

TOWN OF JOHNSTON, RHODE ISLAND
ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

TOWN OF JOHNSTON, RHODE ISLAND

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INTRODUCTORY SECTION

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PRINCIPAL OFFICIALS
Town of Johnston, Rhode Island
As of June 30, 2025

ELECTED OFFICIALS
Joseph Polisena Jr., Mayor

TOWN COUNCIL

Robert V. Russo, President	Alfred T. Carnevale
Robert J. Civetti	Linda Folcarelli
Lauren Garzone, Vice President	

SCHOOL COMMITTEE

Robert A. Lafazia	Joseph W. Rotella, Chairperson
Mary Sue Andreozzi	Dawn M. Aloisio
Susan M. Mansolillo, Vice Chairperson	Zachary Gordon
Phanida Phivilay	Gregory Russo
Carolyn Thornton Iannuccilli	

DEPARTMENT DIRECTORS

Police Chief	Mark A. Vieira
Fire Chief	David Iannuccilli
Chief of Staff	Doug Jeffrey
Town Clerk	Vincent Bacari, Jr.
Finance Director	Joseph L. Chiodo, CPA
Tax Collector	Bethany Alviano
Tax Assessor	Valerie Laurito
Town Solicitor	William Conley
Superintendent of Schools	Dr. Bernard DiLullo, Jr.
Director of Building and Grounds	Chris Correia
Director of Recreation	Mike Bedrosian
School Business Manager	Dean Huff
Director of Public Works	Thomas Deller

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FINANCIAL SECTION

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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 (the "Town") as of and for the year ended June 30, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The supplementary information, 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 as, listed in the table of contents, 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, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2026, 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.

CBIZ CPAs P.C.

Providence, RI
February 4, 2026

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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TOWN OF JOHNSTON, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

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, 2025. 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, 2025 by \$209,208,753 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, 2025 by \$3,855,358 for its Business-Type Activities (net position). The total net position is broken down into three captions: 1) Net investment in capital assets (capital assets section), which is essentially the net worth of the infrastructure the Town owns; 2) Restricted, which is only spendable by the Town for specific purposes; and 3) Unrestricted, which is available for Town operations.
- The Town's total net position increased by \$27,136,753 and decreased \$112,666 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 \$100.4 million a decrease of \$35.7 million from the previous year. The decrease is predominately due to the recognition of school bond proceeds in prior years that are being spent in the current year in the School Bond Fund. Approximately 31.7% of this total, \$31.8 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 \$37.4 million, or 31.8% of total general fund expenditures and other net financing uses.
- The remaining fund balance consisted of:
 - \$6,388,726 which consists of \$824,872 non-spendable prepaid items and \$5,563,844 of School Unrestricted fund deficit.
 - Restricted Funds of \$55,318,825 which consists of School Bond funds of \$51,256,119, School Special Revenue Grant Funds in the amount of \$1,125,446, Capital Projects Funds of \$1,447,987, and Town Special Revenue Grant Funds of \$647,550.
 - Committed Funds of \$6,351,025 which consists of Capital Projects of \$2,795,945 and Town Special Revenue Funds of \$3,555,080. Assigned Funds of \$472,358 relating to interest earned on ARPA funds.

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

TOWN OF JOHNSTON, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

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

Government-Wide Financial Statements

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

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

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

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

Government-wide financial statements (statement of net position and statement of activities) are on pages 23-26 of this report.

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.

TOWN OF JOHNSTON, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

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 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 27-30 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 139 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 31-35 of this report.

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 36-37 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 38-114 of this report.

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

Required supplementary information can be found on pages 117-142 of this report.

TOWN OF JOHNSTON, RHODE ISLAND

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Combining Statements referred to earlier in connection with non-major governmental funds and fiduciary funds are presented immediately following the required supplementary information as other supplementary information on pages 145-186 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 \$205,353,395 at the end of the fiscal year ended June 30, 2025.

The Town of Johnston’s unrestricted net deficit at June 30, 2025 is \$293,696,492. 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.

The restricted net position of \$16.1 million is subject to external restrictions on how it may be used.

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

Town of Johnston Summary of Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		Percent Change
	2025	2024	2025	2024	2025	2024	
Current & other assets	\$ 138,759,608	\$ 173,245,654	\$ 2,511,288	\$ 2,179,806	\$ 141,270,896	\$ 175,425,460	-19.5%
Capital assets	<u>122,104,009</u>	<u>72,573,323</u>	<u>2,251,904</u>	<u>2,405,345</u>	<u>124,355,913</u>	<u>74,978,668</u>	65.9%
Total assets	<u>260,863,617</u>	<u>245,818,977</u>	<u>4,763,192</u>	<u>4,585,151</u>	<u>265,626,809</u>	<u>250,404,128</u>	6.1%
Deferred outflows of resources	<u>27,659,661</u>	<u>23,096,084</u>	<u>--</u>	<u>--</u>	<u>27,659,661</u>	<u>23,096,084</u>	19.8%
Current liabilities	21,129,772	18,746,390	235,098	162,595	21,364,870	18,908,985	13.0%
Long-term liabilities	<u>437,141,769</u>	<u>432,690,254</u>	<u>672,736</u>	<u>454,532</u>	<u>437,814,505</u>	<u>433,144,786</u>	1.1%
Total liabilities	<u>458,271,541</u>	<u>451,436,644</u>	<u>907,834</u>	<u>617,127</u>	<u>459,179,375</u>	<u>452,053,771</u>	1.6%
Deferred inflows of resources	<u>39,460,490</u>	<u>53,823,923</u>	<u>--</u>	<u>--</u>	<u>39,460,490</u>	<u>53,823,923</u>	-26.7%
Net investment in capital assets	70,777,689	49,352,975	1,445,904	1,809,345	72,223,593	51,162,320	41.2%
Restricted	16,119,504	15,399,594	--	--	16,119,504	15,399,594	4.7%
Unrestricted	<u>(296,105,946)</u>	<u>(301,098,075)</u>	<u>2,409,454</u>	<u>2,158,679</u>	<u>(293,696,492)</u>	<u>(298,939,396)</u>	-1.8%
Total net position	<u>\$ (209,208,753)</u>	<u>\$ (236,345,506)</u>	<u>\$ 3,855,358</u>	<u>\$ 3,968,024</u>	<u>\$ (205,353,395)</u>	<u>\$ (232,377,482)</u>	-11.6%

TOWN OF JOHNSTON, RHODE ISLAND

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2025

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, 2025 by \$209,208,753 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, 2025 by \$3,855,358 for its Business-Type Activities (net position).

Assets and capital assets increased year over year due to the Town purchasing capital assets of \$53.0 million in 2025. The Town’s long-term liabilities increased due to an increase in net pension and OPEB liabilities and the offset by the repayment of bond principal.

Governmental Activities

Governmental Activities net position increased by \$27,136,753. Property taxes are the largest revenue source for governmental activities, accounting for 45.0% of total revenues while operating grants and contributions contributed to 220.7% of the revenues. A comparison of FY 2025 and FY 2024 activity can be found below:

