

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

***TEACHERS' PLAN (CONTINUED)***

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

At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Deferred Outflows of Resources**

Contributions subsequent to the measurement date	\$ 3,692,622
Difference between expected and actual experience	310,828
Changes in assumptions	1,296,770
Net difference between projected and actual earnings on pension plan investments	1,039,098
Change in proportion and differences between employer contributions and proportionate share of contributions	<u>961,155</u>

Total \$ 7,300,473

**Deferred Inflows of Resources**

Difference between expected and actual experience	\$ 1,000,259
Changes in assumptions	681,001
Net difference between projected and actual earnings on pension plan investments	8,287,337
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>2,415,272</u>

Total \$ 12,383,869

An amount of \$3,692,622 reported as deferred outflows of resources related to pensions resulting from the School's contributions in fiscal year 2022 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

*TEACHERS' PLAN (CONTINUED)*

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

Year Ended June 30,	
2023	\$ (1,618,939)
2024	(1,695,881)
2025	(2,010,874)
2026	(2,638,195)
2027	(582,932)
Thereafter	<u>(229,197)</u>
Total	<u>\$ (8,776,018)</u>

*Actuarial Assumptions*

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

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

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

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

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

*TEACHERS' PLAN (CONTINUED)*

*Actuarial Assumptions (Continued)*

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 39 sources. The June 30, 2021, expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:



**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 8 - PENSION PLANS (CONTINUED)**

***TEACHERS' PLAN (CONTINUED)***

***Actuarial Assumptions (Continued)***

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
<i>GROWTH</i>		
<b>Global Equity:</b>		
U.S. Equity	23.20%	5.83%
International Developed Equity	11.80%	6.35%
Emerging Markets Equity	5.00%	8.04%
<b>Sub-Total</b>	<b>40.00%</b>	
<b>Private Growth:</b>		
Private Equity	11.25%	9.47%
Non-Core RE	2.25%	5.32%
OPP Private Credit	1.50%	9.47%
<b>Sub-Total</b>	<b>15.00%</b>	
<i>INCOME</i>		
High Yield Infrastructure	1.00%	3.19%
REITS	1.00%	5.32%
Equity Options	2.00%	5.59%
EMD (50/50 Blend)	2.00%	1.96%
Liquid Credit	2.80%	3.19%
Private Credit	3.20%	3.19%
<b>Sub-Total</b>	<b>12.00%</b>	
<i>STABILITY</i>		
<b>Crisis Protection Class:</b>		
Treasury Duration	5.00%	-0.32%
Systematic Trend	5.00%	3.39%
<b>Sub-Total</b>	<b>10.00%</b>	
<b>Inflation Protection:</b>		
Core Real Estate	3.60%	5.32%
Private Infrastructure	2.40%	5.81%
TIPs	2.00%	0.30%
<b>Sub-Total</b>	<b>8.00%</b>	
<b>Volatility Protection:</b>		
IG Fixed Income	3.25%	1.14%
Securitized Credit	3.25%	1.14%
Absolute Return	6.50%	3.39%
Cash	2.00%	-0.32%
<b>Sub-Total</b>	<b>15.00%</b>	
<b>Total</b>	<b>100.00%</b>	

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

*TEACHERS' PLAN (CONTINUED)*

*Actuarial Assumptions (Continued)*

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

*Discount Rate*

The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
\$ 39,109,192	\$ 30,967,192	\$ 20,575,673

*Pension Plan Fiduciary Net Position*

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

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

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 8 - PENSION PLANS (CONTINUED)

#### *TEACHERS' SURVIVORS BENEFIT*

##### *Plan Description*

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

The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at <http://www.ersri.org>.

##### *Benefit Provisions*

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

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

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

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

***TEACHERS' SURVIVORS BENEFIT (CONTINUED)***

***Benefit Provisions (Continued)***

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

<u>Highest Annual Salary</u>	<u>Basic Monthly Spouses' benefit</u>
\$17,000 or less	\$ 825
\$17,001 to \$25,000	\$ 963
\$25,001 to \$33,000	\$ 1,100
\$33,001 to \$40,000	\$ 1,238
\$40,001 and over	\$ 1,375

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

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

***Contributions***

The contribution requirements of active employees and the participating school districts were established under Chapter 16-16 of the Rhode Island General Laws, which may be amended by the General Assembly. The cost of the benefits provided by the plan are two percent (2%) of the member's annual salary up to but not exceeding an annual salary of \$11,500; one-half (1/2) of the cost is contributed by the member by deductions from his or her salary, and the other half (1/2) is contributed and paid by the respective school district by which the member is employed. These contributions are in addition to the contributions required for regular pension benefits. The Town contributed \$40,001, \$37,661 and \$41,379 for the fiscal years ended June 30, 2022, 2021 and 2020, respectively, equal to 100% of the required contributions for each year.

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

At June 30, 2022 the Town reported an asset of \$10,010,912 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2021, 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, 2020 rolled forward to June 30, 2021. The Town's proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2021 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2021 the Town's proportion was 5.12%.

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

***TEACHERS' SURVIVORS BENEFIT (CONTINUED)***

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

For the year ended June 30, 2022, the Town recognized pension expense of (\$1,160,585).

At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Deferred Outflows of Resources**

Contributions subsequent to the measurement date	\$ 40,001
Difference between expected and actual experience	370,995
Changes in assumptions	314,187
Net difference between projected and actual earnings on pension plan investments	357,708
Change in proportion and differences between employer contributions and proportionate share of contributions	<u>413,247</u>
Total	<u>\$ 1,496,138</u>

**Deferred Inflows of Resources**

Difference between expected and actual experience	\$ 1,074,903
Changes in assumptions	360,467
Net difference between projected and actual earnings on pension plan investments	2,832,565
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>476,172</u>
Total	<u>\$ 4,744,107</u>

An amount of \$40,001 reported as deferred outflows of resources related to pensions resulting from the Town's contributions in fiscal year 2022 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

*TEACHERS' SURVIVORS BENEFIT (CONTINUED)*

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

Year Ended June 30,	
2023	\$ (723,412)
2024	(692,511)
2025	(787,260)
2026	(874,274)
2027	(173,768)
Thereafter	<u>(36,745)</u>
Total	<u>\$ (3,287,970)</u>

*Actuarial Assumptions*

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

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

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

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

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

*TEACHERS' SURVIVORS BENEFIT (CONTINUED)*

*Actuarial Assumptions (Continued)*

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 39 sources. The June 30, 2021, expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

### NOTE 8 - PENSION PLANS (CONTINUED)

#### *TEACHERS' SURVIVORS BENEFIT (CONTINUED)*

#### *Actuarial Assumptions (Continued)*

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
<i>GROWTH</i>		
<b>Global Equity:</b>		
U.S. Equity	23.00%	6.31%
International Developed Equity	12.10%	6.71%
Emerging Markets Equity	4.90%	8.69%
<b>Sub-Total</b>	<b>40.00%</b>	
<b>Private Growth:</b>		
Private Equity	11.25%	9.71%
Non-Core RE	2.25%	5.66%
OPP Private Credit	1.50%	9.71%
<b>Sub-Total</b>	<b>15.00%</b>	
<i>INCOME</i>		
High Yield Infrastructure	1.00%	3.88%
REITS	1.00%	5.66%
Equity Options	2.00%	6.04%
EMD (50/50 Blend)	2.00%	2.28%
Liquid Credit	2.80%	3.88%
Private Credit	3.20%	3.88%
<b>Sub-Total</b>	<b>12.00%</b>	
<i>STABILITY</i>		
<b>Crisis Protection Class:</b>		
Treasury Duration	5.00%	0.10%
Systematic Trend	5.00%	3.84%
<b>Sub-Total</b>	<b>10.00%</b>	
<b>Inflation Protection:</b>		
Core Real Estate	3.60%	5.66%
Private Infrastructure	2.40%	6.06%
TIPs	2.00%	0.74%
<b>Sub-Total</b>	<b>8.00%</b>	
<b>Volatility Protection:</b>		
IG Fixed Income	3.25%	1.54%
Securitized Credit	3.25%	1.54%
Absolute Return	6.50%	3.84%
Cash	2.00%	0.10%
<b>Sub-Total</b>	<b>15.00%</b>	
<b>Total</b>	<b>100.00%</b>	



**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

*TEACHERS' SURVIVORS BENEFIT (CONTINUED)*

*Actuarial Assumptions (Continued)*

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

*Discount Rate*

The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
\$ 9,002,783	\$ 10,010,912	\$ 11,297,999

*Pension Plan Fiduciary Net Position*

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

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

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

***LOCAL POLICE AND FIRE PENSION PLAN***

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

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

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

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

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

Police:

Inactive employees or beneficiaries currently receiving benefit payments	108
Vested terminated members entitled to but not yet receiving benefits	2
Active employees	38
Total	<u>148</u>

Fire:

Inactive employees or beneficiaries currently receiving benefit payments	98
Active employees	14
Total	<u>112</u>

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 8 - PENSION PLANS (CONTINUED)

#### *LOCAL POLICE AND FIRE PENSION PLAN (CONTINUED)*

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

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

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

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

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

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

*LOCAL POLICE AND FIRE PENSION PLAN (CONTINUED)*

*Benefits Provided (Continued)*

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

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

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

**Summary of Significant Accounting Policies**

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

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

***LOCAL POLICE AND FIRE PENSION PLAN (CONTINUED)***

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	60.00%	6.40%
International equity - developed markets	10.00%	6.80%
International equity - emerging markets	5.00%	8.50%
Fixed income - core	25.00%	0.40%

*Rate of return* – For the year ended June 30, 2022 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was (13.02)%. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts actually invested.

**Net Pension Liability**

The components of the change in the net pension asset of the Town Plan for the year ended June 30, 2022, were as follows:

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

***LOCAL POLICE AND FIRE PENSION PLAN (CONTINUED)***

Police Plan

Pension Liability:	
Balance at July 1, 2021	\$ 82,865,233
Changes for the year:	
Service cost	1,403,357
Interest	5,740,655
Differences in experience	(363,254)
Benefit payments	<u>(4,518,454)</u>
Net changes	<u>2,262,304</u>
Balance at June 30, 2022	<u>\$ 85,127,537</u>
Fiduciary Net Position:	
Balance at July 1, 2021	\$ 30,537,761
Changes for the year:	
Employer contributions	5,304,197
Member contributions	283,687
Net investment income	(3,977,449)
Benefit payments	(4,518,454)
Administrative expense	(50,875)
Other	<u>1,037,474</u>
Net changes	<u>(1,921,420)</u>
Balance at June 30, 2022	<u>\$ 28,616,341</u>
Town's Net Pension Liability	<u>\$ 56,511,196</u>

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

***LOCAL POLICE AND FIRE PENSION PLAN (CONTINUED)***

Fire Plan

Pension Liability:	
Balance at July 1, 2021	\$ 84,461,829
Changes for the year:	
Service cost	731,813
Interest	5,781,189
Differences in experience	(105,403)
Benefit payments	<u>(5,210,462)</u>
Net changes	<u>1,197,137</u>
Balance at June 30, 2022	<u>\$ 85,658,966</u>
Fiduciary Net Position:	
Balance at July 1, 2021	\$ 29,590,945
Changes for the year:	
Employer contributions	4,549,634
Member contributions	141,434
Net investment income	(3,692,682)
Benefit payments	(5,210,462)
Administrative expense	<u>(50,875)</u>
Net changes	<u>(4,262,951)</u>
Balance at June 30, 2022	<u>\$ 25,327,994</u>
Town's Net Pension Liability	<u>\$ 60,330,972</u>

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

Inflation 2.50 percent

Salary increases 3.75 percent

Discount rate 7.00 percent

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

***LOCAL POLICE AND FIRE PENSION PLAN (CONTINUED)***

*Actuarial assumptions (Continued)*

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

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

*Discount rate* – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Town’s contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the net pension liability to changes in the discount rate* – The following presents the net pension liability of the Town, calculated using the discount rate of 7.0%, as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%).

Police Plan:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 67,043,767	\$ 56,511,196	\$ 47,871,586

Fire Plan:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 70,230,380	\$ 60,330,972	\$ 52,127,516



**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

***LOCAL POLICE AND FIRE PENSION PLAN (CONTINUED)***

*Pension Expense and Deferred Outflows and Inflows of Resources*

For the year ended June 30, 2022, the Town recognized pension expense related to the Police Plan of \$3,950,137 and pension expense related to the Fire Plan of \$4,865,909. At June 30, 2022, the Town reported deferred outflows and inflows of resources related to the Plan from the following sources:

Police Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual earnings on investments	\$ 2,633,976	\$ 2,315,668

Fire Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual earnings on investments	\$ 2,357,282	\$ 2,237,990

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

Police Plan

Year Ended June 30:	
2023	\$ 109,693
2024	(186,753)
2025	(842,043)
2026	1,237,411
	\$ 318,308

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

*LOCAL POLICE AND FIRE PENSION PLAN (CONTINUED)*

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

Fire Plan

Year Ended June 30:	
2023	\$ 109,982
2024	(223,352)
2025	(916,156)
2026	<u>1,148,818</u>
	<u>\$ 119,292</u>

Payable to the Plan

The Town does not have a reported payable liability to the Plan as of June 30, 2022.

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 8 - PENSION PLANS (CONTINUED)**

The following schedules present the net position held in trust for pension and OPEB benefits at June 30, 2022 and the changes in net position for the year ended June 30, 2022.

	Police / Fire Pension Trust	Town OPEB Trust	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 90,539	\$ --	\$ 90,539
Accounts Receivable	937,600	--	937,600
Investments, at fair value:			
Money market mutual funds	52,166,343	9,494,478	61,660,821
Prepaid items	854,209	--	854,209
<b>Total Assets</b>	<u>54,048,691</u>	<u>9,494,478</u>	<u>63,543,169</u>
Accrued expenses	2,916	--	2,916
Deposits held in custody for others	101,441	--	101,441
Claims and judgments	--	--	-
<b>Total Liabilities</b>	<u>104,357</u>	<u>--</u>	<u>104,357</u>
<b>Net Position</b>			
Restricted for other post-employment benefits	--	9,494,478	9,494,478
Restricted for pension benefits	53,944,334	--	53,944,334
<b>Total Net Position</b>	<u>\$ 53,944,334</u>	<u>\$ 9,494,478</u>	<u>\$ 63,438,812</u>

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 8 - PENSION PLANS (CONTINUED)**

	Police / Fire Pension Trust	Town OPEB Trust	Total
<b>Additions</b>			
Contributions:			
Employer contributions	\$ 9,853,831	\$ 11,513,989	\$ 21,367,820
Plan member contributions	425,121	--	425,121
Other income	1,037,474	--	1,037,474
<b>Total Contributions</b>	<u>11,316,426</u>	<u>11,513,989</u>	<u>22,830,415</u>
Investment earnings:			
Net change in fair value of investments	(8,646,270)	--	(8,646,270)
Interest and dividends	976,139	(1,467,244)	(491,105)
<b>Total Investment Earnings</b>	<u>(7,670,131)</u>	<u>(1,467,244)</u>	<u>(9,137,375)</u>
<b>Total Additions</b>	<u>3,646,295</u>	<u>10,046,745</u>	<u>13,693,040</u>
<b>Deductions</b>			
Benefits paid	9,728,916	7,691,989	17,420,905
Administration	101,750	24,650	126,400
<b>Total Deductions</b>	<u>9,830,666</u>	<u>7,716,639</u>	<u>17,547,305</u>
<b>Change in Net Position</b>	(6,184,371)	2,330,106	(3,854,265)
<b>Net Position - Beginning of Year</b>	<u>60,128,705</u>	<u>7,164,372</u>	<u>67,293,077</u>
<b>Net Position - End of Year</b>	<u>\$ 53,944,334</u>	<u>\$ 9,494,478</u>	<u>\$ 63,438,812</u>

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

***DEFINED CONTRIBUTION PLAN***

***Plan Description***

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

The Town recognized pension expense of \$789,573 for the fiscal year ended June 30, 2022. The System issues a publicly available financial report that includes financial statements and required supplementary information for plans administered by the System. The report may be obtained at <https://www.ersi.org>.