Town of Johnston Summary of Changes in Net Position

	Governmental Activities		Business-Type Activities		Total		Percent Change
	2025	2024	2025	2024	2025	2024	
Revenues							
Program revenues:							
Charges for services	\$ 10,181,855	\$ 11,295,041	\$ 1,504,449	\$ 1,686,378	\$ 11,686,304	\$ 12,981,419	-10.0%
Operating grants	35,362,282	35,518,615	1,079,115	881,456	36,441,397	36,400,071	0.1%
Capital grants	14,274,266	5,918,125	--	--	14,274,266	5,918,125	141.2%
General revenues:							
Property taxes	76,926,220	74,044,694	--	--	76,926,220	74,044,694	3.9%
Motor vehicle phase-out taxes	10,375,322	10,382,784	--	--	10,375,322	10,382,784	-0.1%
Unrestricted grants and contributions	16,285,567	13,503,588	--	--	16,285,567	13,503,588	20.6%
Unrestricted investment earnings	6,179,581	7,783,319	--	--	6,179,581	7,783,319	-20.6%
Other	<u>1,363,302</u>	<u>291,826</u>	<u>--</u>	<u>--</u>	<u>1,363,302</u>	<u>291,826</u>	<u>367.2%</u>
Total Revenue	<u>170,948,395</u>	<u>158,737,992</u>	<u>2,583,564</u>	<u>2,567,834</u>	<u>173,531,959</u>	<u>161,305,826</u>	<u>7.6%</u>
Program Expenses							
General government	9,390,349	7,850,955	--	--	9,390,349	7,850,955	19.6%
Public safety	40,499,673	41,010,799	--	--	40,499,673	41,010,799	-1.2%
Public works	10,143,372	8,028,183	--	--	10,143,372	8,028,183	26.3%
Public libraries	773,232	745,483	--	--	773,232	745,483	3.7%
Education	76,593,810	66,259,992	--	--	76,593,810	66,259,992	15.6%
Parks and recreation	1,483,454	1,296,527	--	--	1,483,454	1,296,527	14.4%
Interest on long-term debt	4,927,752	5,390,928	--	--	4,927,752	5,390,928	-8.6%
Sewer	--	--	1,064,077	994,945	1,064,077	994,945	6.9%
Other business-type activities	<u>--</u>	<u>--</u>	<u>1,632,153</u>	<u>1,568,572</u>	<u>1,632,153</u>	<u>1,568,572</u>	<u>4.1%</u>
Total Program Expenses	<u>143,811,642</u>	<u>130,582,867</u>	<u>2,696,230</u>	<u>2,563,517</u>	<u>146,507,872</u>	<u>133,146,384</u>	<u>10.0%</u>
Change in net position	27,136,753	28,155,125	(112,666)	4,317	27,024,087	28,159,442	-4.0%
Net Position - Beginning	<u>(236,345,506)</u>	<u>(264,500,631)</u>	<u>3,968,024</u>	<u>3,963,707</u>	<u>(232,377,482)</u>	<u>(260,536,924)</u>	<u>-10.8%</u>
Net Position - Ending	<u>\$ (209,208,753)</u>	<u>\$ (236,345,506)</u>	<u>\$ 3,855,358</u>	<u>\$ 3,968,024</u>	<u>\$ (205,353,395)</u>	<u>\$ (232,377,482)</u>	<u>-11.6%</u>

TOWN OF JOHNSTON, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

- Property taxes increased by 3.9% while unrestricted grants and contributions increased by 20.6% predominately due to stabilization revenue.
- The Town also saw a significant increase in capital grants of \$8.3 million. This was due to the Town utilizing ARPA funding for capital purposes in fiscal year 2025 as well as state funds received relating to the Town's School Bond project that were utilized on capital.
- Education expenses account for approximately 53.5% of the total expenses within the governmental activities of the Town. Public safety and public works expenses account for 28.1% and 7.1%, respectively, general government makes up 6.3% and the remainder relates to the public library, parks and recreation and interest on long-term debt.

Business-Type Activities: Net position of business-type activities decreased by \$112,666, of which \$112,450 was attributable to the sewer fund.

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 \$100.3 million. Approximately 31.7% of this amount, \$31.8 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 \$37.4 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 31.8% of the 2025 Adopted General Fund Expenditure Budget.

The total fund balance of the Town's General Fund decreased by \$1,954,161 during the current fiscal year.

School Unrestricted Fund: The school fund has a total fund balance of (\$5,563,844). The total fund balance of the School Unrestricted Fund decreased by \$2.3 million during the current fiscal year.

General Fund Budgetary Highlights

The Town finished the 2024-2025 Fiscal Year with budgetary surplus as follows:

- General Fund – \$3,487,024

TOWN OF JOHNSTON, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

The Town continues to increase collection efforts on prior year taxes with tax revenue received over anticipated budget by \$2.5 million. Federal and State funds, primarily associated with motor vehicle excise phase, had favorable gains in intergovernmental funds and state aid. Police department expenditures were under budget by \$548 thousand whereas Fire and street and highways expenditures were over budget by \$1.3 million and \$352 thousand, respectively.

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, 2025, amounts to \$124,355,913 (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 increased in the Town's investment in governmental activities capital assets, prior to accumulated depreciation, for the current fiscal year was \$53,016,721.

	Gross Governmental Capital Assets	
	June 30, 2025	June 30, 2024
Land	\$ 8,979,477	\$ 8,979,477
Construction in progress	64,296,540	23,716,360
Land improvements	5,180,108	3,619,743
Infrastructure	68,736,717	65,486,093
Buildings and improvements	56,984,327	51,430,683
Vehicles and equipment	18,874,034	16,802,126
	<u>\$ 223,051,203</u>	<u>\$ 170,034,482</u>

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

- Street building / garage – Irons avenue
- School bond construction in progress
- JWMP playground construction
- Soccer complex turf renovation

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 \$95,459,284 in bonds outstanding, compared to \$97,628,713 last year, a decrease of \$2,169,429. 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, 2025, the Town had a legal debt limit of \$115,879,962, based on net assessed valuations as of December 31, 2023. As of June 30, 2025, the Town had outstanding debt subject to the 3% debt limit of \$10,459,284.

TOWN OF JOHNSTON, RHODE ISLAND

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

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 2025-2026 Budget and Tax Rates

The 2025-2026 general fund budget will be \$137,900,675, an increase of \$3,658,474 over the fiscal year 2025 budget of \$134,242,201. This represents an increase of 2.72%.

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.

BASIC FINANCIAL STATEMENTS

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TOWN OF JOHNSTON, RHODE ISLAND

STATEMENT OF NET POSITION

JUNE 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 109,841,834	\$ 1,400,495	\$ 111,242,329
Tax receivable, net	4,426,325	--	4,426,325
Accounts receivable, net	3,653,078	769,506	4,422,584
Internal balances	(23,820)	23,820	--
Due from federal and state governments	5,270,751	297,000	5,567,751
Prepays and other assets	1,217,872	20,467	1,238,339
Lease receivables	2,316,770	--	2,316,770
Total Current Assets	<u>126,702,810</u>	<u>2,511,288</u>	<u>129,214,098</u>
Noncurrent Assets			
Net pension asset	12,056,798	--	12,056,798
Capital assets not being depreciated	73,276,017	--	73,276,017
Capital assets, net of accumulated depreciation	48,827,992	2,251,904	51,079,896
Total Noncurrent Assets	<u>134,160,807</u>	<u>2,251,904</u>	<u>136,412,711</u>
Total Assets	<u>260,863,617</u>	<u>4,763,192</u>	<u>265,626,809</u>
Deferred Outflows of Resources			
Pension related deferred outflows of resources	13,558,526	--	13,558,526
OPEB related deferred outflows of resources	14,101,135	--	14,101,135
Total Deferred Outflows of Resources	<u>27,659,661</u>	<u>--</u>	<u>27,659,661</u>

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

TOWN OF JOHNSTON, RHODE ISLAND

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable and accrued expenses	13,649,652	101,834	13,751,486
Unearned revenue	1,407,216	--	1,407,216
Current portion of compensated absences	2,563,475	--	2,563,475
Current portion of general obligation bonds	3,319,429	133,264	3,452,693
Current portion of capital lease obligations	190,000	--	190,000
Total Current Liabilities	<u>21,129,772</u>	<u>235,098</u>	<u>21,364,870</u>
Noncurrent Liabilities			
Compensated absences, net	10,253,901	--	10,253,901
General obligation bonds, net	99,895,010	672,736	100,567,746
Capital lease obligations, net	380,000	--	380,000
Net pension liability	164,297,593	--	164,297,593
Net OPEB liability	162,315,265	--	162,315,265
Total Noncurrent Liabilities	<u>437,141,769</u>	<u>672,736</u>	<u>437,814,505</u>
Total Liabilities	<u>458,271,541</u>	<u>907,834</u>	<u>459,179,375</u>
Deferred Inflows of Resources			
Deferred lease receivables	2,396,948	--	2,396,948
Pension related deferred inflows of resources	15,151,671	--	15,151,671
OPEB related deferred inflows of resources	21,911,871	--	21,911,871
Total Deferred Inflows of Resources	<u>39,460,490</u>	<u>--</u>	<u>39,460,490</u>
Net Position			
Net investment in capital assets	70,777,689	1,445,904	72,223,593
Restricted:			
Net pension asset	12,056,798	--	12,056,798
School grant funds	1,125,446	--	1,125,446
Town grant funds	1,489,273	--	1,489,273
Capital project funds	1,447,987	--	1,447,987
Unrestricted	(296,105,946)	2,409,454	(293,696,492)
Total Net Position	<u>\$ (209,208,753)</u>	<u>\$ 3,855,358</u>	<u>\$ (205,353,395)</u>

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, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Governmental Activities							
General government	\$ 9,390,349	\$ 6,665,035	\$ 69,889	\$ 3,257,567	\$ 602,142		\$ 602,142
Public safety	40,499,673	1,961,839	1,224,521	--	(37,313,313)		(37,313,313)
Public works	10,143,372	1,186,105	87,081	--	(8,870,186)		(8,870,186)
Public libraries	773,232	--	--	--	(773,232)		(773,232)
Education	76,593,810	238,865	33,945,751	11,016,699	(31,392,495)		(31,392,495)
Parks and recreation	1,483,454	130,011	35,040	--	(1,318,403)		(1,318,403)
Interest on long-term debt	<u>4,927,752</u>	--	--	--	<u>(4,927,752)</u>		<u>(4,927,752)</u>
Total Governmental Activities	<u>143,811,642</u>	<u>10,181,855</u>	<u>35,362,282</u>	<u>14,274,266</u>	<u>(83,993,239)</u>		<u>(83,993,239)</u>
Business-Type Activities							
Sewer	1,064,077	928,315	23,312	--		\$ (112,450)	(112,450)
Other business-type activities	<u>1,632,153</u>	<u>576,134</u>	<u>1,055,803</u>	--		<u>(216)</u>	<u>(216)</u>
Total Business-Type Activities	<u>2,696,230</u>	<u>1,504,449</u>	<u>1,079,115</u>	--		<u>(112,666)</u>	<u>(112,666)</u>
Total	<u>\$ 146,507,872</u>	<u>\$ 11,686,304</u>	<u>\$ 36,441,397</u>	<u>\$ 14,274,266</u>	<u>(83,993,239)</u>	<u>(112,666)</u>	<u>(84,105,905)</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, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
General Revenues			
Property taxes, levied for general purposes	76,926,220	--	76,926,220
Motor vehicle phase-out taxes	10,375,322	--	10,375,322
Grants and aid not restricted for specific programs	16,285,567	--	16,285,567
Unrestricted investment earnings	6,179,581	--	6,179,581
Proceeds from sale of real property	992,680	--	992,680
Miscellaneous	370,622	--	370,622
Total General Revenues and Special Items	<u>111,129,992</u>	<u>--</u>	<u>111,129,992</u>
Change in Net Position	27,136,753	(112,666)	27,024,087
Net Position - Beginning of Year	<u>(236,345,506)</u>	<u>3,968,024</u>	<u>(232,377,482)</u>
Net Position - End of Year	<u><u>\$ (209,208,753)</u></u>	<u><u>\$ 3,855,358</u></u>	<u><u>\$ (205,353,395)</u></u>

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

TOWN OF JOHNSTON, RHODE ISLAND

BALANCE SHEET GOVERNMENTAL FUNDS

JUNE 30, 2025

	General Fund	School Unrestricted Fund	ARPA Funds	School Bond Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 39,305,743	\$ 1,353,613	\$ 704,759	\$ 53,959,796	\$ 8,995,909	\$ 104,319,820
Taxes receivable, net	4,426,325	--	--	--	--	4,426,325
Other receivables, net	2,826,082	826,996	--	--	--	3,653,078
Lease receivable	2,316,770	--	--	--	--	2,316,770
Due from federal and state governments	3,608,438	--	--	--	1,662,313	5,270,751
Prepays	824,872	--	--	--	--	824,872
Due from other funds	6,608,064	850,880	7,496	--	2,411,397	9,877,837
Total Assets	\$ 59,916,294	\$ 3,031,489	\$ 712,255	\$ 53,959,796	\$ 13,069,619	\$ 130,689,453
Liabilities						
Accounts payable and accrued liabilities	\$ 5,861,819	\$ 2,796,893	\$ --	\$ 2,703,677	\$ 206,484	\$ 11,568,873
Due to other funds	1,738,759	5,798,440	--	--	2,429,624	9,966,823
Unearned revenue	1,147,319	--	239,897	--	20,000	1,407,216
Total Liabilities	8,747,897	8,595,333	239,897	2,703,677	2,656,108	22,942,912
Deferred Inflows of Resources						
Unavailable tax and EMS revenue	4,986,845	--	--	--	--	4,986,845
Deferred lease receivable	2,396,948	--	--	--	--	2,396,948
Total Deferred Inflows of Resources	7,383,793	--	--	--	--	7,383,793
Fund Balances						
Non-spendable	6,388,726	--	--	--	--	6,388,726
Restricted	--	--	--	51,256,119	4,062,706	55,318,825
Committed	--	--	--	--	6,351,025	6,351,025
Assigned	--	--	472,358	--	--	472,358
Unassigned	37,395,878	(5,563,844)	--	--	(220)	31,831,814
Total Fund Balances	43,784,604	(5,563,844)	472,358	51,256,119	10,413,511	100,362,748
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 59,916,294	\$ 3,031,489	\$ 712,255	\$ 53,959,796	\$ 13,069,619	\$ 130,689,453

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, 2025

<i>Total Fund Balance reported in Governmental Funds</i>	\$ 100,362,748
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.	122,104,009
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.	27,659,661
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.	(37,063,542)
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	12,056,798
Accrual for net pension and net OPEB liabilities	(316,128,817)
Accrual for compensated absences	(12,817,376)
Fire longevity obligation	(6,247,561)
Police COLA obligation	(593,709)
Fire COLA obligation	(3,642,771)
Capital lease obligations	(570,000)
General obligation bonds	(95,459,284)
Bond premium, net of amortization	(7,755,155)
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.	4,986,845
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 2024 impact on the Statement of Net Position, excluding capital assets, net of accumulated depreciation, and long-term liabilities, the impact of which is reflected above.	4,551,850
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.	<u>(652,449)</u>
<i>Total Net Position reported in Statement of Net Position</i>	<u>\$ (209,208,753)</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, 2025

	General Fund	School Unrestricted Fund	ARPA Funds	School Bond Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 75,876,636	\$ --	\$ --	\$ --	\$ 750,000	\$ 76,626,636
Intergovernmental	26,660,889	25,632,206	3,257,567	11,016,699	6,215,567	72,782,928
Charges for services	10,582,159	238,865	--	--	198,851	11,019,875
Investment income	2,300,730	--	107,725	3,396,941	374,185	6,179,581
State on behalf pension contribution	--	3,195,659	--	--	--	3,195,659
Other miscellaneous	--	248,308	--	--	1,095,259	1,343,567
Total Revenues	<u>115,420,414</u>	<u>29,315,038</u>	<u>3,365,292</u>	<u>14,413,640</u>	<u>8,633,862</u>	<u>171,148,246</u>
Expenditures						
Current						
General government	7,921,474	--	382,284	--	27,806	8,331,564
Public safety	47,700,557	--	--	--	142,952	47,843,509
Public works	9,130,973	--	--	--	--	9,130,973
Public libraries	683,770	--	--	--	1,347	685,117
Education	--	74,232,670	--	--	5,144,078	79,376,748
Parks and recreation	726,140	--	--	--	407,612	1,133,752
Debt Service						
Principal	2,354,429	--	--	--	--	2,354,429
Interest and other costs	2,657,502	--	--	2,270,250	--	4,927,752
Capital Outlays	--	--	2,878,771	42,777,301	7,450,833	53,106,905
Total Expenditures	<u>71,174,845</u>	<u>74,232,670</u>	<u>3,261,055</u>	<u>45,047,551</u>	<u>13,174,628</u>	<u>206,890,749</u>
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	<u>44,245,569</u>	<u>(44,917,632)</u>	<u>104,237</u>	<u>(30,633,911)</u>	<u>(4,540,766)</u>	<u>(35,742,503)</u>
Other Financing Sources (Uses)						
Transfers in	64,823	41,630,401	--	--	4,806,977	46,502,201
Transfers out	(46,264,553)	--	--	--	(237,648)	(46,502,201)
Total Other Financing Sources (Uses)	<u>(46,199,730)</u>	<u>41,630,401</u>	<u>--</u>	<u>--</u>	<u>4,569,329</u>	<u>--</u>
Net Change in Fund Balances	(1,954,161)	(3,287,231)	104,237	(30,633,911)	28,563	(35,742,503)
Fund Balance - Beginning of Year	<u>45,738,765</u>	<u>(2,276,613)</u>	<u>368,121</u>	<u>81,890,030</u>	<u>10,384,948</u>	<u>136,105,251</u>
Fund Balance - End of Year	<u>\$ 43,784,604</u>	<u>\$ (5,563,844)</u>	<u>\$ 472,358</u>	<u>\$ 51,256,119</u>	<u>\$ 10,413,511</u>	<u>\$ 100,362,748</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, 2025