***FIRE LONGEVITY PLAN***

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

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

Retired members and beneficiaries	95
Active employees	88
Total	<u>183</u>

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 8 - PENSION PLANS (CONTINUED)

#### *FIRE LONGEVITY PLAN (CONTINUED)*

##### *Benefits Provided –*

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

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

##### Summary of Significant Accounting Policies

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

##### Total Pension Liability

The components of the change in the total pension liability of the Town Plan for the year ended June 30, 2022, were as follows:

Pension Liability:	
Balance at July 1, 2021	\$ 5,563,479
Changes for the year:	
Service cost	362,488
Changes in assumptions	3,604,621
Benefit payments	<u>(235,589)</u>
Net changes	<u>3,731,520</u>
Total Pension Liability	<u>\$ 9,294,999</u>

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

***FIRE LONGEVITY PLAN (CONTINUED)***

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

Inflation 2.50 percent

Salary increases 3.25 percent

Discount rate 2.16 percent

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

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

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total Pension Liability	\$ 11,088,039	\$ 9,294,999	\$ 7,917,805

*Pension Expense*

For the year ended June 30, 2022, the Town recognized pension expense related to the Fire Longevity Plan of \$126,899.

Payable to the Plan

The Town does not have a reported payable liability to the Plan as of June 30, 2022.

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

***POLICE COST OF LIVING ADJUSTMENT PLAN***

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

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

Retired members and beneficiaries	--
Active employees	<u>24</u>
Total	<u><u>24</u></u>

*Benefits Provided* –

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

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

**Summary of Significant Accounting Policies**

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



**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

***POLICE COST OF LIVING ADJUSTMENT PLAN (CONTINUED)***

Total Pension Liability

The components of the change in the total pension liability of the Town Plan for the year ended June 30, 2022, were as follows:

Pension Liability:	
Balance at July 1, 2021	\$ 242,086
Changes for the year:	
Service cost	67,666
Benefit payments	<u>(67,666)</u>
Net changes	<u>    --</u>
 Total Pension Liability	 <u><u>\$ 242,086</u></u>

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

Inflation 2.50 percent

Salary increases 3.00 percent

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

*Pension Expense*

For the year ended June 30, 2022, the Town recognized pension expense related to the Plan of \$35,907.

Payable to the Plan

The Town does not have a reported payable liability to the Plan as of June 30, 2022.

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

***FIRE COST OF LIVING ADJUSTMENT PLAN***

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

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

Retired members and beneficiaries	10
Active employees	83
Total	<u>93</u>

*Benefits Provided* –

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

*Summary of Significant Accounting Policies*

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

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

*FIRE COST OF LIVING ADJUSTMENT PLAN (CONTINUED)*

Total Pension Liability

The components of the change in the total pension liability of the Town Plan for the year ended June 30, 2022, were as follows:

Pension Liability:	
Balance at July 1, 2021	\$ 2,833,010
Changes for the year:	
Service cost	388,794
Benefit payments	<u>(388,794)</u>
Net changes	<u>          --</u>
Total Pension Liability	<u>\$ 2,833,010</u>

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

Inflation 2.50 percent

Salary increases 3.00 percent

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

*Pension Expense*

For the year ended June 30, 2022, the Town recognized pension expense related to the Plan of \$177,046.

Payable to the Plan

The Town does not have a reported payable liability to the Plan as of June 30, 2022.

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 - PENSION PLANS (CONTINUED)**

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

	MERS General Plan	MERS Police Plan	MERS Fire Plan	Town Police Plan	Town Fire Plan	ERS Teachers Plan	TSB Teachers Plan	Fire Longevity Plan	Police COLA Plan	Fire COLA Plan	Total
Deferred outflows	\$ 2,871,651	\$ 235,445	\$ 2,418,510	\$ 2,237,990	\$ 2,315,668	\$ 7,300,473	\$ 1,496,138	\$ --	\$ --	\$ --	\$ 18,875,875
Deferred inflows	5,536,926	439,364	2,711,320	2,357,282	2,633,976	(12,383,869)	(4,744,107)	--	--	--	(3,449,108)
Net pension liability	9,163,953	--	--	60,330,972	56,511,196	30,967,192	--	9,294,999	242,086	2,833,010	169,343,408
Net pension asset	--	381,544	75,782	--	--	--	10,010,912	--	--	--	10,468,238
Pension expense	133,870	53,687	197,771	3,950,137	4,865,909	1,229,184	(1,160,585)	126,899	35,907	177,046	9,609,825

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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

***Plan Description***

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

***Covered Participants***

At June 30, 2022, the date of the latest actuarial valuation, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments	636
Active employees	594
Total	<u>1,230</u>

***Funding Policy and Benefits Provided***

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

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

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

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

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

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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

#### *Funding Policy and Benefits Provided (Continued)*

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

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

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

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

#### *Actuarial Assumptions*

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

- Actuarial cost method – Entry Age Normal
- Healthcare Cost Trend Rates – 8.00 percent decreasing to an ultimate rate of 4.50 percent
- Discount rate – The discount rate used to measure the OPEB liability 4.9% for Town. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to and above the expected benefit payments. Based on those assumptions, the OPEB plan’s net fiduciary position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected payments to determine the total OPEB liability.

The long-term expected rate of return on OPEB plan investments is based on the real rates of returns, the asset allocation percentages. The June 30, 2022, real returns and target asset allocation by major asset class are as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	48.30%	5.10%
Non-U.S. Equity	20.70%	7.40%
U.S. Aggregate Bonds	9.00%	1.20%
Intermediate-Term Credit	5.40%	1.90%
Short-Term Credit	3.60%	1.70%
Intermediate-Term TIPS	5.00%	0.70%
REITs	8.00%	4.00%

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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

*Net OPEB Liability*

OPEB Liability:	
Balance at July 1, 2021	\$ 220,878,741
Changes for the year:	
Service cost	7,087,431
Interest	5,603,598
Changes in assumptions	(70,403,877)
Differences in experience	6,419,332
Benefit payments	<u>(7,691,989)</u>
Net changes	<u>(58,985,505)</u>
Balance at June 30, 2022	<u>\$ 161,893,236</u>
Fiduciary Net Position:	
Balance at July 1, 2021	\$ 7,164,372
Changes for the year:	
Employer contributions	11,513,989
Net investment income	(1,467,244)
Benefit payments	(7,691,989)
Administrative expense	<u>(24,650)</u>
Net changes	<u>2,330,106</u>
Balance at June 30, 2022	<u>\$ 9,494,478</u>
Town's Net OPEB Liability	<u>\$ 152,398,758</u>

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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

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

The following presents the net OPEB liability calculated using the discount rate of 4.90 percent for the Town as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
Town	\$ 177,204,981	\$ 152,398,758	\$ 132,594,290

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

The following presents the net OPEB liability calculated using the healthcare cost trend of 4.5 percent for the Town as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease (3.50%)	Current Health Care Trend Rates (4.50%)	1% Increase (5.50%)
Town	\$ 131,786,939	\$ 152,398,758	\$ 178,257,772

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

For the year ended June 30, 2022, the Town recognized OPEB expense of (\$8,347,723). At June 30, 2022, the Town reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,135,466	\$ 18,600,569
Net difference between projected actual earnings	890,579	--
Changes in assumptions	20,007,663	59,017,520
Total	\$ 26,033,708	\$ 77,618,089



# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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

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

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

<u>Year Ended June 30,</u>	
2023	\$ (16,218,417)
2024	(12,809,649)
2025	(10,172,085)
2026	<u>(12,384,230)</u>
	<u>\$ (51,584,381)</u>

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

### NOTE 10 - CONTINGENCIES AND COMMITMENTS

#### *Litigation*

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

On April 14, 2022, the Town entered into a settlement agreement with the Narragansett Electric Company whereby the Town shall make a one-time lump-sum payment to Narragansett Electric in the amount of \$802,407 to resolve pending disputes and claims and to dismiss the pending tax appeals.

In August, 2019, a trial justice sitting on the Rhode Island Superior Court issued a decision in favor of three (3) retired police officers. This decision concluded that the three (3) officers were entitled to the funds being held in the registry of the court, which as of June, 2021 totaled approximately \$833,782. The Town of Johnston appealed the trial justice's decision to the Rhode Island Supreme Court. The parties filed briefs with the Court and held oral arguments in November, 2021. On May 25, 2022, the Supreme Court issued a Decision which reversed the trial justice's ruling. The Supreme Court held that the trial justice abused his discretion in awarding the three (3) retired officers the funds being held in the registry of the court, and held that said monies belong to the Town.

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 10 - CONTINGENCIES AND COMMITMENTS (CONTINUED)

#### *Grants*

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

### NOTE 11 - RISK MANAGEMENT

#### *Healthcare*

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

The Town currently maintains stop loss insurance to protect the taxpayers from catastrophic loss resulting from excessive health insurance claims. At June 30, 2022 the stop loss insurance contract covered all claims exceeding \$250,000 per individual on an annual basis. In addition, specific stop loss maximum for the Town for the year is maintained at approximately \$1,750,000. Settlements have not exceeded coverage in any of the last three years.

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

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 11 - RISK MANAGEMENT (CONTINUED)

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

	<b>Medical Insurance</b>			
	<b>Liability</b>	<b>Current Year</b>	<b>Claims</b>	<b>Liability</b>
	<b>July 1,</b>	<b>Changes in</b>	<b>Payments</b>	<b>June 30,</b>
		<b>Estimates</b>		
2020-21	\$ 1,940,109	\$ 20,267,594	\$ (20,836,426)	\$ 1,371,277
2021-22	1,371,277	19,810,572	(20,327,012)	854,837

#### *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 a Trust, the participation agreement requires three months' notice and the payment of a severance penalty.

#### *Net Position*

At June 30, 2022, net position is split between the Town and School Department at \$2,919,899 and \$2,640,024, respectively.

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 12 - OTHER AGREEMENTS

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

The terms of the agreement are as follows:

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

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

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

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

Total revenue of \$3,378,487 was received under the terms of the agreement for the year ended June 30, 2022.

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 13 - TAX ABATEMENTS

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

As of June 30, 2022, the Town 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, 2022.

#### *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, 2022 were \$620,695.
- 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, 2022 were \$57,031.
- Agreement was entered into on June 29, 2017 between the Town and WED Developers for seven wind turbines at \$20,000 per year, regarding tax stabilization. The term of the agreement is for the period of 20 years at \$140,000 per year.
- A tax stabilization agreement was entered into on November 19, 2021 between the Town and Amazon.com Services, LLC, a Delaware limited liability company. The term of the agreement is 20 years with the first payment due on January 1, 2024. Each payment is due on the first of each calendar year. Payments begin at \$5,700,000 in year one escalating up to \$9,112,306 by year twenty for a total payment schedule of \$145,604,548.
- In addition, on November 19, 2021, the Town and Amazon.com Services LLC entered into a Community Partnership Agreement. Amazon, as a result of this project, intends to create 1,500 new permanent full-time positions at its facility at 2120 Hartford Avenue, Johnston, RI. Amazon is committed to approximately \$290 million investment in the project with the personal property value yet to be determined.

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 14 - LEASE RECEIVABLES

The Town is reporting Lease receivables of \$1,527,664 at June 30, 2022. For fiscal year 2022, the Town reported lease revenue of \$87,292 related to lease payments received. These leases are summarized as follows:

Lease	Lease Receivable	Lease Revenue
Verizon Wireless	\$ 341,593	\$ 24,356
AT&T	592,996	26,969
TMobile Northeast LLC	413,733	20,773
TMobile Northeast LLC	691,126	32,266
TMobile Northeast LLC	548,500	20,419
	<u>\$2,587,948</u>	<u>\$ 124,783</u>

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

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

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

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

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

**TOWN OF JOHNSTON, RHODE ISLAND**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 15 - RESTATEMENTS**

The Town recorded the following restatements at July 1, 2021:

<u>Governmental Activities</u>	
Net Position as originally stated at July 1, 2021	\$ (303,500,347)
Restatement for Police COLA Obligation	(242,086)
Restatement for Fire COLA Obligation	<u>(2,833,010)</u>
Net Position at July 1, 2021, as restated	<u>\$ (306,575,443)</u>
<u>Business-Type Activities</u>	
Net Position as originally stated at July 1, 2021	\$ 2,687,677
Restatement to reduce overstated accounts payable - school lunch	<u>111,827</u>
Net Position at July 1, 2021, as restated	<u>\$ 2,799,504</u>
<u>Nonmajor Enterprise Funds</u>	
Net Position as originally stated at July 1, 2021	\$ 342,925
Restatement to reduce overstated accounts payable - school lunch	<u>111,827</u>
Net Position at July 1, 2021, as restated	<u>\$ 454,752</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

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



# TOWN OF JOHNSTON, RHODE ISLAND

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

### LAST SIX FISCAL YEARS

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

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

**TOWN OF JOHNSTON, RHODE ISLAND**

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

**LAST TEN FISCAL YEARS**

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Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution (Deficiency) Excess	Covered Payroll	Actual Contribution as a % of Covered Payroll
2022	\$ 12,184,751	\$ 11,513,989	\$ (670,762)	N/A	N/A
2021	\$ 12,180,877	\$ 6,803,660	\$ (5,377,217)	N/A	N/A
2020	\$ 15,779,391	\$ 7,673,184	\$ (8,106,207)	N/A	N/A
2019	\$ 18,140,760	\$ 7,618,528	\$ (10,522,232)	N/A	N/A
2018	\$ 18,051,553	\$ 9,367,130	\$ (8,684,423)	N/A	N/A
2017	\$ 16,785,322	\$ 6,043,237	\$ (10,742,085)	N/A	N/A
2016	\$ 16,032,814	\$ 6,167,417	\$ (9,865,397)	N/A	N/A
2015	\$ 15,214,424	\$ 4,764,265	\$ (10,450,159)	N/A	N/A
2014	\$ 15,214,424	\$ 4,764,265	\$ (10,450,159)	N/A	N/A
2013	\$ 14,727,631	\$ 5,189,692	\$ (9,537,939)	N/A	N/A

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

**LAST SIX FISCAL YEARS**

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

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

# TOWN OF JOHNSTON, RHODE ISLAND

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

### LAST EIGHT FISCAL YEARS

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

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

# TOWN OF JOHNSTON, RHODE ISLAND

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

### LAST EIGHT FISCAL YEARS

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

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

# TOWN OF JOHNSTON, RHODE ISLAND

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

### LAST EIGHT FISCAL YEARS

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

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

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

**LAST NINE FISCAL YEARS**

	Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution (Deficiency) Excess	Covered Payroll	Actual Contribution as a % of Covered Payroll
<b>General Employees Plan</b>	2022	\$ 1,338,951	\$ 1,338,951	\$ --	\$ 7,886,297	16.98%
	2021	\$ 1,276,570	\$ 1,276,570	\$ --	\$ 7,656,599	16.67%
	2020	\$ 1,293,724	\$ 1,293,724	\$ --	\$ 7,915,866	16.34%
	2019	\$ 1,361,051	\$ 1,361,051	\$ --	\$ 8,437,995	16.13%
	2018	\$ 1,279,294	\$ 1,279,294	\$ --	\$ 8,005,543	15.98%
	2017	\$ 1,313,489	\$ 1,313,489	\$ --	\$ 8,020,555	16.38%
	2016	\$ 1,241,203	\$ 1,241,203	\$ --	\$ 7,835,304	15.84%
	2015	\$ 1,254,378	\$ 1,254,378	\$ --	\$ 7,996,917	15.69%
	2014	\$ 1,050,131	\$ 1,050,131	\$ --	\$ 7,748,594	13.55%
<b>Police Employees Plan</b>	2022	\$ 139,725	\$ 139,725	\$ --	\$ 1,544,501	9.05%
	2021	\$ 135,257	\$ 135,257	\$ --	\$ 1,499,516	9.02%
	2020	\$ 111,070	\$ 111,070	\$ --	\$ 1,240,982	8.95%
	2019	\$ 78,612	\$ 78,612	\$ --	\$ 1,139,280	6.90%
	2018	\$ 65,893	\$ 65,893	\$ --	\$ 902,628	7.30%
	2017	\$ 65,378	\$ 65,378	\$ --	\$ 780,165	8.38%
	2016	\$ 61,293	\$ 61,293	\$ --	\$ 678,916	9.03%
	2015	\$ 56,198	\$ 56,198	\$ --	\$ 605,582	9.28%
	2014	\$ 35,823	\$ 35,823	\$ --	\$ 511,759	7.00%
<b>Fire Employees Plan</b>	2022	\$ 569,919	\$ 569,919	\$ --	\$ 5,225,816	10.91%
	2021	\$ 539,324	\$ 539,324	\$ --	\$ 5,073,608	10.63%
	2020	\$ 516,401	\$ 516,401	\$ --	\$ 4,871,693	10.60%
	2019	\$ 358,292	\$ 358,292	\$ --	\$ 4,689,661	7.64%
	2018	\$ 338,814	\$ 338,814	\$ --	\$ 4,529,668	7.48%
	2017	\$ 334,335	\$ 334,335	\$ --	\$ 4,273,030	7.82%
	2016	\$ 352,791	\$ 352,791	\$ --	\$ 3,990,758	8.84%
	2015	\$ 330,728	\$ 330,728	\$ --	\$ 3,427,246	9.65%
	2014	\$ 276,573	\$ 276,573	\$ --	\$ 3,302,741	8.37%

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**TOWN OF JOHNSTON, RHODE ISLAND**

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

**LAST EIGHT FISCAL YEARS**

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

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



**TOWN OF JOHNSTON, RHODE ISLAND**

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

**LAST NINE FISCAL YEARS**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 3,692,622	\$ 3,577,433	\$ 4,247,379	\$ 3,588,539	\$ 3,558,216	\$ 3,182,090	\$ 2,968,073	\$ 3,538,185	\$ 3,432,039
Contributions in relation to the actuarially determined contribution	<u>3,692,622</u>	<u>3,577,433</u>	<u>4,247,379</u>	<u>3,588,539</u>	<u>3,558,216</u>	<u>3,182,090</u>	<u>2,968,073</u>	<u>3,538,185</u>	<u>3,432,039</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered payroll	<u>\$ 26,571,852</u>	<u>\$ 26,308,765</u>	<u>\$ 26,048,282</u>	<u>\$ 26,137,866</u>	<u>\$ 25,310,860</u>	<u>\$ 23,089,090</u>	<u>\$ 22,674,661</u>	<u>\$ 26,384,676</u>	<u>\$ 25,725,059</u>
Contributions as a percentage of covered payroll	13.90%	13.60%	16.31%	13.73%	14.06%	13.78%	13.09%	13.41%	13.34%

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

**TOWN OF JOHNSTON, RHODE ISLAND**

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

**LAST EIGHT FISCAL YEARS**

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

**Notes:**

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

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

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

**TOWN OF JOHNSTON, RHODE ISLAND**

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

**LAST NINE FISCAL YEARS**

	2022	2021	2020	2019	2018	2015	2016	2015	2014
Actuarially determined contribution	\$ 40,001	\$ 37,661	\$ 41,379	\$ 39,265	\$ 38,175	\$ 29,988	\$ 29,761	\$ 29,256	\$ 30,134
Contributions in relation to the actuarially determined contribution	<u>40,001</u>	<u>37,661</u>	<u>41,379</u>	<u>39,265</u>	<u>38,175</u>	<u>29,988</u>	<u>29,761</u>	<u>29,256</u>	<u>30,134</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered payroll	<u>\$ 26,571,852</u>	<u>\$ 26,308,765</u>	<u>\$ 26,048,282</u>	<u>\$ 26,137,866</u>	<u>\$ 25,310,860</u>	<u>\$ 27,457,413</u>	<u>\$ 22,674,661</u>	<u>\$ 26,384,676</u>	<u>\$ 25,725,059</u>
Contributions as a percentage of covered payroll	0.15%	0.14%	0.16%	0.15%	0.15%	0.11%	0.13%	0.11%	0.12%

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

# TOWN OF JOHNSTON, RHODE ISLAND

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

### LAST NINE FISCAL YEARS

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

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

**TOWN OF JOHNSTON, RHODE ISLAND**

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

**LAST NINE FISCAL YEARS**

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

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

# TOWN OF JOHNSTON, RHODE ISLAND

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

### LAST NINE FISCAL YEARS

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

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

**TOWN OF JOHNSTON, RHODE ISLAND**

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

**LAST NINE FISCAL YEARS**

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

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

**TOWN OF JOHNSTON, RHODE ISLAND**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN TOWN'S FIRE LONGEVITY PENSION LIABILITY AND RELATED RATIOS  
LAST FISCAL YEAR**

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	<u>2022</u>
<b>Total Pension Liability</b>	
Service cost	\$ 362,488
Differences between expected and actual experience	3,604,621
Benefit payments	<u>(235,589)</u>
Net change in total pension liability	3,731,520
Total Pension Liability - Beginning	<u>5,563,479</u>
Total Pension Liability - Ending	<u><u>\$ 9,294,999</u></u>
<b>Covered-employee payroll</b>	\$ 5,270,672
<b>Net pension liability as a percentage of covered-employee payroll</b>	-304.19%

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



**TOWN OF JOHNSTON, RHODE ISLAND**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN TOWN'S POLICE COLA PENSION LIABILITY AND RELATED RATIOS  
LAST FISCAL YEAR**

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	<u>2022</u>
<b>Total Pension Liability</b>	
Service cost	\$ 67,666
Benefit payments	<u>(67,666)</u>
Net change in total pension liability	--
Total Pension Liability - Beginning	<u>242,086</u>
Total Pension Liability - Ending	<u><u>\$ 242,086</u></u>
<b>Covered-employee payroll</b>	\$ 1,512,198
<b>Net pension liability as a percentage of covered-employee payroll</b>	-1658.90%

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

**TOWN OF JOHNSTON, RHODE ISLAND**

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

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	<u>2022</u>
<b>Total Pension Liability</b>	
Service cost	\$ 388,794
Benefit payments	<u>(388,794)</u>
Net change in total pension liability	--
Total Pension Liability - Beginning	<u>2,833,010</u>
Total Pension Liability - Ending	<u><u>\$ 2,833,010</u></u>
<b>Covered-employee payroll</b>	\$ 5,270,672
<b>Net pension liability as a percentage of covered-employee payroll</b>	-426.80%

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

**TOWN OF JOHNSTON, RHODE ISLAND**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN**

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

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

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

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

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

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

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

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

***June 30, 2021 measurement date –***

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

**TOWN OF JOHNSTON, RHODE ISLAND**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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

***June 30, 2020 measurement date –***

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

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

***June 30, 2019 measurement date –***

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

***June 30, 2018 measurement date –***

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

***June 30, 2017 measurement date –***

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

- Decreased the general inflation assumption from 2.75% to 2.50%;
- Decreased the nominal investment return assumption from 7.50% to 7.00%;
- Decreased the general wage growth assumption from 3.25% to 3.00%;
- Decreased salary increase assumptions; and
- Updated the post-retirement mortality tables to variants of the RP-2014 table. For the improvement scale, updated to the ultimate rates of the MP-2016 projection scale.

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

### FOR THE YEAR ENDED JUNE 30, 2022

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

##### *June 30, 2016 measurement date –*

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

##### *June 30, 2015 measurement date –*

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2015 measurement date compared to the June 30, 2014 measurement date.

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

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

# TOWN OF JOHNSTON, RHODE ISLAND

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2022

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

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

### POLICE AND FIRE PLAN

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

Inflation 2.50 percent

Salary increases 3.25 percent

Discount rate 7.00 percent

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

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

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

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

**GENERAL FUND**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property tax	\$ 74,084,165	\$ 74,084,165	\$ 78,103,317	\$ 4,019,152
Stabilization agreements	3,768,486	3,768,486	3,768,487	1
Interest and penalties on taxes	700,000	700,000	985,370	285,370
Intergovernmental	7,884,107	7,884,107	7,745,461	(138,646)
State aid - school	21,028,301	21,028,301	20,605,026	(423,275)
Investment income	150,000	150,000	143,185	(6,815)
Departmental fees and revenues	3,065,600	3,065,600	5,464,901	2,399,301
Miscellaneous	6,031,410	6,031,410	7,001,582	970,172
<b>Total Revenues</b>	<u>116,712,069</u>	<u>116,712,069</u>	<u>123,817,329</u>	<u>7,105,260</u>
<b>Expenditures</b>				
Town council	47,252	47,252	40,222	7,030
Mayor	293,378	293,378	292,600	778
Courts	39,133	39,133	39,675	(542)
Canvassers	113,036	113,036	145,460	(32,424)
Legal	542,917	542,917	1,427,914	(884,997)
Town clerk	370,610	370,610	371,783	(1,173)
Zoning Board	19,281	19,281	17,818	1,463
Finance	1,275,178	1,275,178	1,264,322	10,856
Assessor	343,627	343,627	315,667	27,960
Police department	18,274,002	18,274,002	18,161,166	112,836
Municipal court	269,895	269,895	266,352	3,543
Fire	21,515,173	21,515,173	22,865,825	(1,350,652)
Emergency management	16,148	16,148	16,699	(551)
Street and highways	1,692,711	1,692,711	1,502,908	189,803
Building maintenance	309,522	309,522	304,228	5,294
Public works administration	2,326,801	2,326,801	2,379,238	(52,437)
Sewer department	143,348	143,348	158,621	(15,273)
Fleet maintenance	406,875	406,875	431,515	(24,640)
Inspector's fees	196,985	196,985	228,069	(31,084)
Parks and recreation	1,096,852	1,096,852	1,187,153	(90,301)
Municipal land trust	11,754	11,754	7,386	4,368
General public assistance	3,634	3,634	2,584	1,050
Personnel	101,912	101,912	101,417	495
Administrative and miscellaneous appropriations	2,912,758	2,912,758	2,907,322	5,436
Planning board	138,496	138,496	129,900	8,596
Assessment board	2,745	2,745	2,967	(222)
Library	643,073	643,073	627,626	15,447
Debt services	3,815,157	3,815,157	3,674,307	140,850
Senior services	232,500	232,500	207,934	24,566
<b>Total Expenditures</b>	<u>57,154,753</u>	<u>57,154,753</u>	<u>59,078,678</u>	<u>(1,923,925)</u>

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

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

**GENERAL FUND**

**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Original</b>	<b>Final</b>	<b>Actual (Budgetary Basis)</b>	<b>Variances Favorable (Unfavorable)</b>
<b>Excess of Revenues Over Expenditures Before</b>				
<b>Other Financing Sources (Uses)</b>	59,557,316	59,557,316	64,738,651	5,181,335
<b>Other Financing Uses</b>				
Transfers out	(59,557,316)	(59,557,316)	(63,433,847)	(3,876,531)
<b>Total Other Financing Uses</b>	(59,557,316)	(59,557,316)	(63,433,847)	(3,876,531)
<b>Excess of Revenues and Other Financing Sources Over</b>				
<b>Expenditures and Other Financing Uses - Budgetary Basis</b>	\$ --	\$ --	\$ 1,304,804	\$ 1,304,804
<b>Reconciliation to GAAP Basis</b>				
Investment earnings on restoration fund not part of budget			2,525	
Inclusion of net loss of Town grants fund, Police Detail Fund and Fire Detail fund with the General Fund, for GAAP purposes not part of budget			(47,146)	
<b>Net Change in Fund Balance</b>			\$ 1,260,183	

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



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

**SCHOOL UNRESTRICTED FUND**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
State aid	\$ 19,687,796	\$ 19,687,796	\$ 19,694,913	\$ 7,117
Medicaid	1,025,000	1,025,000	823,103	(201,897)
Other revenues	180,000	180,000	366,934	186,934
<b>Total Revenues</b>	<u>20,892,796</u>	<u>20,892,796</u>	<u>20,884,950</u>	<u>(7,846)</u>
<b>Expenditures</b>				
Salaries	30,098,303	30,098,303	29,892,169	206,134
Fringe benefits	14,351,775	14,351,775	15,717,274	(1,365,499)
Professional services	13,087,408	13,087,408	13,235,210	(147,802)
Supplies and materials	1,365,856	1,365,856	1,094,425	271,431
Capital outlay	518,469	518,469	411,883	106,586
<b>Total Expenditures</b>	<u>59,421,811</u>	<u>59,421,811</u>	<u>60,350,961</u>	<u>(929,150)</u>
<b>Deficiency of Revenues Under Expenditures</b>				
<b>Before Other Financing Sources (Uses)</b>	<u>(38,529,015)</u>	<u>(38,529,015)</u>	<u>(39,466,011)</u>	<u>(936,996)</u>
<b>Other Financing Sources (Uses)</b>				
Operating transfer from Town	38,529,015	38,529,015	38,529,015	--
Transfers in	--	--	920,000	920,000
<b>Total Other Financing Sources (Uses)</b>	<u>38,529,015</u>	<u>38,529,015</u>	<u>39,449,015</u>	<u>920,000</u>
<b>Excess of Expenditures and Other Financing Uses</b>				
<b>Over Revenue and Other Financing Sources</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (16,996)</u>	<u>\$ (16,996)</u>