Net Change in Fund Balances - Total Governmental Funds	\$ (35,742,503)
<p>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.</p>	
Capital outlay, net of disposals	53,016,721
Depreciation expense, net of disposals	(3,486,035)
<p>Governmental funds report principal repayments on debt obligations as an expenditure. However, the repayment of principal has no effect on the net position.</p>	
	2,354,429
<p>Governmental funds do not report fire longevity obligations as a liability. This reports the activity of the liability for 2025.</p>	
	805,392
<p>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:</p>	
Change in net pension asset	1,239,961
Change in net pension liability	8,324,846
Change in net OPEB liability	(15,559,199)
Change in deferred outflows of resources	4,575,519
Change in deferred inflows of resources	14,259,279
<p>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 2025.</p>	
	295,510
<p>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 activity compared to prior year.</p>	
	771,350
<p>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 change in accrued interest expense from 2024.</p>	
	10,548
<p>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 changed from 2024.</p>	
	(2,745,922)
<p>The activity for the current year amortization of loss on bond refundings.</p>	
	(11,942)
<p>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 2025.</p>	
	<u>(971,201)</u>
Change in Net Position of Governmental Activities in the Statement of Activities	<u>\$ 27,136,753</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, 2025

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Sewer</u>	<u>Non-Major Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
Assets				
Current Assets				
Cash and cash equivalents	\$ --	\$ 1,400,495	\$ 1,400,495	\$ 5,522,014
User charges receivable	595,421	--	595,421	--
Other receivables	--	174,085	174,085	--
Due from federal and state governments	297,000	--	297,000	--
Due from other funds	292,881	152,513	445,394	65,166
Deposits	--	--	--	393,000
Other assets	--	20,467	20,467	--
Total Current Assets	<u>1,185,302</u>	<u>1,747,560</u>	<u>2,932,862</u>	<u>5,980,180</u>
Noncurrent Assets				
Capital assets, net of accumulated depreciation	<u>2,180,327</u>	<u>71,577</u>	<u>2,251,904</u>	<u>--</u>
Total Noncurrent Assets	<u>2,180,327</u>	<u>71,577</u>	<u>2,251,904</u>	<u>--</u>
Total Assets	<u>3,365,629</u>	<u>1,819,137</u>	<u>5,184,766</u>	<u>5,980,180</u>

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

TOWN OF JOHNSTON, RHODE ISLAND

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

JUNE 30, 2025

	Business-Type Activities - Enterprise Funds			
	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Liabilities				
Current Liabilities				
Accounts payable and accrued expenses	--	97,925	97,925	1,428,330
Due to other funds	--	421,574	421,574	--
Accrued interest	3,909	--	3,909	--
Current portion of general obligation bonds	133,264	--	133,264	--
Total Current Liabilities	137,173	519,499	656,672	1,428,330
Noncurrent Liabilities				
General obligation bonds, net	672,736	--	672,736	--
Total Noncurrent Liabilities	672,736	--	672,736	--
Total Liabilities	809,909	519,499	1,329,408	1,428,330
Net Position				
Net investment in capital assets	1,374,327	71,577	1,445,904	--
Unrestricted	1,181,393	1,228,061	2,409,454	4,551,850
Total Net Position	\$ 2,555,720	\$ 1,299,638	\$ 3,855,358	\$ 4,551,850

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, 2025

	Business-Type Activities - Enterprise Funds			
		Non-Major	Total	Internal
	Sewer	Enterprise Funds	Enterprise Funds	Service Funds
Operating Revenues				
Charges for usage, service and assessments	\$ 928,315	\$ 576,134	\$ 1,504,449	\$ 23,928,005
Intergovernmental	23,312	1,055,803	1,079,115	--
Total Operating Revenues	<u>951,627</u>	<u>1,631,937</u>	<u>2,583,564</u>	<u>23,928,005</u>
Operating Expenses				
Salaries and benefits	445,803	--	445,803	--
Contractual services	208,776	1,614,259	1,823,035	--
Repairs and maintenance	107,830	--	107,830	--
Utilities	58,599	--	58,599	--
Healthcare management	--	--	--	25,169,155
Depreciation and amortization	225,891	17,894	243,785	--
Total Operating Expenses	<u>1,046,899</u>	<u>1,632,153</u>	<u>2,679,052</u>	<u>25,169,155</u>
Operating Income	<u>(95,272)</u>	<u>(216)</u>	<u>(95,488)</u>	<u>(1,241,150)</u>
Nonoperating Revenues (Expenses)				
Interest income	--	--	--	269,949
Interest expense	(17,178)	--	(17,178)	--
Net Nonoperating Revenues (Expenses)	<u>(17,178)</u>	<u>--</u>	<u>(17,178)</u>	<u>269,949</u>
Changes in Net Position	(112,450)	(216)	(112,666)	(971,201)
Total Net Position - Beginning	<u>2,668,170</u>	<u>1,299,854</u>	<u>3,968,024</u>	<u>5,523,051</u>
Total Net Position - Ending	<u>\$ 2,555,720</u>	<u>\$ 1,299,638</u>	<u>\$ 3,855,358</u>	<u>\$ 4,551,850</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, 2025

	Business-Type Activities - Enterprise Funds			
	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities				
Cash received from customers	\$ 838,001	\$ 576,134	\$ 1,414,135	\$ 23,928,005
Cash received from grantor	(273,688)	900,753	627,065	--
Claims paid	--	--	--	(25,145,412)
Cash paid to suppliers for goods and services and other operating payments	(375,205)	(1,511,884)	(1,887,089)	--
Cash paid for employees and benefits	(445,803)	--	(445,803)	--
Net Cash Provided by (Used in) Operating Activities	<u>(256,695)</u>	<u>(34,997)</u>	<u>(291,692)</u>	<u>(1,217,407)</u>
Cash Flows from Noncapital Financing Activities				
Receipts from other funds	144,247	637,454	781,701	141,318
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>144,247</u>	<u>637,454</u>	<u>781,701</u>	<u>141,318</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of capital assets	(28,241)	(62,103)	(90,344)	--
Principal payments on long-term debt	(141,468)	--	(141,468)	--
Proceeds from clean water bonds	300,000	--	300,000	--
Interest and finance charges paid on debt obligations	(17,843)	--	(17,843)	--
Net Cash Used in Capital and Related Financing Activities	<u>112,448</u>	<u>(62,103)</u>	<u>50,345</u>	<u>--</u>
Cash Flows from Investing Activities				
Investment income	--	--	--	269,949
Net Cash Provided by Investing Activities	<u>--</u>	<u>--</u>	<u>--</u>	<u>269,949</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>--</u>	<u>540,354</u>	<u>540,354</u>	<u>(806,140)</u>
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>--</u>	<u>860,141</u>	<u>860,141</u>	<u>6,328,154</u>
Cash, Cash Equivalents, and Restricted Cash - End of Year	<u>\$ --</u>	<u>\$ 1,400,495</u>	<u>\$ 1,400,495</u>	<u>\$ 5,522,014</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, 2025

	Business-Type Activities - Enterprise Funds			
	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ (95,272)	\$ (216)	\$ (95,488)	\$ (1,241,150)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation and amortization expense	225,891	17,894	243,785	--
(Increase) decrease in assessments and fees receivable	(90,314)	--	(90,314)	--
(Increase) decrease in intergovernmental receivables	(297,000)	(134,047)	(431,047)	--
Increase (decrease) in accounts payable and accrued expenses	--	97,925	97,925	23,743
Increase (decrease) in unearned revenue	--	(16,553)	(16,553)	--
Net Cash Provided by Operating Activities	<u>\$ (256,695)</u>	<u>\$ (34,997)</u>	<u>\$ (291,692)</u>	<u>\$ (1,217,407)</u>

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

TOWN OF JOHNSTON, RHODE ISLAND

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

JUNE 30, 2025

	Pension and OPEB Trust Funds	Private Purpose Trust Funds	Custodial Funds
Assets			
Cash and cash equivalents	\$ 392,458	\$ 26,348	\$ 279,742
Investments, at fair value:			
Investment mutual funds	87,793,422	--	--
Accounts receivable	114,779	357	107,790
Prepaid items	1,014,247	--	--
Total Assets	<u>89,314,906</u>	<u>26,705</u>	<u>387,532</u>
Liabilities			
Accrued expenses	12,335	--	--
Total Liabilities	<u>12,335</u>	<u>--</u>	<u>--</u>
Net Position			
Restricted for individuals, organizations, and other government	--	--	387,532
Restricted for other post-employment benefits	14,906,237	--	--
Restricted for pension benefits	74,396,334	--	--
Restricted for private purposes per trust agreement	--	26,705	--
Total Net Position	<u>\$ 89,302,571</u>	<u>\$ 26,705</u>	<u>\$ 387,532</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, 2025