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

**TOWN OF JOHNSTON, RHODE ISLAND**  
**NOTES TO THE BUDGETARY COMPARISON SCHEDULES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**BUDGETARY DATA AND BUDGETARY COMPLIANCE**

***Budgetary to GAAP Basis Reconciliation***

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

The following reconciliations summarize the differences between the budgetary basis and U.S. GAAP basis for the year ended June 30, 2022 for the School Unrestricted Fund:

<b>Excess of Expenditures and Other Financing Uses</b>			
<b>Over Revenue and Other Financing Sources</b>	\$	(16,996)	
ERSRI on behalf pension revenue		2,727,637	
ERSRI on behalf pension expenditures		<u>(2,727,637)</u>	
<b>Excess of Expenditures and Other Financing Uses Under Revenues</b>			
<b>and Other Financing Sources - GAAP Basis - School Unrestricted Fund</b>	\$	<u><u>(16,996)</u></u>	

## **OTHER SUPPLEMENTARY INFORMATION**

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

# TOWN OF JOHNSTON, RHODE ISLAND

## TAX COLLECTOR'S ANNUAL REPORT

**FOR THE YEAR ENDED JUNE 30, 2022**

Real estate and personal property taxes receivable:

Fiscal Year	July 1, 2021	Current Year				Refunds / Adjustments	Amount to be Collected	FY 2022 Collections	June 30, 2022	FY 2022 Collections Summary			July - August 2022 (FY23) Collections Subject to 60-day FY22 Accrual
		Assessment	Additions	Abatements						July - August 2021 (FY22) Collections Subject to 60-day FY21 Accrual	September -2021 to June 2022 Collections	Total FY 2022 Collections	
2021	\$ --	\$ 76,820,854	\$ 977,232	\$ (523,241)	\$ (76,925)	\$ 77,197,920	\$ 74,155,368	\$ 3,042,552	\$ --	\$ 74,155,368	\$ 74,155,368	\$ 762,603	
2020	3,512,764	--	453,015	(38,455)	138,733	4,066,057	3,315,944	750,113	1,063,140	2,252,804	3,315,944	41,094	
2019	1,247,715	--	--	(27,316)	35,213	1,255,612	840,854	414,758	173,763	667,091	840,854	3,415	
2018	714,259	--	--	(8,189)	910	706,980	231,300	475,680	51,829	179,471	231,300	3,024	
2017	474,804	--	--	(5,537)	(1,872)	467,395	36,972	430,423	4,834	32,138	36,972	1,538	
2016	517,613	--	--	(7,828)	70	509,855	28,914	480,941	3,266	25,648	28,914	644	
2015	519,499	--	--	(3,771)	911	516,639	16,569	500,070	4,190	12,379	16,569	303	
2014	414,344	--	--	(2,763)	392	411,973	15,278	396,695	6,461	8,817	15,278	118	
2013	406,043	--	--	(280)	74	405,837	11,341	394,496	2,675	8,666	11,341	52	
2012	419,360	--	--	(362)	244	419,242	10,065	409,177	2,421	7,644	10,065	192	
2011 and prior	1,440,332	--	--	(2,953)	357	1,437,736	20,408	1,417,328	4,538	15,870	20,408	4,752	
	<u>\$ 9,666,733</u>	<u>\$ 76,820,854</u>	<u>\$ 1,430,247</u>	<u>\$ (620,695)</u>	<u>\$ 98,107</u>	<u>\$ 87,395,246</u>	<u>\$ 78,683,013</u>	<u>\$ 8,712,233</u>	<u>\$ 1,317,117</u>	<u>\$ 77,365,896</u>	<u>\$ 78,683,013</u>	<u>\$ 817,735</u>	
<i>Allowance for Uncollectible Accounts</i>	(4,191,596)							(4,414,219)					
<i>Tax sale receivable</i>	98,004							--					
<b><i>Net Property Tax Receivable</i></b>	<u>\$ 5,573,141</u>							<u>\$ 4,298,014</u>					

**TOWN OF JOHNSTON, RHODE ISLAND**  
**TAX COLLECTOR'S ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

<b>Schedule of Net Assessed Property, Value by Category</b>		
<u>Description of Property</u>	Valuations	
	December 31, 2020	Levy July 1, 2021
Real Property	\$ 2,909,470,347	\$ 59,949,858
Motor Vehicle	245,501,816	4,420,417
Tangible	<u>193,512,074</u>	<u>12,450,579</u>
<b>Total</b>	3,348,484,237	76,820,854
Exemptions	<u>(551,708,362)</u>	<u>--</u>
<b>Net Assessed Value</b>	<u><u>\$ 2,796,775,875</u></u>	<u><u>\$ 76,820,854</u></u>

<b>Reconciliation of Current Year Property Tax Revenue</b>	
Current Year Collections	\$ 78,683,013
July - August 2022 Collections Subject to 60-day FY22 Accrual	<u>817,735</u>
	79,500,748
July - August 2021 Collections Subject to 60-day FY21 Accrual	<u>(1,317,117)</u>
Current Year Property Tax Revenue	78,183,631
Abatements	<u>(80,314)</u>
Current year general fund tax revenue	<u><u>\$ 78,103,317</u></u>

**TOWN OF JOHNSTON, RHODE ISLAND**  
**ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 74,838,010	\$ -
Last Year's Levy Tax Collection	2,293,898	-
Prior Years Property Tax Collection	971,762	-
Interest & Penalty	1,026,751	-
PILOT & Tax Treaty (excluded from levy) Collection	3,768,487	-
Other Local Property Taxes	-	-
Licenses and Permits	212,622	-
Fines and Forfeitures	263,024	-
Investment Income	147,584	-
Departmental	11,290,160	-
Rescue Run Revenue	750,000	-
Police & Fire Detail	608,672	-
Other Local Non-Property Tax Revenues	-	-
Tuition	-	120,373
Impact Aid	-	-
Medicaid	-	823,103
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	1,517,301
CDBG	-	-
COPS Grants	951,181	-
SAFER Grants	-	-
Other Federal Aid Funds	-	2,662,555
COVID - ESSER	-	2,174,648
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	224,664
COVID - ARPA	17,501	-
MV Excise Tax Reimbursement	437,352	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	126,270	-
Library Construction Aid	-	-
Public Service Corporation Tax	363,300	-
Meals & Beverage Tax / Hotel Tax	867,403	-
LEA Aid	-	19,694,913
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	-	-
State Food Service Revenue	-	305,033
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	200,107	235,402
Motor Vehicle Phase Out	5,525,015	-
Other Revenue	445,250	1,138,755
Local Appropriation for Education	-	38,529,015
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
<b>Total Revenue</b>	<b>\$ 105,104,349</b>	<b>\$ 67,425,761</b>
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	1,875,000	920,000
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
<b>Total Other Financing Sources</b>	<b>\$ 1,875,000</b>	<b>\$ 920,000</b>

**TOWN OF JOHNSTON, RHODE ISLAND**  
**ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

<u>EXPENDITURES</u>	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	\$ 798,957	\$ 657,000	\$ 2,400	\$ -	\$ 87,904	\$ 276,225	\$ 1,357,151	\$ 659,992	\$ 5,093,377
Compensation - Group B	-	-	-	-	-	-	-	-	691,013
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	14,462	62,086	-	-	-	21	149,002	57,981	1,266,152
Overtime - Group B	-	-	-	-	-	-	-	-	76,834
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	646,487
Active Medical Insurance - Group A	576,515	226,095	-	-	10,059	159,677	383,933	162,984	1,664,748
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	9,867	10,918	-	-	344	6,410	18,360	7,442	78,985
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	89,263	55,325	184	-	6,733	23,007	115,202	53,919	581,031
Life Insurance	1,177	1,059	-	-	95	561	2,054	995	65,161
State Defined Contribution- Group A	5,648	7,172	-	-	389	2,382	13,043	4,958	110,891
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	352,826	-	-	-	-	30,150	49,484	-	357,737
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	80,377	-	-	-	-	-	-	-	5,304,197
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	106,833	-	-	6,457	37,044	186,222	88,585	140,035
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	477,726	333,746	-	-	5,184	-	30,275	-	16,977
Materials/Supplies	21,015	74,728	-	-	1,523	6,440	65,290	63,845	80,576
Software Licenses	-	39,743	-	-	-	56,392	-	-	45,593
Capital Outlays	4,563	2,132	-	-	-	249	8,217	6,092	5,771
Insurance	646,850	-	-	-	-	-	-	-	-
Maintenance	76,082	-	-	-	2,336	11,386	29,448	48,153	44,858
Vehicle Operations	-	-	-	-	-	-	257,780	23,422	121,410
Utilities	31,176	7,022	-	-	-	17,683	33,766	73,440	70,497
Contingency	13,171	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	346,993	-	-
Revaluation	-	34,400	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	240,046	-	-
Trash Removal & Recycling	-	-	-	-	-	-	1,710,270	-	-
Claims & Settlements	928,195	-	-	-	-	-	-	-	-
Community Support	54,961	-	-	-	-	-	-	-	-
Other Operation Expenditures	137,905	7,970	207,930	-	8,877	17,769	15,429	11,126	140,210
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	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 4,320,734</b>	<b>\$ 1,626,228</b>	<b>\$ 210,514</b>	<b>\$ -</b>	<b>\$ 129,900</b>	<b>\$ 645,395</b>	<b>\$ 5,011,965</b>	<b>\$ 1,262,935</b>	<b>\$ 16,602,541</b>

**TOWN OF JOHNSTON, RHODE ISLAND**  
**ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ 7,211,689	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,144,694	\$ 25,936,309
Compensation - Group B	157,934	-	-	-	-	-	848,947	2,014,233
Compensation - Group C	-	-	-	-	-	-	-	4,078,101
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	3,792,777	-	-	-	-	-	5,342,480	-
Overtime - Group B	10,338	-	-	-	-	-	87,171	-
Overtime - Group C	-	-	-	-	-	-	-	206,950
Police & Fire Detail	-	-	-	-	-	-	646,487	-
Active Medical Insurance- Group A	1,553,852	-	-	-	-	-	4,737,863	5,577,750
Active Medical Insurance- Group B	-	-	-	-	-	-	-	560,825
Active Medical Insurance- Group C	-	-	-	-	-	-	-	1,686,027
Active Dental Insurance- Group A	79,110	-	-	-	-	-	211,436	267,340
Active Dental Insurance- Group B	-	-	-	-	-	-	-	25,794
Active Dental Insurance- Group C	-	-	-	-	-	-	-	67,396
Payroll Taxes	830,436	-	-	-	-	-	1,755,099	777,436
Life Insurance	18,880	-	-	-	-	-	89,981	151,998
State Defined Contribution- Group A	-	-	-	-	-	-	144,481	720,524
State Defined Contribution - Group B	683	-	-	-	-	-	683	52,206
State Defined Contribution - Group C	-	-	-	-	-	-	-	48,877
Other Benefits- Group A	366,594	-	-	-	-	-	1,156,792	40,001
Other Benefits- Group B	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	4,549,634	-	-	-	-	-	9,934,208	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	702,497	-	-	-	-	-	1,267,673	3,823,143
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	337,279
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	599,292
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	3,625	-	-	-	-	-	867,533	14,961,246
Materials/Supplies	292,409	-	-	-	-	-	605,916	608,049
Software Licenses	-	-	-	-	-	-	141,727	491,597
Capital Outlays	1,092	-	-	-	-	-	28,116	1,172,243
Insurance	-	-	-	-	-	-	646,850	467,656
Maintenance	160,095	-	-	-	-	-	372,358	215,753
Vehicle Operations	281,981	-	-	-	-	-	684,594	32,195
Utilities	179,479	-	-	-	-	-	413,063	678,615
Contingency	-	-	-	-	-	-	13,171	-
Street Lighting	-	-	-	-	-	-	346,993	-
Revaluation	-	-	-	-	-	-	34,400	-
Snow Removal-raw Material & External Contracts	-	-	-	-	-	-	240,046	-
Trash Removal & Recycling	-	-	-	-	-	-	1,710,270	-
Claims & Settlements	-	-	-	-	-	-	928,195	-
Community Support	-	-	-	-	-	-	54,961	-
Other Operation Expenditures	987,857	-	-	-	-	-	1,535,073	438,080
Tipping Fees	-	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	38,529,015	-	-	38,529,015	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	2,786,479	-	2,786,479	-
Municipal Debt- Interest	-	-	-	-	565,828	-	565,828	-
School Debt- Principal	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	5,388,207	5,388,207	-
Retiree Dental Insurance- Total	-	-	-	-	-	191,433	191,433	33,720
OPEB Contribution- Total	-	-	-	-	-	322,000	322,000	1,651,365
Rounding	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 21,181,050</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 38,529,015</b>	<b>\$ 3,352,307</b>	<b>\$ 5,901,640</b>	<b>\$ 98,774,224</b>	<b>\$ 67,681,951</b>

Financing Uses: Transfer to Capital Funds	\$ 2,299,806	\$ -
Financing Uses: Transfer to Other Funds	1,589,629	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
<b>Total Other Financing Uses</b>	<b>\$ 3,889,435</b>	<b>\$ -</b>
<b>Net Change in Fund Balance<sup>1</sup></b>	<b>4,315,690</b>	<b>663,810</b>
<b>Fund Balance<sup>1</sup>- beginning of year</b>	<b>544,843,423</b>	<b>5289,944</b>
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	111,827
Misc. Adjustment	-	(398,774)
<b>Fund Balance<sup>1</sup> - beginning of year adjusted</b>	<b>44,843,423</b>	<b>2,997</b>
<b>Rounding</b>		
<b>Fund Balance<sup>1</sup> - end of year</b>	<b>\$ 49,159,113</b>	<b>\$ 666,807</b>

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



# TOWN OF JOHNSTON, RHODE ISLAND

## COMBINING SCHEDULE OF REPORTABLE GOVERNMENTAL SERVICES WITH RECONCILIATION TO MTP2

### MUNICIPAL

### FOR THE YEAR ENDED JUNE 30, 2022

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance <sup>1</sup>	Beginning Fund Fund Balance <sup>1</sup> (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance <sup>1</sup> (Deficit)	Ending Fund Balance <sup>1</sup> (Deficit)
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2021</b>						\$ 44,843,423	-	\$ 44,843,423	
<i>No funds removed from RGS for fiscal 2021</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2021</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2021</i>						-	-	-	
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2022 adjusted</b>						<u>\$ 44,843,423</u>		<u>\$ 44,843,423</u>	
General Fund	\$ 103,288,233	\$ 125,000	\$ 59,734,600	\$ 42,418,450	\$ 1,260,183	\$ 43,578,588	\$ -	\$ 43,578,588	\$ 44,838,771
Scholarship Fund	15,220	-	15,000	-	220	274,876	-	274,876	275,096
Johnston Memorial Library Fund	7,051	-	17,769	-	(10,718)	155,366	-	155,366	144,648
Police Seizure Fund - Federal	25	-	-	-	25	28,409	-	28,409	28,434
ARPA Funding	17,501	-	16,594	-	907	-	-	-	907
Police Seizure Fund - Other Than Federal funds	3	-	3,565	-	(3,562)	5,719	-	5,719	2,157
Memorial Park Recreation Fields Restoration Fund	26,461	-	25,844	-	617	65,890	-	65,890	66,507
Fire Prevention Fund	14,605	-	-	-	14,605	57,014	-	57,014	71,619
Indoor Athletic Complex Fund	127,562	-	49,937	-	77,625	215,332	-	215,332	292,957
Blue Riptide Grant Fund	2,518	-	2,518	-	-	-	-	-	-
Fire Plan Review Fund	822,949	-	372,921	-	450,028	285,167	-	285,167	735,195
Historical Records Fund	46,030	-	6,461	-	39,569	177,062	-	177,062	216,631
Opioid Litigation	200,107	-	-	-	200,107	-	-	-	200,107
Compensated Absences	250,360	1,750,000	-	-	2,000,360	-	-	-	2,000,360
Capital Projects	285,724	1,714,435	-	-	2,000,159	-	-	-	2,000,159
<b>Totals per audited financial statements</b>	<u>\$ 105,104,349</u>	<u>\$ 3,589,435</u>	<u>\$ 60,245,209</u>	<u>\$ 42,418,450</u>	<u>\$ 6,030,125</u>	<u>\$ 44,843,423</u>	<u>\$ -</u>	<u>\$ 44,843,423</u>	<u>\$ 50,873,548</u>
<b>Reconciliation from financial statements to MTP2</b>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 38,529,015	\$ (38,529,015)	\$ -	\$ -	\$ -	\$ -	\$ -
Removal of non property taxes activity from Capital Projects Fund	-	(1,714,435)	-	-	(1,714,435)	-	-	-	(1,714,435)
Rounding	-	-	-	-	-	-	-	-	-
<b>Totals Per MTP2</b>	<u>\$ 105,104,349</u>	<u>\$ 1,875,000</u>	<u>\$ 98,774,224</u>	<u>\$ 3,889,435</u>	<u>\$ 4,315,690</u>	<u>\$ 44,843,423</u>	<u>\$ -</u>	<u>\$ 44,843,423</u>	<u>\$ 49,159,113</u>

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

# TOWN OF JOHNSTON, RHODE ISLAND

## COMBINING SCHEDULE OF REPORTABLE GOVERNMENTAL SERVICES WITH RECONCILIATION TO MTP2

### EDUCATION DEPARTMENT

#### FOR THE YEAR ENDED JUNE 30, 2022

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance <sup>1</sup>	Beginning Fund Fund Balance <sup>1</sup> (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance <sup>1</sup> (Deficit)	Ending Fund Balance <sup>1</sup> (Deficit)
Fund Balance <sup>1</sup> - per MTP-2 at June 30, 2021						\$ 289,944	\$ 111,827	\$ 401,771	
<i>Rounding error from FY 2021 corrected</i>						181,407	-	181,407	
<i>Misc adjustment</i>						2	-	2	
<i>Incorrect ending fund balance from FY 2021 corrected for FY 2022</i>						(580,183)	-	(580,183)	
Fund Balance <sup>1</sup> - per MTP-2 at June 30, 2022 adjusted						<u>\$ (108,830)</u>		<u>\$ 2,997</u>	
School Unrestricted Fund	\$ 23,612,587	\$ 39,449,015	\$ 63,078,598	\$ -	\$ (16,996)	\$ (855,000)	\$ -	\$ (855,000)	\$ (871,996)
Enterprise Fund1	2,172,288	-	1,496,384	-	675,904	342,925	111,827	454,752	1,130,656
School Special Revenue Funds	5,839,508	-	5,834,606	-	4,902	441,560	-	441,560	446,462
<b>Totals per audited financial statements</b>	<u>\$ 31,624,383</u>	<u>\$ 39,449,015</u>	<u>\$ 70,409,588</u>	<u>\$ -</u>	<u>\$ 663,810</u>	<u>\$ (70,515)</u>	<u>\$ 111,827</u>	<u>\$ 41,312</u>	<u>\$ 705,122</u>
<b><u>Reconciliation from financial statements to MTP2</u></b>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 38,529,015	\$ (38,529,015)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(2,727,637)	-	(2,727,637)	-	-	-	-	-	-
Adjustment for capital asset net of appreciation	-	-	-	-	-	(38,315)	-	(38,315)	(38,315)
Rounding	-	-	-	-	-	-	-	-	-
<b>Totals Per MTP2</b>	<u>\$ 67,425,761</u>	<u>\$ 920,000</u>	<u>\$ 67,681,951</u>	<u>\$ -</u>	<u>\$ 663,810</u>	<u>\$ (108,830)</u>	<u>\$ 111,827</u>	<u>\$ 2,997</u>	<u>\$ 666,807</u>
<b><u>Reconciliation from MTP2 to UCOA</u></b>									
Miscellaneous variance between MTP2 & UCOA	-		-						
<b>Totals per UCOA Validated Totals Report - Dated 1/27/2023</b>	<u>\$ 67,425,761</u>		<u>\$ 67,681,951</u>						

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

# TOWN OF JOHNSTON, RHODE ISLAND

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

FOR THE YEAR ENDED JUNE 30, 2022

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### NOTE 1. Basis of Presentation

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

### NOTE 2. Reportable Government Services

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

### NOTE 3. Allocations

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

### NOTE 4. Employee Groups - Compensation and Benefit Costs

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

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

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

- Police Department - police officers (e.g., uniform personnel - including, leadership positions)
- Fire Department - 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

# TOWN OF JOHNSTON, RHODE ISLAND

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

FOR THE YEAR ENDED JUNE 30, 2022

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

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

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

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

### NOTE 5. Education Revenue and Expenditures

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

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

**TOWN OF JOHNSTON, RHODE ISLAND**

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

**JUNE 30, 2022**

	<b>TOWN SPECIAL REVENUE FUNDS</b>						
	205	305	318	326	328	329	330
	Mayor's Scholarship	Memorial Library	Police Federal	Police Grant	Police State	Memorial Park	Fire Prevention
<b>Assets</b>							
Cash and cash equivalents	\$ 275,096	\$ 149,744	\$ 110,619	\$ 999,583	\$ 2,157	\$ 71,431	\$ --
Due from federal & state governments	--	--	--	--	--	--	--
Due from other funds	--	--	--	--	--	--	71,619
Other receivables, net	--	119	--	--	--	--	--
<b>Total Assets</b>	<u>\$ 275,096</u>	<u>\$ 149,863</u>	<u>\$ 110,619</u>	<u>\$ 999,583</u>	<u>\$ 2,157</u>	<u>\$ 71,431</u>	<u>\$ 71,619</u>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ --	\$ 5,215	\$ --	\$ --	\$ --	\$ 4,924	\$ --
Escrow deposits	--	--	82,185	--	--	--	--
Unearned revenue	--	--	--	999,583	--	--	--
Due to other funds	--	--	--	--	--	--	--
<b>Total Liabilities</b>	<u>--</u>	<u>5,215</u>	<u>82,185</u>	<u>999,583</u>	<u>--</u>	<u>4,924</u>	<u>--</u>
<b>Fund Balances</b>							
Restricted	275,096	144,648	28,434	--	2,157	66,507	71,619
Committed	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--
<b>Total Fund Balances</b>	<u>275,096</u>	<u>144,648</u>	<u>28,434</u>	<u>--</u>	<u>2,157</u>	<u>66,507</u>	<u>71,619</u>
<b>Total Liabilities Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 275,096</u>	<u>\$ 149,863</u>	<u>\$ 110,619</u>	<u>\$ 999,583</u>	<u>\$ 2,157</u>	<u>\$ 71,431</u>	<u>\$ 71,619</u>

*See independent auditors' report on supplementary information.*

**TOWN OF JOHNSTON, RHODE ISLAND**

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

**JUNE 30, 2022**

	<b>TOWN SPECIAL REVENUE FUNDS</b>							Total Town Special Revenue
	331	340	350	360	256	257	500	
	Indoor Athletic	Blue RIPTIDE	CDBG	Fire Plan Review	Opioid Litigation	Compensated Absences	Historical Trust	
<b>Assets</b>								
Cash and cash equivalents	\$ 295,755	\$ --	\$ --	\$ --	\$ 200,107	\$ 1,750,360	\$ 213,484	\$ 4,068,336
Due from federal & state governments	--	--	--	--	--	--	--	--
Due from other funds	--	--	--	735,195	--	250,000	3,147	1,059,961
Other receivables, net	--	--	--	--	--	--	--	119
<b>Total Assets</b>	<u>\$ 295,755</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 735,195</u>	<u>\$ 200,107</u>	<u>\$ 2,000,360</u>	<u>\$ 216,631</u>	<u>\$ 5,128,416</u>
<b>Liabilities</b>								
Accounts payable and accrued liabilities	\$ 2,172	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 12,311
Escrow deposits	--	--	--	--	--	--	--	82,185
Unearned revenue	--	--	--	--	--	--	--	999,583
Due to other funds	626	--	--	--	--	--	--	626
<b>Total Liabilities</b>	<u>2,798</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,094,705</u>
<b>Fund Balances</b>								
Restricted	--	--	--	--	--	--	216,631	805,092
Committed	292,957	--	--	735,195	200,107	2,000,360	--	3,228,619
Unassigned	--	--	--	--	--	--	--	--
<b>Total Fund Balances</b>	<u>292,957</u>	<u>--</u>	<u>--</u>	<u>735,195</u>	<u>200,107</u>	<u>2,000,360</u>	<u>216,631</u>	<u>4,033,711</u>
<b>Total Liabilities Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 295,755</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 735,195</u>	<u>\$ 200,107</u>	<u>\$ 2,000,360</u>	<u>\$ 216,631</u>	<u>\$ 5,128,416</u>

*See independent auditors' report on supplementary information.*

**TOWN OF JOHNSTON, RHODE ISLAND**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	<b>SCHOOL SPECIAL REVENUE FUNDS</b>					
	21011100	21011200	21013100	21014100	21021100	21023102
	IDEA Part B	IDEA Pre-K	Student Support	CTE Consultant	Title I	ATSI Grant
<b>Assets</b>						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	47,639	2,166	--	--	3,682	--
Due from other funds	384,820	3,825	--	--	487,961	1,701
Other receivables	--	--	--	--	--	--
<b>Total Assets</b>	<u>\$ 432,459</u>	<u>\$ 5,991</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 491,643</u>	<u>\$ 1,701</u>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	\$ 1,054	\$ --	\$ --	\$ 300	\$ --	\$ --
Due to other funds	431,405	7,204	6,200	--	491,643	--
Unearned revenue	--	--	--	--	--	--
<b>Total Liabilities</b>	<u>432,459</u>	<u>7,204</u>	<u>6,200</u>	<u>300</u>	<u>491,643</u>	<u>--</u>
<b>Fund Balances</b>						
Restricted	--	--	--	--	--	1,701
Unassigned	--	(1,213)	(6,200)	(300)	--	--
<b>Total Fund Balances</b>	<u>--</u>	<u>(1,213)</u>	<u>(6,200)</u>	<u>(300)</u>	<u>--</u>	<u>1,701</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 432,459</u>	<u>\$ 5,991</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 491,643</u>	<u>\$ 1,701</u>

*See independent auditors' report on supplementary information.*

**TOWN OF JOHNSTON, RHODE ISLAND**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	<b>SCHOOL SPECIAL REVENUE FUNDS</b>					
	21031100	21041100	21051100	21091100	21162100	21251100
	Title II	Title III	Title IV	Perkins	FFVP	ESSER
<b>Assets</b>						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	67,895	15,240	15,305	477	5,755	14,975
Due from other funds	140	3,325	65,900	80,465	4,248	--
Other receivables	--	--	--	--	--	--
<b>Total Assets</b>	<u>\$ 68,035</u>	<u>\$ 18,565</u>	<u>\$ 81,205</u>	<u>\$ 80,942</u>	<u>\$ 10,003</u>	<u>\$ 14,975</u>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	\$ 5,000	\$ --	\$ 666	\$ 28,861	\$ --	\$ --
Due to other funds	59,297	17,728	80,531	50,110	10,003	9,772
Unearned revenue	--	1,151	1,750	7,600	--	--
<b>Total Liabilities</b>	<u>64,297</u>	<u>18,879</u>	<u>82,947</u>	<u>86,571</u>	<u>10,003</u>	<u>9,772</u>
<b>Fund Balances</b>						
Restricted	3,738	--	--	--	--	5,203
Unassigned	--	(314)	(1,742)	(5,629)	--	--
<b>Total Fund Balances</b>	<u>3,738</u>	<u>(314)</u>	<u>(1,742)</u>	<u>(5,629)</u>	<u>--</u>	<u>5,203</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 68,035</u>	<u>\$ 18,565</u>	<u>\$ 81,205</u>	<u>\$ 80,942</u>	<u>\$ 10,003</u>	<u>\$ 14,975</u>

*See independent auditors' report on supplementary information.*



**TOWN OF JOHNSTON, RHODE ISLAND**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022**

**SCHOOL SPECIAL REVENUE FUNDS**

	21251600 Rethink Savaas	21251304 CRF Sub/Tech	21264107 RTTT	21413100 Rising Star	21422100 Pre-K	21422101 School Climate
<b>Assets</b>						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	--	--	--	--	4,522	--
Due from other funds	--	114	--	2,000	--	122
Other receivables	6,485	--	--	--	--	--
<b>Total Assets</b>	<u>\$ 6,485</u>	<u>\$ 114</u>	<u>\$ --</u>	<u>\$ 2,000</u>	<u>\$ 4,522</u>	<u>\$ 122</u>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due to other funds	6,485	114	1,000	--	4,522	--
Unearned revenue	--	--	--	--	--	--
<b>Total Liabilities</b>	<u>6,485</u>	<u>114</u>	<u>1,000</u>	<u>--</u>	<u>4,522</u>	<u>--</u>
<b>Fund Balances</b>						
Restricted	--	--	--	2,000	--	122
Unassigned	--	--	(1,000)	--	--	--
<b>Total Fund Balances</b>	<u>--</u>	<u>--</u>	<u>(1,000)</u>	<u>2,000</u>	<u>--</u>	<u>122</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 6,485</u>	<u>\$ 114</u>	<u>\$ --</u>	<u>\$ 2,000</u>	<u>\$ 4,522</u>	<u>\$ 122</u>

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**TOWN OF JOHNSTON, RHODE ISLAND**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022**

**SCHOOL SPECIAL REVENUE FUNDS**

	21422300	21422400	22192000	23031000	23153001	23183001
	Literacy	CS4RI Spring	Healthier Schools	Student Equity	Pre-K Grant	RISCA
<b>Assets</b>						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	15,427	--	--	--	--	--
Due from other funds	178	22,981	2,000	7,684	2,126	4,825
Other receivables	--	--	--	--	--	--
<b>Total Assets</b>	<u>\$ 15,605</u>	<u>\$ 22,981</u>	<u>\$ 2,000</u>	<u>\$ 7,684</u>	<u>\$ 2,126</u>	<u>\$ 4,825</u>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	\$ 3,484	\$ 11,388	\$ --	\$ --	\$ --	\$ --
Due to other funds	11,982	--	--	--	--	--
Unearned revenue	--	--	--	--	--	--
<b>Total Liabilities</b>	<u>15,466</u>	<u>11,388</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balances</b>						
Restricted	139	11,593	2,000	7,684	2,126	4,825
Unassigned	--	--	--	--	--	--
<b>Total Fund Balances</b>	<u>139</u>	<u>11,593</u>	<u>2,000</u>	<u>7,684</u>	<u>2,126</u>	<u>4,825</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 15,605</u>	<u>\$ 22,981</u>	<u>\$ 2,000</u>	<u>\$ 7,684</u>	<u>\$ 2,126</u>	<u>\$ 4,825</u>