	Pension and OPEB Trust Funds	Private Purpose Trust Funds	Custodial Funds
Additions			
Contributions:			
Employer contributions	\$ 18,945,931	\$ --	\$ --
Plan member contributions	310,132	--	--
Other income	1,797	--	11,025
Total Contributions	<u>19,257,860</u>	<u>--</u>	<u>11,025</u>
Investment earnings:			
Net change in fair value of investments	6,905,436	--	--
Interest and dividends	3,549,350	1,046	--
Total Investment Earnings	<u>10,454,786</u>	<u>1,046</u>	<u>--</u>
Total Additions	<u>29,712,646</u>	<u>1,046</u>	<u>11,025</u>
Deductions			
Benefits paid	19,017,988	--	--
Administration	159,423	--	--
Total Deductions	<u>19,177,411</u>	<u>--</u>	<u>--</u>
Change in Net Position	10,535,235	1,046	11,025
Net Position - Beginning of Year	<u>78,767,336</u>	<u>25,659</u>	<u>376,507</u>
Net Position - End of Year	<u>\$ 89,302,571</u>	<u>\$ 26,705</u>	<u>\$ 387,532</u>

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

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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, 2025

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, 2025

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 include the School Unrestricted Fund and ARPA.

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. The Town's major capital projects fund includes the school bond fund.

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, 2025 the Town maintained six 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, 2025

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.

MAJOR AND NON-MAJOR FUNDS

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

<u>Fund</u>	<u>Brief Description</u>
<i>Major:</i>	
General Fund	See above for description.
<i>Special Revenue Funds:</i>	
School Unrestricted	Acts as the primary operating fund for the Johnston School Department.
ARPA Funds	Accounts for the Town’s American Rescue Plan Act Funds.
<i>Capital Project Fund:</i>	
School Bond Fund	Accounts for the Town’s school bond proceeds and expenditures.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MAJOR AND NON-MAJOR FUNDS

<u>Fund</u>	<u>Brief Description</u>
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Major (Continued):

Proprietary Funds:

Sewer Fund	Accounts for the operations of the Town’s Sewer Department.
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Internal Service Fund Accounts for the operations of the Town and School Department’s Healthcare Management.

Non-Major:

Special Revenue Funds	Grant programs including federal grants, state grants, and private grants.
-----------------------	--

The Town currently maintains 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.

Capital Project Funds	The Town currently maintains 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.
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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.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

(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.

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, 2025

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.

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.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Accounts Receivable (Continued)

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, 2025 the Town has estimated the allowance for uncollectible receivables for delinquent taxes of \$4,537,993 and an allowance for uncollectible receivables for municipal court receivables and fire rescue receivables of \$1,534,898. Interest on delinquent taxes is recorded on the cash basis due to uncertainty of collectability.

Property Taxes

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

For 2025, 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.

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.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Leases (as Lessor) (Continued)

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.

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.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets (Continued)

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 2025.

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.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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, 2025 the Town reported \$27,659,661 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).

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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 (Continued)

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, 2025 the Town reported \$37,063,542 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, 2025 the Town also reported in the Government-Wide Statement of Net Position \$2,396,948 related to deferred lease revenue.

At June 30, 2025 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 \$4,986,845. The unavailable tax revenue at June 30, 2025 represents property taxes receivables which are assessed on December 31, 2023 and prior and are not collected within 60 days of June 30, 2025. The unearned EMS revenue represents rescue fees for services provided prior to June 30, 2025 but not recognized as revenue since they are considered unavailable as of June 30, 2025. 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.

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.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Interfund Transactions (Continued)

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.”

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.”

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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)

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.
- 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.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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. 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. Investments are reported at fair value.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (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, 2025 the Town adopted GASB Statement No. 101, *Compensated absences* and GASB State No. 102 *Certain Risk Disclosures*. The impact of this standard was determined to be immaterial to the Town's financial statements.

USE OF ESTIMATES

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

SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 4, 2026, which is the date these financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure in these financial statements.

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

CASH AND CASH EQUIVALENTS

At June 30, 2025, the carrying amount of the Town's cash and cash equivalents was \$111,940,877 (including \$698,548 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.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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, 2025:

	Level 1	Level 2	Level 3	Total
Investments by Fair Value Level				
Mutual Funds	<u>\$ 87,793,422</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 87,793,422</u>
Total Investments by Fair Value Level	<u>\$ 87,793,422</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 87,793,422</u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Custodial Credit Risk

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer. The Town manages its risk by participating in a certificate of deposit pool, maximizing the Federal Deposit Insurance Corporation (FDIC) coverage over deposits by limiting the amount on deposit in any one financial institution, and also by securing full collateralization of any remaining uninsured deposits. As of June 30, 2025, more than 5% of the Town's fiduciary investments are invested in the following:

Issuer	Investment	Value	% of Fiduciary Investments
Vanguard	Large Cap Index Fund	\$ 21,319,647	24.28%
Vanguard	Total Bond Markets Index Fund	\$ 15,116,784	17.22%
Vanguard	Mid-Cap Index Fund	\$ 11,314,322	12.89%
Vanguard	Small Cap Index Fund	\$ 10,595,996	12.07%
Vanguard	Developed Markets Index Fund	\$ 8,300,738	9.45%

Credit Risk

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates and will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in interest rates.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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 2025 were based on a net assessed value of as noted below:

	Taxable Assessment	Exemptions	Net Tax Assessment	Rate Per \$1,000	Net Levy
Real property residential	\$ 3,602,577,258	\$ 695,156,646	\$ 2,907,420,612	\$ 15.30	\$ 44,483,553
Real property other	786,597,352	1,124,280	785,473,072	27.43	21,545,501
Tangible property	<u>191,289,400</u>	<u>21,517,700</u>	<u>169,771,700</u>	64.65	<u>10,975,741</u>
	<u>\$4,580,464,010</u>	<u>\$ 717,798,626</u>	<u>\$ 3,862,665,384</u>		<u>\$ 77,004,795</u>

Unpaid property taxes as of June 30, 2025 of \$8,964,318, are recorded as a receivable, net of an allowance for uncollectible property taxes of \$4,537,993. Those net property taxes receivable which were not collected within 60 days immediately following June 30, 2025, are recorded as a deferred inflow in fiscal 2025. Property taxes collected within 60 days following June 30, 2025, are recognized as revenue in the governmental fund financial statements and amounted to \$1,046,340.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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, 2025, was as follows:

	Due From	Due To
General Fund	\$ 6,608,064	\$ 1,738,759
School Unrestricted	850,880	5,798,440
Non-Major Governmental Funds	2,411,397	2,429,624
ARPA Funds	7,496	--
Internal Service Funds	65,166	--
Sewer	292,881	--
Non-Major Enterprise Funds	152,513	421,574
Total	\$ 10,388,397	\$ 10,388,397

The Town had interfund transfers totaling \$46,502,201 during the year ended June 30, 2025. The composition of these interfund transfers was as follows:

	Transfers In	Transfers Out
General Fund	\$ 64,823	\$ 46,264,553
School Unrestricted	41,630,401	--
Non-Major Governmental Funds	4,806,977	237,648
Total	\$ 46,502,201	\$ 46,502,201