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**TOWN OF JOHNSTON, RHODE ISLAND**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022**

**SCHOOL SPECIAL REVENUE FUNDS**

	23183002 RISCA JHS	23493000 Electrify RI	23581001 CTE Categorical	23591003 CS4RI	23671000 EL Categorical	23682001 Science Mini
<b>Assets</b>						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	--	--	--	--	--	--
Due from other funds	1,533	177	313	8,627	--	750
Other receivables	--	--	--	--	--	--
<b>Total Assets</b>	<u>\$ 1,533</u>	<u>\$ 177</u>	<u>\$ 313</u>	<u>\$ 8,627</u>	<u>\$ --</u>	<u>\$ 750</u>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ 372	\$ --	\$ --
Due to other funds	--	--	--	--	7,112	750
Unearned revenue	--	--	--	--	--	--
<b>Total Liabilities</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>372</u>	<u>7,112</u>	<u>750</u>
<b>Fund Balances</b>						
Restricted	1,533	177	313	8,255	--	--
Unassigned	--	--	--	--	(7,112)	--
<b>Total Fund Balances</b>	<u>1,533</u>	<u>177</u>	<u>313</u>	<u>8,255</u>	<u>(7,112)</u>	<u>--</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,533</u>	<u>\$ 177</u>	<u>\$ 313</u>	<u>\$ 8,627</u>	<u>\$ --</u>	<u>\$ 750</u>

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**TOWN OF JOHNSTON, RHODE ISLAND**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022**

**SCHOOL SPECIAL REVENUE FUNDS**

	23682002 Learning Champion	23911000 SBA Tech	23911003 SBA COVID-19	24012001 Champlin Manufact	24012004 Feinstein Grant	24012021 Education Fund
<b>Assets</b>						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	--	--	--	--	--	--
Due from other funds	4,053	--	--	39	--	150
Other receivables	--	--	--	--	--	--
<b>Total Assets</b>	<u>\$ 4,053</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 39</u>	<u>\$ --</u>	<u>\$ 150</u>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ 14	\$ --
Due to other funds	--	96,529	--	--	539	--
Unearned revenue	--	--	--	--	--	--
<b>Total Liabilities</b>	<u>--</u>	<u>96,529</u>	<u>--</u>	<u>--</u>	<u>553</u>	<u>--</u>
<b>Fund Balances</b>						
Restricted	4,053	--	--	39	--	150
Unassigned	--	(96,529)	--	--	(553)	--
<b>Total Fund Balances</b>	<u>4,053</u>	<u>(96,529)</u>	<u>--</u>	<u>39</u>	<u>(553)</u>	<u>150</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 4,053</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 39</u>	<u>\$ --</u>	<u>\$ 150</u>

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**TOWN OF JOHNSTON, RHODE ISLAND**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022**

**SCHOOL SPECIAL REVENUE FUNDS**

	24012024 Feinstein Warrior	24012043 Verizon Foundation	24020045 Scholarship	24020059 Janice Mele Scholarship	24030009 Target Grant	24030011 WalMart
<b>Assets</b>						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	--	--	--	--	--	--
Due from other funds	55,868	3,512	1,220	15	--	150
Other receivables	--	--	--	--	--	--
<b>Total Assets</b>	<u>\$ 55,868</u>	<u>\$ 3,512</u>	<u>\$ 1,220</u>	<u>\$ 15</u>	<u>\$ --</u>	<u>\$ 150</u>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--	3,786	--
Unearned revenue	--	--	--	--	--	--
<b>Total Liabilities</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,786</u>	<u>--</u>
<b>Fund Balances</b>						
Restricted	55,868	3,512	1,220	15	--	150
Unassigned	--	--	--	--	(3,786)	--
<b>Total Fund Balances</b>	<u>55,868</u>	<u>3,512</u>	<u>1,220</u>	<u>15</u>	<u>(3,786)</u>	<u>150</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 55,868</u>	<u>\$ 3,512</u>	<u>\$ 1,220</u>	<u>\$ 15</u>	<u>\$ --</u>	<u>\$ 150</u>

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**TOWN OF JOHNSTON, RHODE ISLAND**

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

**JUNE 30, 2022**

	<b>SCHOOL SPECIAL REVENUE FUNDS</b>						
	24030049	24030057	24030075	24040021	24040061	22291010	24040079
	Stop & Shop	Broadrock	Panther Donation	EDC Grant	Lifetouch	EFC Tech	Misc Donations
<b>Assets</b>							
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	--	--	--	--	--	--	--
Due from other funds	4,532	133,881	18,615	4,795	25,535	--	--
Other receivables	--	12,500	--	--	--	--	--
<b>Total Assets</b>	<u>\$ 4,532</u>	<u>\$ 146,381</u>	<u>\$ 18,615</u>	<u>\$ 4,795</u>	<u>\$ 25,535</u>	<u>\$ --</u>	<u>\$ --</u>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ 300	\$ --	\$ --
Due to other funds	--	--	--	230	--	--	144
Unearned revenue	--	--	--	--	--	--	--
<b>Total Liabilities</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>230</u>	<u>300</u>	<u>--</u>	<u>144</u>
<b>Fund Balances</b>							
Restricted	4,532	146,381	18,615	4,565	25,235	--	--
Unassigned	--	--	--	--	--	--	(144)
<b>Total Fund Balances</b>	<u>4,532</u>	<u>146,381</u>	<u>18,615</u>	<u>4,565</u>	<u>25,235</u>	<u>--</u>	<u>(144)</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 4,532</u>	<u>\$ 146,381</u>	<u>\$ 18,615</u>	<u>\$ 4,795</u>	<u>\$ 25,535</u>	<u>\$ --</u>	<u>\$ --</u>

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**TOWN OF JOHNSTON, RHODE ISLAND**

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

**JUNE 30, 2022**

	<b>SCHOOL SPECIAL REVENUE FUNDS</b>						
	21251701	21251801	21251821	21422401	22013100	23112001	23153003
	ESSER II	ESSER III	Pandemic EBT LLA	CS4RI Tufts	SSS Implementation	Senators Grant	Pre-K
<b>Assets</b>							
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	144,590	351,779	--	--	--	--	56,161
Due from other funds	148,144	883,834	--	--	--	4,500	--
Other receivables	--	--	--	--	6,235	--	--
<b>Total Assets</b>	<b><u>\$ 292,734</u></b>	<b><u>\$ 1,235,613</u></b>	<b><u>\$ --</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 6,235</u></b>	<b><u>\$ 4,500</u></b>	<b><u>\$ 56,161</u></b>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ 10,976	\$ --	\$ --	\$ --	\$ 6,235	\$ --	\$ 2,725
Due to other funds	281,758	1,235,613	--	--	--	980	52,781
Unearned revenue	--	--	--	--	--	--	--
<b>Total Liabilities</b>	<b><u>292,734</u></b>	<b><u>1,235,613</u></b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>6,235</u></b>	<b><u>980</u></b>	<b><u>55,506</u></b>
<b>Fund Balances</b>							
Restricted	--	--	--	--	--	3,520	655
Unassigned	--	--	--	--	--	--	--
<b>Total Fund Balances</b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>3,520</u></b>	<b><u>655</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 292,734</u></b>	<b><u>\$ 1,235,613</u></b>	<b><u>\$ --</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 6,235</u></b>	<b><u>\$ 4,500</u></b>	<b><u>\$ 56,161</u></b>

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**TOWN OF JOHNSTON, RHODE ISLAND**

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

**JUNE 30, 2022**

	<b>SCHOOL SPECIAL REVENUE FUNDS</b>						Total School Special Revenue Funds
	24040186 SEAC	23911020 STEM Mini	24040204 AIR Grant	24050025 Special Olympics	24050045 HS Donation	90010000 Student Activities	
<b>Assets</b>							
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 236,844	\$ 236,844
Due from federal & state governments	--	--	--	--	--	--	745,613
Due from other funds	12,365	3,006	1,470	500	4,533	--	2,396,532
Other receivables	--	--	--	--	--	--	25,220
<b>Total Assets</b>	<u>\$ 12,365</u>	<u>\$ 3,006</u>	<u>\$ 1,470</u>	<u>\$ 500</u>	<u>\$ 4,533</u>	<u>\$ 236,844</u>	<u>\$ 3,404,209</u>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ --	\$ 1,960	\$ --	\$ --	\$ --	\$ --	\$ 73,335
Due to other funds	--	--	5,693	--	--	--	2,873,911
Unearned revenue	--	--	--	--	--	--	10,501
<b>Total Liabilities</b>	<u>--</u>	<u>1,960</u>	<u>5,693</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,957,747</u>
<b>Fund Balances</b>							
Restricted	12,365	1,046	--	500	4,533	236,844	575,207
Unassigned	--	--	(4,223)	--	--	--	(128,745)
<b>Total Fund Balances</b>	<u>12,365</u>	<u>1,046</u>	<u>(4,223)</u>	<u>500</u>	<u>4,533</u>	<u>236,844</u>	<u>446,462</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 12,365</u>	<u>\$ 3,006</u>	<u>\$ 1,470</u>	<u>\$ 500</u>	<u>\$ 4,533</u>	<u>\$ 236,844</u>	<u>\$ 3,404,209</u>

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**TOWN OF JOHNSTON, RHODE ISLAND**

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

**JUNE 30, 2022**

	<b>CAPITAL PROJECT FUNDS</b>				
	212	611	650	656	660
	School Facilities	Pezza DPW Facility	Fire Equipment	RIDEM Dams Escrow	Capital Projects Series A
<b>Assets</b>					
Cash and cash equivalents	\$ 140,055	\$ 5,994	\$ 376,306	\$ 1,502,217	\$ --
Due from federal & state governments	--	--	--	--	--
Due from other funds	--	--	404,168	--	--
Other receivables, net	--	--	--	--	--
<b>Total Assets</b>	<u>\$ 140,055</u>	<u>\$ 5,994</u>	<u>\$ 780,474</u>	<u>\$ 1,502,217</u>	<u>\$ --</u>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ --
Escrow deposits	--	--	--	--	--
Unearned revenue	--	--	--	--	--
Due to other funds	--	--	--	--	--
<b>Total Liabilities</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balances</b>					
Restricted	140,055	5,994	--	1,502,217	--
Committed	--	--	780,474	--	--
Unassigned	--	--	--	--	--
<b>Total Fund Balances</b>	<u>140,055</u>	<u>5,994</u>	<u>780,474</u>	<u>1,502,217</u>	<u>--</u>
<b>Total Liabilities Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 140,055</u>	<u>\$ 5,994</u>	<u>\$ 780,474</u>	<u>\$ 1,502,217</u>	<u>\$ --</u>

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**TOWN OF JOHNSTON, RHODE ISLAND**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	<b>CAPITAL PROJECT FUNDS</b>					Total Capital Projects	Total NonMajor Governmental Funds
	668 Capital Project Funds	664 2018 Capital Projects	665 Capital Lease Fund	667 Rainone Gym	669 School Bond Fund		
<b>Assets</b>							
Cash and cash equivalents	\$ 1,714,788	\$ --	\$ 232,985	\$ --	\$ --	\$ 3,972,345	\$ 8,277,525
Due from federal & state governments	--	--	--	--	--	--	745,613
Due from other funds	285,371	--	--	578,840	--	1,268,379	4,724,872
Other receivables, net	--	--	--	--	--	--	25,339
<b>Total Assets</b>	<u>\$ 2,000,159</u>	<u>\$ --</u>	<u>\$ 232,985</u>	<u>\$ 578,840</u>	<u>\$ --</u>	<u>\$ 5,240,724</u>	<u>\$ 13,773,349</u>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ 2,492,054	\$ 2,492,054	\$ 2,577,700
Escrow deposits	--	--	--	--	--	--	82,185
Unearned revenue	--	--	--	--	--	--	1,010,084
Due to other funds	--	--	--	--	--	--	2,874,537
<b>Total Liabilities</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,492,054</u>	<u>2,492,054</u>	<u>6,544,506</u>
<b>Fund Balances</b>							
Restricted	--	--	232,985	578,840	--	2,460,091	3,840,390
Committed	2,000,159	--	--	--	--	2,780,633	6,009,252
Unassigned	--	--	--	--	(2,492,054)	(2,492,054)	(2,620,799)
<b>Total Fund Balances</b>	<u>2,000,159</u>	<u>--</u>	<u>232,985</u>	<u>578,840</u>	<u>(2,492,054)</u>	<u>2,748,670</u>	<u>7,228,843</u>
<b>Total Liabilities Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 2,000,159</u>	<u>\$ --</u>	<u>\$ 232,985</u>	<u>\$ 578,840</u>	<u>\$ --</u>	<u>\$ 5,240,724</u>	<u>\$ 13,773,349</u>

*See independent auditors' report on supplementary information.*

# TOWN OF JOHNSTON, RHODE ISLAND

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2022

	TOWN SPECIAL REVENUE FUNDS						
	205	305	318	326	328	329	330
	Mayor's Scholarship	Memorial Library	Police Federal	Police Grant	Police State	Memorial Park	Fire Prevention
<b>Revenues</b>							
Property taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	25	--	3	26,402	--
Investment income	220	33	--	--	--	59	--
Charges for services	--	--	--	--	--	--	14,605
Other	15,000	7,018	--	--	--	--	--
<b>Total Revenues</b>	<u>15,220</u>	<u>7,051</u>	<u>25</u>	<u>--</u>	<u>3</u>	<u>26,461</u>	<u>14,605</u>
<b>Expenditures</b>							
<b>Current</b>							
General government	15,000	--	--	--	--	--	--
Public safety	--	--	--	--	3,565	--	--
Education	--	--	--	--	--	--	--
Parks and recreation	--	--	--	--	--	20,849	--
Public libraries	--	17,769	--	--	--	--	--
<b>Debt Service</b>	--	--	--	--	--	--	--
<b>Capital Outlays</b>	--	--	--	--	--	4,995	--
<b>Total Expenditures</b>	<u>15,000</u>	<u>17,769</u>	<u>--</u>	<u>--</u>	<u>3,565</u>	<u>25,844</u>	<u>--</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>220</u>	<u>(10,718)</u>	<u>25</u>	<u>--</u>	<u>(3,562)</u>	<u>617</u>	<u>14,605</u>
<b>Other Financing Sources (Uses)</b>							
Proceeds from long-term debt	--	--	--	--	--	--	--
Transfers in	--	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--	--
<b>Total Other Financing Sources (Uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balances</b>	220	(10,718)	25	--	(3,562)	617	14,605
<b>Fund Balance - Beginning of Year</b>	<u>274,876</u>	<u>155,366</u>	<u>28,409</u>	<u>--</u>	<u>5,719</u>	<u>65,890</u>	<u>57,014</u>
<b>Fund Balance - End of Year</b>	<u>\$ 275,096</u>	<u>\$ 144,648</u>	<u>\$ 28,434</u>	<u>\$ --</u>	<u>\$ 2,157</u>	<u>\$ 66,507</u>	<u>\$ 71,619</u>