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 5 - CAPITAL ASSETS

	Beginning Balance 7/1/2024	Increases	Decreases	Ending Balance 6/30/2025
Capital Assets Not Being Depreciated				
Land	\$ 8,979,477	\$ --	\$ --	\$ 8,979,477
Construction in progress	<u>23,716,360</u>	<u>45,162,917</u>	<u>(4,582,737)</u>	<u>64,296,540</u>
Total Capital Assets Not Being Depreciated	<u>32,695,837</u>	<u>45,162,917</u>	<u>(4,582,737)</u>	<u>73,276,017</u>
Capital Assets Being Depreciated				
Land improvements	3,619,743	1,560,365	--	5,180,108
Buildings and improvements	51,430,683	5,553,644	--	56,984,327
Infrastructure	65,486,093	3,250,624	--	68,736,717
Vehicles and equipment	<u>16,802,126</u>	<u>2,162,092</u>	<u>(90,184)</u>	<u>18,874,034</u>
Total Capital Assets Being Depreciated	<u>137,338,645</u>	<u>12,526,725</u>	<u>(90,184)</u>	<u>149,775,186</u>
Less: Accumulated Depreciation For				
Land improvements	661,127	187,117	--	848,244
Buildings and improvements	28,661,516	1,359,063	--	30,020,579
Infrastructure	54,934,128	694,254	--	55,628,382
Vehicles and equipment	<u>13,204,388</u>	<u>1,335,785</u>	<u>(90,184)</u>	<u>14,449,989</u>
Total Accumulated Depreciation	<u>97,461,159</u>	<u>3,576,219</u>	<u>(90,184)</u>	<u>100,947,194</u>
Governmental Activities Capital Assets, Net	<u>\$ 72,573,323</u>	<u>\$ 54,113,423</u>	<u>\$ (4,582,737)</u>	<u>\$ 122,104,009</u>

Depreciation was charged to functions as follows:

Governmental Activities:

General government	\$ 383,073
Public safety	1,062,707
Public works	1,012,399
Parks and recreation	349,702
Education	680,223
Public libraries	<u>88,115</u>
Total Governmental Activities Depreciation Expense	<u>\$ 3,576,219</u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Business-Type Activities:

	Beginning Balance 7/1/2024	Increases	Decreases	Ending Balance 6/30/2025
Capital Assets Being Depreciated:				
Distribution and collection systems	\$ 3,272,669	\$ --	\$ --	\$ 3,272,669
Machinery and equipment	<u>1,196,379</u>	<u>90,344</u>	<u>--</u>	<u>1,286,723</u>
Total Capital Assets Being Depreciated	<u>4,469,048</u>	<u>90,344</u>	<u>--</u>	<u>4,559,392</u>
Less: Accumulated Depreciation For				
Distribution and collection systems	1,355,581	132,714	--	1,488,295
Machinery and equipment	<u>708,122</u>	<u>111,071</u>	<u>--</u>	<u>819,193</u>
Total Accumulated Depreciation	<u>2,063,703</u>	<u>243,785</u>	<u>--</u>	<u>2,307,488</u>
Business-Type Activities Capital Assets, Net	<u>\$ 2,405,345</u>	<u>\$ (153,441)</u>	<u>\$ --</u>	<u>\$ 2,251,904</u>

Depreciation was charged to functions as follows:

Business-Type Activities:

Sewer	\$ 225,891
Nutrition Fund	<u>17,894</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 243,785</u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 6 - LONG-TERM OBLIGATIONS

A summary of long-term obligations as of June 30, 2025, is as follows:

	Original Amount	Date of Issue	Date of Maturity	Interest Rate %	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:									
Bonds and Notes:									
Public Offerings									
General obligation bonds	\$ 5,000,000	6/12/2013	6/1/2033	2.00-4.00%	\$ 2,295,000	\$ --	\$ 255,000	\$ 2,040,000	\$ 255,000
Direct Borrowings and Placements:									
General obligation bonds	4,000,000	5/1/2014	5/1/2029	2.48%	1,615,000	--	295,000	1,320,000	310,000
General obligation bonds	3,990,000	3/5/2015	6/1/2025	1.89%	420,000	--	420,000	--	--
General obligation bonds	2,500,000	5/24/2016	5/1/2031	2.19%	1,270,000	--	170,000	1,100,000	175,000
General obligation bonds	1,238,000	11/16/2016	11/1/2031	2.63%	716,000	--	83,000	633,000	84,000
Tax increments financing bond	1,400,000	2/15/2017	6/15/2042	4.66%	1,237,000	--	35,000	1,202,000	39,000
General obligation bonds	710,000	8/16/2017	8/15/2027	2.35%	285,713	--	71,429	214,284	71,429
General obligation bonds	5,600,000	6/14/2018	7/15/2028	2.94%	3,040,000	--	565,000	2,475,000	585,000
General obligation refunding bonds	2,800,000	10/16/2019	9/1/2029	2.07%	1,750,000	--	275,000	1,475,000	280,000
RIHEBC revenue bonds, series 2022f	85,000,000	9/29/2022	5/15/2052	5.00%	85,000,000	--	--	85,000,000	1,520,000
Total Direct Borrowing and Placements					<u>95,333,713</u>	<u>--</u>	<u>1,914,429</u>	<u>93,419,284</u>	<u>3,064,429</u>
Total Bonds and Notes					97,628,713	--	2,169,429	95,459,284	3,319,429
Premiums					8,050,665	--	295,510	7,755,155	--
Total Bonds, Notes and Premiums					<u>105,679,378</u>	<u>--</u>	<u>2,464,939</u>	<u>103,214,439</u>	<u>3,319,429</u>
Capital leases payable					755,000	--	185,000	570,000	190,000
Compensated absences					10,071,454	2,745,922	--	12,817,376	2,563,475
Net pension liability					173,809,076	--	9,511,483	164,297,593	--
Net OPEB liability					146,756,066	15,559,199	--	162,315,265	--
Total Governmental Activities					<u>\$ 437,070,974</u>	<u>\$ 18,305,121</u>	<u>\$ 12,161,422</u>	<u>\$ 443,214,673</u>	<u>\$ 6,072,904</u>
Long-Term Liabilities									

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

	Original Amount	Date of Issue	Date of Maturity	Interest Rate %	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Business-Type Activities:									
<u>Sewer Fund</u>									
Direct Borrowings and Placements:									
RIIB Revolving Fund	\$ 300,000	4/1/2002	9/1/2022	0.00%	\$ --	\$ 300,000	\$ --	\$ 300,000	\$ 60,000
RIIB Revolving Fund	2,500,000	10/6/2009	9/1/2029	2.69%-3.08%	596,000	--	90,000	506,000	73,264
Total Direct Borrowings and Placements					<u>596,000</u>	<u>300,000</u>	<u>90,000</u>	<u>806,000</u>	<u>133,264</u>
Total Business-Type Activities									
Long-Term Liabilities					<u>\$ 596,000</u>	<u>\$ 300,000</u>	<u>\$ 90,000</u>	<u>\$ 806,000</u>	<u>\$ 133,264</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.

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

Fiscal Year Ending June 30,	Public Offerings		Direct Borrowings and Placements			
	Governmental Activities		Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 255,000	\$ 72,930	\$ 3,064,429	\$ 4,781,467	\$ 133,264	\$ 14,728
2027	255,000	55,335	3,194,429	4,673,105	137,509	11,907
2028	255,000	46,538	3,325,426	4,550,876	136,754	8,615
2029	255,000	46,538	3,385,000	4,303,339	140,848	4,626
2030	255,000	37,740	2,743,000	4,331,281	140,943	907
2031-2035	765,000	56,610	11,190,000	19,912,826	116,682	1,449
2036-2040	--	--	14,181,000	16,760,614	--	--
2041-2045	--	--	17,901,000	12,538,075	--	--
2046-2050	--	--	23,245,000	7,050,618	--	--
2051-2052	--	--	11,190,000	932,194	--	--
	<u>\$ 2,040,000</u>	<u>\$ 315,691</u>	<u>\$ 93,419,284</u>	<u>\$ 79,834,395</u>	<u>\$ 806,000</u>	<u>\$ 42,232</u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

TAX INCREMENT FINANCING BONDS

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

In fiscal year 2017, the Town issued \$1,400,000 in special obligation tax increment revenue bonds. The debt service on these bonds is payable solely from the tax increment generated by the property within the project area. The Town and its taxpayer are not liable for such bonds, except to the extent of the additional property taxes generated within the project area are dedicated to repayment of the bonds. If the project does not generate enough additional taxes to pay the debt service on the bonds, the bondholders do not have any rights for claims against the Town's other taxes and revenues. The special obligation tax increment revenue bonds are not general obligations of the Town nor do they count against the Town's statutory debt limit. Total principal remaining on the bonds is \$1,202,000 payable through 2041. For the current year, principal and interest paid was \$35,000 and \$57,644, respectively.

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 remaining on the bonds is \$512,000 payable through 2046. For the current year, principal and interest paid was \$11,000 and \$16,998, respectively.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

CAPITAL LEASES

At June 30, 2025, 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>
2026	\$ 195,795
2027	193,477
2028	<u>191,159</u>
Total minimum lease payments	580,431
Less: amount for interest	<u>(10,431)</u>
Present value of Minimum Lease Payments	<u><u>\$ 570,000</u></u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 7 - FUND BALANCES

The Town has classified governmental fund balances at June 30, 2025 as follows:

Non-Spendable:	
General Fund - prepaid items and advances to other funds	\$ 6,388,726
Total Non-Spendable	<u>\$ 6,388,726</u>
Restricted:	
Educational purposes	\$ 1,125,446
General government	841,723
Public safety	647,550
Capital Projects	1,447,987
School Bond	51,256,119
Total Restricted Fund Balance	<u>\$ 55,318,825</u>
Committed:	
Town Special Revenue - nongrant funds	\$ 3,555,080
Capital Projects	2,795,945
Total Committed Fund Balance	<u>\$ 6,351,025</u>
Assigned	
ARPA funds	\$ 472,358
Total Assigned Fund Balance	<u>\$ 472,358</u>
Unassigned:	
General Fund	\$ 37,395,878
School Special Revenue - deficit fund balances	(220)
School Unrestricted Fund - deficit fund balance	(5,563,844)
Total Unassigned Fund Balance	<u>\$ 31,831,814</u>

At June 30, 2025, the following funds had a deficit (negative) fund balance or deficit net position, as applicable:

Governmental Funds:

School Unrestricted Fund	\$ 5,563,844	**
<i>School Special Revenue Funds:</i>		
School Based Mental Health	<u>220</u>	**
<i>Town Special Revenue Funds:</i>		
Total Cummulative Deficits - Governmental Funds	<u>\$ 5,564,064</u>	

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

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 - PENSION PLANS

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

MUNICIPAL PLAN

Plan Description

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

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

Benefits Provided

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

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

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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.

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.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 - PENSION PLANS (CONTINUED)

MUNICIPAL PLAN (CONTINUED)

Benefits Provided (Continued)

General Employees (Continued)

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

Police and Fire Employees

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

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

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

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

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

A monthly benefit is paid equal to 2.00% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum). 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.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 - PENSION PLANS (CONTINUED)

MUNICIPAL PLAN (CONTINUED)

Benefits Provided (Continued)

Police and Fire Employees (Continued)

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). Cost of living adjustments are provided to retirees based on statutory provisions (Section 36-10-35 of the Rhode Island General Laws). For members and/or beneficiaries of members who retired on or before June 30, 2012, cost of living adjustments are computed annually. For members retiring on or after July 1, 2012, twenty-five percent (or 1/4th) of the cost of living adjustment is computed annually until the plan reaches a 75% funded status. The full benefit adjustment is reinstated for all members upon the plan reaching the 75% funded status.

- a) 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%.
- b) 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 June 30, 2015, years in which a COLA is payable based on the every fourth year provision described in (a) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$27,901 for 2022, \$28,878 for 2023 and \$29,776 for 2024.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 - PENSION PLANS (CONTINUED)

MUNICIPAL PLAN (CONTINUED)

Employees Covered by Benefit Terms

At the June 30, 2024 valuation date, the following employees were covered by the benefit terms:

	General	Police	Fire
Retirees and beneficiaries	255	0	10
Inactive, nonretired members	161	2	9
Active members	213	32	75
	<u>629</u>	<u>34</u>	<u>94</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, 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 \$1,929,842, \$244,463 and \$864,864 for general, police and fire, respectively, in the year ended June 30, 2025, which was 21.05%, 9.23% and 14.51% of covered payroll, respectively.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 - PENSION PLANS (CONTINUED)

MUNICIPAL PLAN (CONTINUED)

Net Pension Liability

The total pension liability was determined by actuarial valuations performed as of June 30, 2023, and rolled forward to June 30, 2024, using the following actuarial assumptions applied to all periods included in the measurement:

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2024 measurement date (June 30, 2023 valuation rolled forward to June 30, 2024)	
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 - 3.00% to 13.50%.
Inflation	2.5 %
Mortality	Mortality – Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP2021 with immediate convergence.
Cost of Living Adjustments	All future COLAs were assumed to be 2.1% per annum for all MERS units with the COLA provision.

The actuarial assumptions used in the calculation of the total pension liability at June 30, 2024 measurement date were based on the 2023 Actuarial Experience Investigation Study for the six-year period ended June 30, 2022 as approved by the System’s Board on May 17, 2023.

The long-term expected rate of return best-estimate on pension plan investments were determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 40 sources. The June 30, 2024, 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, 2025

NOTE 8 - PENSION PLANS (CONTINUED)

MUNICIPAL PLAN (CONTINUED)

Net Pension Liability (Continued)

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
<i>GROWTH</i>		
Global Equity:		
U.S. Equity	25.90%	5.98%
International Developed Equity	10.00%	6.47%
Emerging Markets Equity	4.10%	8.10%
Sub-Total	40.00%	
Private Growth:		
Private Equity	12.50%	9.37%
Non-Core RE	2.50%	4.92%
Sub-Total	15.00%	
<i>INCOME</i>		
Equity Options	2.00%	5.69%
Liquid Credit	5.00%	4.36%
Private Credit	3.00%	4.36%
Collateralized Loan Obligations (CLO)	2.00%	4.36%
Sub-Total	12.00%	
<i>STABILITY</i>		
Crisis Protection Class:		
Treasury Duration	5.00%	1.00%
Systematic Trend	5.00%	4.02%
Sub-Total	10.00%	
Inflation Protection:		
Core Real Estate	4.00%	4.92%
Private Infrastructure	4.00%	6.02%
Sub-Total	8.00%	
Volatility Protection:		
IG Corp Credit	3.25%	2.60%
Securitized Credit	3.25%	2.60%
Absolute Return	6.50%	4.02%
Cash	2.00%	1.00%
Sub-Total	15.00%	
Total	100.00%	

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 - PENSION PLANS (CONTINUED)

MUNICIPAL PLAN (CONTINUED)

Changes in the Net Pension Liability

	Changes in the Net Pension Liability			
	General	Police	Fire	Total
Pension Liability:				
Balances as of July 1, 2023	\$ 50,375,320	\$ 2,313,710	\$ 20,092,032	\$ 72,781,062
Changes for the year:				
Service cost	668,565	451,585	1,086,129	2,206,279
Interest on the total pension liability	3,421,185	177,765	1,428,614	5,027,564
Benefit changes	404,012	100,882	507,994	1,012,888
Difference between expected and actual experience	(318,707)	515,159	102,629	299,081
Benefit payments	(3,671,068)	--	(452,654)	(4,123,722)
Balances as of June 30, 2024	<u>50,879,307</u>	<u>3,559,101</u>	<u>22,764,744</u>	<u>77,203,152</u>
Fiduciary Net Position:				
Balances as of July 1, 2023	36,962,177	2,694,955	18,256,180	57,913,312
Employer contributions	1,814,485	198,533	650,312	2,663,330
Employee contributions	200,239	231,452	557,946	989,637
Pension plan net investment income	3,684,455	326,618	1,990,398	6,001,471
Benefit payments	(3,671,068)	--	(452,654)	(4,123,722)
Pension plan administrative expense	(37,974)	(3,366)	(20,514)	(61,854)
Other changes	(17,109)	2,661	49,321	34,873
Balances as of June 30, 2024	<u>38,935,205</u>	<u>3,450,853</u>	<u>21,030,989</u>	<u>63,417,047</u>
Net Pension Liability (Asset)	<u>\$ 11,944,102</u>	<u>\$ 108,248</u>	<u>\$ 1,733,755</u>	<u>\$ 13,786,105</u>

Discount Rate

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

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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	\$ 16,851,580	\$ 11,944,102	\$ 7,449,907
Police employee plan	418,289	108,248	(193,501)
Fire employee plan	3,798,111	1,733,755	(190,101)
Total	\$ 21,067,980	\$ 13,786,105	\$ 7,066,305

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, 2025, the Town recognized pension expense of \$1,740,131, \$255,815 and \$999,164 for their General, Police and Fire Plans, respectively.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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	\$ 1,929,842	\$ 244,463	\$ 864,864	\$ 3,039,169
Differences between expected and actual experience	675,367	496,234	2,132,257	3,303,858
Changes in assumptions	--	39,267	275,689	314,956
	\$ 2,605,209	\$ 779,964	\$ 3,272,810	\$ 6,657,983
Deferred Inflows of Resources:				
Differences between expected and actual experience	\$ 235,892	\$ 300,535	\$ 665,040	\$ 1,201,467
Changes in assumptions	110,124	26,716	107,893	244,733
Net differences between projected and actual earnings on pension plan investments	996,521	109,661	605,925	1,712,107
	\$ 1,342,537	\$ 436,912	\$ 1,378,858	\$ 3,158,307