*See independent auditors' report on supplementary information.*

# TOWN OF JOHNSTON, RHODE ISLAND

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2022

	TOWN SPECIAL REVENUE FUNDS							Total Town Special Revenue
	331	340	350	360	256	257	500	
	Indoor Athletic	Blue RIPTIDE	CDBG	Fire Plan Review	Opioid Litigation	Compensated Absences	Historical Trust	
<b>Revenues</b>								
Property taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 250,000	\$ --	\$ 250,000
Intergovernmental		2,518						28,948
Investment income	186				5	360	152	1,015
Charges for services	127,376			822,949			45,878	1,010,808
Other	--	--	--	--	200,102	--	--	222,120
<b>Total Revenues</b>	<u>127,562</u>	<u>2,518</u>	<u>--</u>	<u>822,949</u>	<u>200,107</u>	<u>250,360</u>	<u>46,030</u>	<u>1,512,891</u>
<b>Expenditures</b>								
<b>Current</b>								
General government	--	--	--	--	--	--	6,461	21,461
Public safety	--	2,518	6,593	173,881	--	--	--	186,557
Education	--	--	--	--	--	--	--	--
Parks and recreation	49,937	--	--	--	--	--	--	70,786
Public libraries	--	--	--	--	--	--	--	17,769
<b>Debt Service</b>	--	--	--	--	--	--	--	--
<b>Capital Outlays</b>	--	--	--	199,040	--	--	--	204,035
<b>Total Expenditures</b>	<u>49,937</u>	<u>2,518</u>	<u>6,593</u>	<u>372,921</u>	<u>--</u>	<u>--</u>	<u>6,461</u>	<u>500,608</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>77,625</u>	<u>--</u>	<u>(6,593)</u>	<u>450,028</u>	<u>200,107</u>	<u>250,360</u>	<u>39,569</u>	<u>1,012,283</u>
<b>Other Financing Sources (Uses)</b>								
Proceeds from long-term debt	--	--	--	--	--	--	--	--
Transfers in	--	--	--	--	--	1,750,000	--	1,750,000
Transfers out	--	--	--	--	--	--	--	--
<b>Total Other Financing Sources (Uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,750,000</u>	<u>--</u>	<u>1,750,000</u>
<b>Net Change in Fund Balances</b>	77,625	--	(6,593)	450,028	200,107	2,000,360	39,569	2,762,283
<b>Fund Balance - Beginning of Year</b>	<u>215,332</u>	<u>--</u>	<u>6,593</u>	<u>285,167</u>	<u>--</u>	<u>--</u>	<u>177,062</u>	<u>1,271,428</u>
<b>Fund Balance - End of Year</b>	<u>\$ 292,957</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 735,195</u>	<u>\$ 200,107</u>	<u>\$ 2,000,360</u>	<u>\$ 216,631</u>	<u>\$ 4,033,711</u>

*See independent auditors' report on supplementary information.*

**TOWN OF JOHNSTON, RHODE ISLAND**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>SCHOOL SPECIAL REVENUE FUNDS</b>					
	21011100	21011200	21013100	21014100	21021100	21023102
	IDEA Part B	IDEA Pre-K	Student Support	CTE Consultant	Title I	ATSI Grant
<b>Revenues</b>						
Intergovernmental	\$ 1,201,878	\$ 30,015	\$ --	\$ --	\$ 858,097	\$ --
Other revenue	--	--	--	--	--	--
<b>Total Revenues</b>	<u>1,201,878</u>	<u>30,015</u>	<u>--</u>	<u>--</u>	<u>858,097</u>	<u>--</u>
<b>Expenditures</b>						
Education	<u>1,201,878</u>	<u>30,015</u>	<u>--</u>	<u>--</u>	<u>858,097</u>	<u>--</u>
<b>Total Expenditures</b>	<u>1,201,878</u>	<u>30,015</u>	<u>--</u>	<u>--</u>	<u>858,097</u>	<u>--</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	--	--	--	--	--	--
Transfers out	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Total Other Financing Sources (Uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balances</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balances - Beginning of Year</b>	<u>--</u>	<u>(1,213)</u>	<u>(6,200)</u>	<u>(300)</u>	<u>--</u>	<u>1,701</u>
<b>Fund Balances - End of Year</b>	<u>\$ --</u>	<u>\$ (1,213)</u>	<u>\$ (6,200)</u>	<u>\$ (300)</u>	<u>\$ --</u>	<u>\$ 1,701</u>

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**TOWN OF JOHNSTON, RHODE ISLAND**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>SCHOOL SPECIAL REVENUE FUNDS</b>					
	21031100	21041100	21051100	21091100	21162100	21251100
	Title II	Title III	Title IV	Perkins	FFVP	ESSER
<b>Revenues</b>						
Intergovernmental	\$ 228,327	\$ 23,470	\$ 59,446	\$ 82,538	\$ 44,386	\$ 14,975
Other revenue	--	--	--	--	--	--
<b>Total Revenues</b>	<u>228,327</u>	<u>23,470</u>	<u>59,446</u>	<u>82,538</u>	<u>44,386</u>	<u>14,975</u>
<b>Expenditures</b>						
Education	228,327	24,123	59,446	88,923	44,386	14,975
<b>Total Expenditures</b>	<u>228,327</u>	<u>24,123</u>	<u>59,446</u>	<u>88,923</u>	<u>44,386</u>	<u>14,975</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>--</u>	<u>(653)</u>	<u>--</u>	<u>(6,385)</u>	<u>--</u>	<u>--</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--
<b>Total Other Financing Sources (Uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balances</b>	<u>--</u>	<u>(653)</u>	<u>--</u>	<u>(6,385)</u>	<u>--</u>	<u>--</u>
<b>Fund Balances - Beginning of Year</b>	<u>3,738</u>	<u>339</u>	<u>(1,742)</u>	<u>756</u>	<u>--</u>	<u>5,203</u>
<b>Fund Balances - End of Year</b>	<u>\$ 3,738</u>	<u>\$ (314)</u>	<u>\$ (1,742)</u>	<u>\$ (5,629)</u>	<u>\$ --</u>	<u>\$ 5,203</u>

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**TOWN OF JOHNSTON, RHODE ISLAND**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	SCHOOL SPECIAL REVENUE FUNDS					
	21251600 Rethink Savaas	21251304 CRF Sub/Tech	21264107 RTTT	21413100 Rising Star	21422100 Pre-K	21422101 School Climate
<b>Revenues</b>						
Intergovernmental	\$       --	\$       --	\$       --	\$       --	\$    10,459	\$       1,317
Other revenue	<u>10,817</u>	<u>          --</u>	<u>          --</u>	<u>          --</u>	<u>          --</u>	<u>          --</u>
<b>Total Revenues</b>	<u>10,817</u>	<u>          --</u>	<u>          --</u>	<u>          --</u>	<u>10,459</u>	<u>1,317</u>
<b>Expenditures</b>						
Education	<u>10,817</u>	<u>          --</u>	<u>          --</u>	<u>          --</u>	<u>10,459</u>	<u>1,317</u>
<b>Total Expenditures</b>	<u>10,817</u>	<u>          --</u>	<u>          --</u>	<u>          --</u>	<u>10,459</u>	<u>1,317</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>          --</u>	<u>          --</u>	<u>          --</u>	<u>          --</u>	<u>          --</u>	<u>          --</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	<u>          --</u>	<u>          --</u>	<u>          --</u>	<u>          --</u>	<u>          --</u>	<u>          --</u>
Transfers out	<u>          --</u>	<u>          --</u>	<u>          --</u>	<u>          --</u>	<u>          --</u>	<u>          --</u>
<b>Total Other Financing Sources (Uses)</b>	<u>          --</u>	<u>          --</u>	<u>          --</u>	<u>          --</u>	<u>          --</u>	<u>          --</u>
<b>Net Change in Fund Balances</b>	<u>          --</u>	<u>          --</u>	<u>          --</u>	<u>          --</u>	<u>          --</u>	<u>          --</u>
<b>Fund Balances - Beginning of Year</b>	<u>          --</u>	<u>          --</u>	<u>      (1,000)</u>	<u>          2,000</u>	<u>          --</u>	<u>          122</u>
<b>Fund Balances - End of Year</b>	<u><u>          --</u></u>	<u><u>          --</u></u>	<u><u>      (1,000)</u></u>	<u><u>          2,000</u></u>	<u><u>          --</u></u>	<u><u>          122</u></u>

*See independent auditors' report on supplementary information.*

**TOWN OF JOHNSTON, RHODE ISLAND**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>SCHOOL SPECIAL REVENUE FUNDS</b>					
	21422300	21422400	22192000	23031000	23153001	23183001
	Literacy	CS4RI Spring	Healthier Schools	Student Equity	Pre-K Grant	RISCA
<b>Revenues</b>						
Intergovernmental	\$ 72,250	\$ --	\$ --	\$ --	\$ --	\$ --
Other revenue	--	--	--	--	--	--
<b>Total Revenues</b>	<u>72,250</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Expenditures</b>						
Education	72,250	--	--	--	--	--
<b>Total Expenditures</b>	<u>72,250</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--
<b>Total Other Financing Sources (Uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balances</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balances - Beginning of Year</b>	<u>139</u>	<u>11,593</u>	<u>2,000</u>	<u>7,684</u>	<u>2,126</u>	<u>4,825</u>
<b>Fund Balances - End of Year</b>	<u>\$ 139</u>	<u>\$ 11,593</u>	<u>\$ 2,000</u>	<u>\$ 7,684</u>	<u>\$ 2,126</u>	<u>\$ 4,825</u>

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**TOWN OF JOHNSTON, RHODE ISLAND**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>SCHOOL SPECIAL REVENUE FUNDS</b>					
	23183002 RISCA JHS	23493000 Electrify RI	23581001 CTE Categorical	23591003 CS4RI	23671000 EL Categorical	23682001 Science Mini
<b>Revenues</b>						
Intergovernmental	\$ 533	\$ 121	\$ 6,150	\$ --	\$ 37,626	\$ --
Other revenue	--	--	--	--	--	--
<b>Total Revenues</b>	<u>533</u>	<u>121</u>	<u>6,150</u>	<u>--</u>	<u>37,626</u>	<u>--</u>
<b>Expenditures</b>						
Education	--	--	5,837	--	37,136	--
<b>Total Expenditures</b>	<u>--</u>	<u>--</u>	<u>5,837</u>	<u>--</u>	<u>37,136</u>	<u>--</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>533</u>	<u>121</u>	<u>313</u>	<u>--</u>	<u>490</u>	<u>--</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--
<b>Total Other Financing Sources (Uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balances</b>	<u>533</u>	<u>121</u>	<u>313</u>	<u>--</u>	<u>490</u>	<u>--</u>
<b>Fund Balances - Beginning of Year</b>	<u>1,000</u>	<u>56</u>	<u>--</u>	<u>8,255</u>	<u>(7,602)</u>	<u>--</u>
<b>Fund Balances - End of Year</b>	<u>\$ 1,533</u>	<u>\$ 177</u>	<u>\$ 313</u>	<u>\$ 8,255</u>	<u>\$ (7,112)</u>	<u>\$ --</u>

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**TOWN OF JOHNSTON, RHODE ISLAND**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>SCHOOL SPECIAL REVENUE FUNDS</b>					
	23682002 Learning Champion	23911000 SBA Tech	23911003 SBA COVID-19	24012001 Champlin Manufact	24012004 Feinstein Grant	24012021 Education Fund
<b>Revenues</b>						
Intergovernmental	\$ --	\$ --	\$ 73,164	\$ --	\$ --	\$ --
Other revenue	--	--	--	--	--	--
<b>Total Revenues</b>	<u>--</u>	<u>--</u>	<u>73,164</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Expenditures</b>						
Education	--	--	73,164	20,682	--	--
<b>Total Expenditures</b>	<u>--</u>	<u>--</u>	<u>73,164</u>	<u>20,682</u>	<u>--</u>	<u>--</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(20,682)</u>	<u>--</u>	<u>--</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--
<b>Total Other Financing Sources (Uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balances</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(20,682)</u>	<u>--</u>	<u>--</u>
<b>Fund Balances - Beginning of Year</b>	<u>4,053</u>	<u>(96,529)</u>	<u>--</u>	<u>20,721</u>	<u>(553)</u>	<u>150</u>
<b>Fund Balances - End of Year</b>	<u>\$ 4,053</u>	<u>\$ (96,529)</u>	<u>\$ --</u>	<u>\$ 39</u>	<u>\$ (553)</u>	<u>\$ 150</u>

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**TOWN OF JOHNSTON, RHODE ISLAND**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

**SCHOOL SPECIAL REVENUE FUNDS**

	24012024 Feinstein Warrior	24012043 Verizon Foundation	24020045 Scholarship	24020059 Janice Mele Scholarship	24030009 Target Grant	24030011 WalMart
<b>Revenues</b>						
Intergovernmental	\$ 21,772	\$ --	\$ --	\$ --	\$ --	\$ --
Other revenue	<u>    --</u>	<u>    --</u>	<u>    --</u>	<u>    --</u>	<u>    --</u>	<u>    --</u>
<b>Total Revenues</b>	<u>21,772</u>	<u>    --</u>	<u>    --</u>	<u>    --</u>	<u>    --</u>	<u>    --</u>
<b>Expenditures</b>						
Education	<u>7,338</u>	<u>    --</u>	<u>    --</u>	<u>500</u>	<u>    --</u>	<u>    --</u>
<b>Total Expenditures</b>	<u>7,338</u>	<u>    --</u>	<u>    --</u>	<u>500</u>	<u>    --</u>	<u>    --</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>14,434</u>	<u>    --</u>	<u>    --</u>	<u>(500)</u>	<u>    --</u>	<u>    --</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	--	--	--	--	--	--
Transfers out	<u>    --</u>	<u>    --</u>	<u>    --</u>	<u>    --</u>	<u>    --</u>	<u>    --</u>
<b>Total Other Financing Sources (Uses)</b>	<u>    --</u>	<u>    --</u>	<u>    --</u>	<u>    --</u>	<u>    --</u>	<u>    --</u>
<b>Net Change in Fund Balances</b>	<u>14,434</u>	<u>    --</u>	<u>    --</u>	<u>(500)</u>	<u>    --</u>	<u>    --</u>
<b>Fund Balances - Beginning of Year</b>	<u>41,434</u>	<u>3,512</u>	<u>1,220</u>	<u>515</u>	<u>(3,786)</u>	<u>150</u>
<b>Fund Balances - End of Year</b>	<u>\$ 55,868</u>	<u>\$ 3,512</u>	<u>\$ 1,220</u>	<u>\$ 15</u>	<u>\$ (3,786)</u>	<u>\$ 150</u>

*See independent auditors' report on supplementary information.*

**TOWN OF JOHNSTON, RHODE ISLAND**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>SCHOOL SPECIAL REVENUE FUNDS</b>						
	24030049 Stop & Shop	24030057 Broadrock	24030075 Panther Donation	24040021 EDC Grant	24040061 Lifetouch	22291010 EFC Tech	24040079 Misc Donations
<b>Revenues</b>							
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 151,500	\$ --
Other revenue	940	50,000	--	--	6,400	--	--
<b>Total Revenues</b>	<u>940</u>	<u>50,000</u>	<u>--</u>	<u>--</u>	<u>6,400</u>	<u>151,500</u>	<u>--</u>
<b>Expenditures</b>							
Education	--	19,739	--	--	3,305	151,500	--
<b>Total Expenditures</b>	<u>--</u>	<u>19,739</u>	<u>--</u>	<u>--</u>	<u>3,305</u>	<u>151,500</u>	<u>--</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>940</u>	<u>30,261</u>	<u>--</u>	<u>--</u>	<u>3,095</u>	<u>--</u>	<u>--</u>
<b>Other Financing Sources (Uses)</b>							
Transfers in	--	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--	--
<b>Total Other Financing Sources (Uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balances</b>	<u>940</u>	<u>30,261</u>	<u>--</u>	<u>--</u>	<u>3,095</u>	<u>--</u>	<u>--</u>
<b>Fund Balances - Beginning of Year</b>	<u>3,592</u>	<u>116,120</u>	<u>18,615</u>	<u>4,565</u>	<u>22,140</u>	<u>--</u>	<u>(144)</u>
<b>Fund Balances - End of Year</b>	<u><u>\$ 4,532</u></u>	<u><u>\$ 146,381</u></u>	<u><u>\$ 18,615</u></u>	<u><u>\$ 4,565</u></u>	<u><u>\$ 25,235</u></u>	<u><u>\$ --</u></u>	<u><u>\$ (144)</u></u>

*See independent auditors' report on supplementary information.*

**TOWN OF JOHNSTON, RHODE ISLAND**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>SCHOOL SPECIAL REVENUE FUNDS</b>						
	21251701	21251801	21251821 Pandemic EBT LLA	21422401 CS4RI Tufts	22013100 SSS Implementation	23112001 Senators Grant	23153003 Pre-K
	ESSER II	ESSER III					
<b>Revenues</b>							
Intergovernmental	\$ 1,121,304	\$ 1,033,457	\$ 4,912	\$ 32,819	\$ 6,235	\$ 3,571	\$ 182,405
Other revenue	--	--	--	--	--	--	--
<b>Total Revenues</b>	<u>1,121,304</u>	<u>1,033,457</u>	<u>4,912</u>	<u>32,819</u>	<u>6,235</u>	<u>3,571</u>	<u>182,405</u>
<b>Expenditures</b>							
Education	1,121,304	1,033,457	4,912	32,819	6,235	51	181,750
<b>Total Expenditures</b>	<u>1,121,304</u>	<u>1,033,457</u>	<u>4,912</u>	<u>32,819</u>	<u>6,235</u>	<u>51</u>	<u>181,750</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,520</u>	<u>655</u>
<b>Other Financing Sources (Uses)</b>							
Transfers in	--	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--	--
<b>Total Other Financing Sources (Uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balances</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,520</u>	<u>655</u>
<b>Fund Balances - Beginning of Year</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balances - End of Year</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 3,520</u>	<u>\$ 655</u>

*See independent auditors' report on supplementary information.*

**TOWN OF JOHNSTON, RHODE ISLAND**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>SCHOOL SPECIAL REVENUE FUNDS</b>						Total School Department Funds
	24040186 SEAC	23911020 STEM Mini	24040204 AIR Grant	24050025 Special Olympics	24050045 HS Donation	90010000 Student Activities	
<b>Revenues</b>							
Intergovernmental	\$ --	\$ 4,996	\$ --	\$ --	\$ --	\$ --	\$ 5,307,723
Other revenue	--	--	--	250	--	463,378	531,785
<b>Total Revenues</b>	<u>--</u>	<u>4,996</u>	<u>--</u>	<u>250</u>	<u>--</u>	<u>463,378</u>	<u>5,839,508</u>
<b>Expenditures</b>							
Education	--	3,950	1,155	--	--	484,759	5,834,606
<b>Total Expenditures</b>	<u>--</u>	<u>3,950</u>	<u>1,155</u>	<u>--</u>	<u>--</u>	<u>484,759</u>	<u>5,834,606</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>--</u>	<u>1,046</u>	<u>(1,155)</u>	<u>250</u>	<u>--</u>	<u>(21,381)</u>	<u>4,902</u>
<b>Other Financing Sources (Uses)</b>							
Transfers in	--	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--	--
<b>Total Other Financing Sources (Uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balances</b>	<u>--</u>	<u>1,046</u>	<u>(1,155)</u>	<u>250</u>	<u>--</u>	<u>(21,381)</u>	<u>4,902</u>
<b>Fund Balances - Beginning of Year</b>	<u>12,365</u>	<u>--</u>	<u>(3,068)</u>	<u>250</u>	<u>4,533</u>	<u>258,225</u>	<u>441,560</u>
<b>Fund Balances - End of Year</b>	<u>\$ 12,365</u>	<u>\$ 1,046</u>	<u>\$ (4,223)</u>	<u>\$ 500</u>	<u>\$ 4,533</u>	<u>\$ 236,844</u>	<u>\$ 446,462</u>

*See independent auditors' report on supplementary information.*

# TOWN OF JOHNSTON, RHODE ISLAND

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2022

	CAPITAL PROJECT FUNDS				
	212	611	650	656	660
	School Facilities	Pezza DPW Facility	Fire Equipment	RIDEM Dams Escrow	Capital Projects Series A
<b>Revenues</b>					
Property taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	--	--	--
Investment income	111	--	575	1,188	94
Charges for services	--	--	531,764	--	--
Other	--	3	--	--	--
<b>Total Revenues</b>	111	3	532,339	1,188	94
<b>Expenditures</b>					
<b>Current</b>					
General government	--	--	--	--	--
Public safety	--	--	132,200	--	--
Education	--	--	--	--	--
Parks and recreation	--	--	--	--	--
Public libraries	--	--	--	--	--
<b>Debt Service</b>	--	--	--	--	166,345
<b>Capital Outlays</b>	--	--	700,818	--	--
<b>Total Expenditures</b>	--	--	833,018	--	166,345
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	111	3	(300,679)	1,188	(166,251)
<b>Other Financing Sources (Uses)</b>					
Proceeds from long-term debt	--	--	--	--	--
Transfers in	--	--	--	--	--
Transfers out	--	--	--	--	--
<b>Total Other Financing Sources (Uses)</b>	--	--	--	--	--
<b>Net Change in Fund Balances</b>	111	3	(300,679)	1,188	(166,251)
<b>Fund Balance - Beginning of Year</b>	139,944	5,991	1,081,153	1,501,029	166,251
<b>Fund Balance - End of Year</b>	\$ 140,055	\$ 5,994	\$ 780,474	\$ 1,502,217	\$ --

*See independent auditors' report on supplementary information.*

# TOWN OF JOHNSTON, RHODE ISLAND

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2022

	CAPITAL PROJECT FUNDS					Total Capital Projects	Total NonMajor Governmental Funds
	668 Capital Project Funds	664 2018 Capital Projects	665 Capital Lease Fund	667 Rainone Gym	669 School Bond Fund		
<b>Revenues</b>							
Property taxes	\$ 285,371	\$ --	\$ --	\$ --	\$ --	\$ 285,371	\$ 535,371
Intergovernmental	--	--	--	--	--	--	5,336,671
Investment income	353	9	94	--	--	2,424	3,439
Charges for services	--	--	--	--	--	531,764	1,542,572
Other	--	--	--	159,190	--	159,193	913,098
<b>Total Revenues</b>	<u>285,724</u>	<u>9</u>	<u>94</u>	<u>159,190</u>	<u>--</u>	<u>978,752</u>	<u>8,331,151</u>
<b>Expenditures</b>							
<b>Current</b>							
General government	--	--	93,152	--	--	93,152	114,613
Public safety	--	--	--	--	--	132,200	318,757
Education	--	--	--	--	2,492,054	2,492,054	8,326,660
Parks and recreation	--	--	--	--	--	--	70,786
Public libraries	--	--	--	--	--	--	17,769
<b>Debt Service</b>	--	10,888	--	--	--	177,233	177,233
<b>Capital Outlays</b>	--	--	86,313	465,073	--	1,252,204	1,456,239
<b>Total Expenditures</b>	<u>--</u>	<u>10,888</u>	<u>179,465</u>	<u>465,073</u>	<u>2,492,054</u>	<u>4,146,843</u>	<u>10,482,057</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>285,724</u>	<u>(10,879)</u>	<u>(179,371)</u>	<u>(305,883)</u>	<u>(2,492,054)</u>	<u>(3,168,091)</u>	<u>(2,150,906)</u>
<b>Other Financing Sources (Uses)</b>							
Proceeds from long-term debt	--	--	--	--	--	--	--
Transfers in	1,714,435	--	--	300,000	--	2,014,435	3,764,435
Transfers out	--	--	--	--	--	--	--
<b>Total Other Financing Sources (Uses)</b>	<u>1,714,435</u>	<u>--</u>	<u>--</u>	<u>300,000</u>	<u>--</u>	<u>2,014,435</u>	<u>3,764,435</u>
<b>Net Change in Fund Balances</b>	2,000,159	(10,879)	(179,371)	(5,883)	(2,492,054)	(1,153,656)	1,613,529
<b>Fund Balance - Beginning of Year</b>	<u>--</u>	<u>10,879</u>	<u>412,356</u>	<u>584,723</u>	<u>--</u>	<u>3,902,326</u>	<u>5,615,314</u>
<b>Fund Balance - End of Year</b>	<u>\$ 2,000,159</u>	<u>\$ --</u>	<u>\$ 232,985</u>	<u>\$ 578,840</u>	<u>\$ (2,492,054)</u>	<u>\$ 2,748,670</u>	<u>\$ 7,228,843</u>

*See independent auditors' report on supplementary information.*



**TOWN OF JOHNSTON, RHODE ISLAND**

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

**JUNE 30, 2022**

	Business-type Activities - Enterprise Funds				Total Enterprise Funds
	60010000	60030000	60060000	60140000	
	Cafeteria Fund	Credit Recovery	Summer School	Athletic Field	
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 148,758	\$ --	\$ --	\$ --	\$ 148,758
Other receivables	163,997	--	--	--	163,997
Due from other funds	760,700	19,571	--	127,979	908,250
Inventory	20,405	--	--	--	20,405
<b>Total Current Assets</b>	<u>1,093,860</u>	<u>19,571</u>	<u>--</u>	<u>127,979</u>	<u>1,241,410</u>
<b>Noncurrent Assets</b>					
Capital assets, net	38,315	--	--	--	38,315
<b>Total Assets</b>	<u>1,132,175</u>	<u>19,571</u>	<u>--</u>	<u>127,979</u>	<u>1,279,725</u>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts payable and accrued expenses	98,318	--	--	--	98,318
Due to other funds	--	--	46,087	--	46,087
Unearned revenue	4,664	--	--	--	4,664
<b>Total Current Liabilities</b>	<u>102,982</u>	<u>--</u>	<u>46,087</u>	<u>--</u>	<u>149,069</u>
<b>Total Liabilities</b>	<u>102,982</u>	<u>--</u>	<u>46,087</u>	<u>--</u>	<u>149,069</u>
<b>Net Position</b>					
Investment in capital assets	38,315	--	--	--	38,315
Unrestricted	990,878	19,571	(46,087)	127,979	1,092,341
<b>Total Net Position</b>	<u>\$ 1,029,193</u>	<u>\$ 19,571</u>	<u>\$ (46,087)</u>	<u>\$ 127,979</u>	<u>\$ 1,130,656</u>

*See independent auditors' report on supplementary information.*

**TOWN OF JOHNSTON, RHODE ISLAND**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	Business-type Activities - Enterprise Funds				Total Enterprise Funds
	60010000	60030000	60060000	60140000	
	Cafeteria Fund	Credit Recovery	Summer School	Athletic Field	
<b>Operating Revenues</b>					
Charges for services	\$ 214,247	\$ --	\$ --	\$ 42,399	\$ 256,646
Intergovernmental	<u>1,915,642</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,915,642</u>
<b>Total Operating Revenues</b>	<u>2,129,889</u>	<u>--</u>	<u>--</u>	<u>42,399</u>	<u>2,172,288</u>
<b>Operating Expenses</b>					
Education	1,496,384	--	--	--	1,496,384
Depreciation	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Total Operating Expenses</b>	<u>1,496,384</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,496,384</u>
<b>Operating Income (Loss)</b>	<u>633,505</u>	<u>--</u>	<u>--</u>	<u>42,399</u>	<u>675,904</u>
Transfers in (out)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Change in Net Position</b>	<u>633,505</u>	<u>--</u>	<u>--</u>	<u>42,399</u>	<u>675,904</u>
<b>Total Net Position - Beginning, as restated</b>	<u>395,688</u>	<u>19,571</u>	<u>(46,087)</u>	<u>85,580</u>	<u>454,752</u>
<b>Total Net Position - Ending</b>	<u>\$ 1,029,193</u>	<u>\$ 19,571</u>	<u>\$ (46,087)</u>	<u>\$ 127,979</u>	<u>\$ 1,130,656</u>

*See independent auditors' report on supplementary information.*

**TOWN OF JOHNSTON, RHODE ISLAND**

**COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	Business-type Activities - Enterprise Funds				Total Enterprise Funds
	60010000	60030000	60060000	60140000	
	Cafeteria Fund	Credit Recovery	Summer School	Athletic Field	
<b>Cash Flows from Operating Activities</b>					
Cash received from customers	\$ 214,247	\$ --	\$ --	\$ 42,399	\$ 256,646
Cash received from grantor	1,864,368	--	--	--	1,864,368
Cash paid to suppliers for goods and services and other operating payments	<u>(1,495,702)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(1,495,702)</u>
<b>Net Cash (Used in) Provided by Operating Activities</b>	<u>582,913</u>	<u>--</u>	<u>--</u>	<u>42,399</u>	<u>625,312</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Receipts from other funds	<u>(434,555)</u>	<u>--</u>	<u>--</u>	<u>(42,399)</u>	<u>(476,954)</u>
<b>Net Cash (Used in) Provided by Noncapital Financing Activities</b>	<u>(434,555)</u>	<u>--</u>	<u>--</u>	<u>(42,399)</u>	<u>(476,954)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	148,358	--	--	--	148,358
<b>Cash, Cash Equivalents, and Restricted Cash - Beginning of Year</b>	<u>400</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>400</u>
<b>Cash, Cash Equivalents, and Restricted Cash - End of Year</b>	<u>\$ 148,758</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 148,758</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>					
Operating income (loss)	\$ 633,505	\$ --	\$ --	\$ 42,399	\$ 675,904
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
(Increase) decrease in intergovernmental receivables	(50,938)	--	--	--	(50,938)
Increase (decrease) in accounts payable and accrued expenses	682	--	--	--	682
Increase (decrease) in unearned revenue	<u>(336)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(336)</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ 582,913</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 42,399</u>	<u>\$ 625,312</u>

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