An amount of \$3,039,169 reported as deferred outflows of resources related to pensions resulting from the Town's contributions in fiscal year 2025 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, 2025

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
2026	\$ (441,217)	\$ (47,068)	\$ (197,559)	\$ (685,844)
2027	404,646	23,587	313,920	742,153
2028	(399,200)	(20,355)	(1,849)	(421,404)
2029	(231,399)	(10,845)	57,475	(184,769)
2030	--	13,745	210,400	224,145
Thereafter	--	139,525	646,701	786,226
Total	<u>\$ (667,170)</u>	<u>\$ 98,589</u>	<u>\$ 1,029,088</u>	<u>\$ 460,507</u>

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, 2025

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%. For members retiring after July 1, 2024, retiree benefit amounts are based on the average three consecutive years of compensation. Members eligible to retire at September 30, 2009 may retire with 10 years of service at age 60 or after 28 years of service at any age. The retirement eligibility age increases proportionately for other members reflecting years of service and other factors until it aligns with the Social Security Normal Retirement Age, which applies to any member with less than 5 years of service as of July 1, 2012. Members are vested after 5 years of service.

The plan provides for survivor's benefits for service connected death and certain lump sum death benefits. Joint and survivor benefit provision options are available to members. Cost of living adjustments are provided to retirees based on statutory provisions (Section 36-10-35 of the Rhode Island General Laws). For members and/or beneficiaries of members who retired on or before June 30, 2012, cost of living adjustments are computed annually. For members retiring on or after July 1, 2012, twenty-five percent (or 1/4th) of the cost of living adjustment is computed annually until the plan reaches a 75% funded status. The full benefit adjustment is reinstated for all members upon the plan reaching the 75% funded status.

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 2025, the Town's teachers were required to contribute 3.75% of their annual covered salary, except that teachers with twenty or more years of service as of June 30, 2012, must contribute 11% of their annual covered salary. The State of Rhode Island (State) and the Town are required to contribute at an actuarially determined rate, 40% of which is to be paid by the State and the remaining 60% is to be paid by the Town; the rates were 11.42% and 15.54% of annual covered payroll for the fiscal year ended June 30, 2024, for the State and the Town, respectively. The Town contributed \$4,240,689, \$4,652,178, and \$3,864,915 for the fiscal years ended June 30, 2025, 2024, and 2023, respectively, equal to 100% of the required contributions for each year. The State's share of contribution for fiscal 2024 was \$3,195,659 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, 2025

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, 2025, the Town reported a liability of \$33,121,980 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	\$ 33,121,980
State's proportionate share of the net pension liability	<u>25,213,151</u>
Total Net Pension Liability	<u>\$ 58,335,131</u>

The net pension liability was measured as of June 30, 2024, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024. The 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, 2024, the Town's proportion was 1.39%.

For the year ended June 30, 2024, the Town recognized gross pension expense of \$4,746,081 and revenue of \$3,401,914 for support provided by the State.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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, 2025, 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	\$ 4,240,689
Difference between expected and actual experience	226,161
Changes in assumptions	--
Change in proportion and differences between employer contributions and proportionate share of contributions	<u>1,575,320</u>

Total \$ 6,042,170

Deferred Inflows of Resources

Difference between expected and actual experience	\$ 789,621
Changes in assumptions	1,018,184
Net difference between projected and actual earnings on pension plan investments	2,031,519
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>876,925</u>

Total \$ 4,716,249

An amount of \$4,240,689 reported as deferred outflows of resources related to pensions resulting from the School's contributions in fiscal year 2025 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, 2025

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,	
2026	\$ (2,019,282)
2027	152,470
2028	(731,925)
2029	(326,377)
2030	2,880
Thereafter	<u>7,466</u>
Total	<u>\$ (2,914,768)</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	2.75-8.25%
Investment rate of return	7.0%

Mortality – Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP2021 with immediate convergence.

The actuarial assumptions used in the calculation of the total pension liability at June 30, 2023 measurement date were based on the 2023 Actuarial Experience Investigation Study for the six-year period ended June 30, 2022 as approved by the System's Board on May 17, 2023.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 - PENSION PLANS (CONTINUED)

TEACHERS' PLAN (CONTINUED)

Actuarial Assumptions (Continued)

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 40 sources. The June 30, 2024, expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
<i>GROWTH</i>		
Global Equity:		
U.S. Equity	25.90%	5.98%
International Developed Equity	10.00%	6.47%
Emerging Markets Equity	4.10%	8.10%
Sub-Total	40.00%	
Private Growth:		
Private Equity	12.50%	9.37%
Non-Core RE	2.50%	4.92%
Sub-Total	15.00%	
<i>INCOME</i>		
Equity Options	2.00%	5.69%
Liquid Credit	5.00%	4.36%
Private Credit	3.00%	4.36%
Collateralized Loan Obligations (CLO)	2.00%	4.36%
Sub-Total	12.00%	
<i>STABILITY</i>		
Crisis Protection Class:		
Treasury Duration	5.00%	1.00%
Systematic Trend	5.00%	4.02%
Sub-Total	10.00%	
Inflation Protection:		
Core Real Estate	4.00%	4.92%
Private Infrastructure	4.00%	6.02%
Sub-Total	8.00%	
Volatility Protection:		
IG Corp Credit	3.25%	2.60%
Securitized Credit	3.25%	2.60%
Absolute Return	6.50%	4.02%
Cash	2.00%	1.00%
Sub-Total	15.00%	
Total	100.00%	

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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%)
\$ 43,005,857	\$ 33,121,980	\$ 24,141,450

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, 2025

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, 2025

NOTE 8 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT (CONTINUED)

Benefit Provisions (Continued)

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

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

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

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

Contributions

The contribution requirements of active employees and the participating school districts were established under Chapter 16-16 of the Rhode Island General Laws, which may be amended by the General Assembly. The cost of the benefits provided by the plan are two percent (2%) of the member's annual salary up to but not exceeding an annual salary of \$11,500; one-half (1/2) of the cost is contributed by the member by deductions from his or her salary, and the other half (1/2) is contributed and paid by the respective school district by which the member is employed. These contributions are in addition to the contributions required for regular pension benefits. The Town contributed \$0, \$41,378 and \$41,215 for the fiscal years ended June 30, 2025, 2024 and 2023, 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, 2025 the Town reported an asset of \$12,056,798 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, 2024, 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, 2023 rolled forward to June 30, 2024. The Town's proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2024 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2024 the Town's proportion was 5.45%.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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, 2025, the Town recognized pension expense of (\$1,357,812).

At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources

Difference between expected and actual experience	\$ 516,009
Changes in assumptions	28,726
Change in proportion and differences between employer contributions and proportionate share of contributions	<u>234,504</u>

Total \$ 779,239

Deferred Inflows of Resources

Difference between expected and actual experience	\$ 621,705
Changes in assumptions	474,821
Net difference between projected and actual earnings on pension plan investments	778,637
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>530,455</u>

Total \$ 2,405,618

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT (CONTINUED)

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

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

Year Ended June 30,	
2026	\$ (829,065)
2027	(82,925)
2028	(428,838)
2029	(227,802)
2030	(93,876)
Thereafter	<u>36,127</u>
Total	<u>\$ (1,626,379)</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	2.75% to 8.25%
Investment rate of return	7.0%

Mortality – Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP2021 with immediate convergence.

Cost of living adjustment – eligible survivors receive a yearly cost of living adjustment based on the annual social security adjustment – for valuation purposes, a 2.5% cost of living adjustment is assumed.

The actuarial assumptions used in the calculation of the total pension liability at June 30, 2024 measurement date were based on the 2023 Actuarial Experience Investigation Study for the six-year period ended June 30, 2022 as approved by the System's Board on May 17, 2023.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT (CONTINUED)

Actuarial Assumptions (Continued)

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 40 sources. The June 30, 2024, expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
<i>GROWTH</i>		
Global Equity:		
U.S. Equity	25.90%	5.98%
International Developed Equity	10.00%	6.47%
Emerging Markets Equity	4.10%	8.10%
Sub-Total	40.00%	
Private Growth:		
Private Equity	12.50%	9.37%
Non-Core RE	2.50%	4.92%
Sub-Total	15.00%	
<i>INCOME</i>		
Equity Options	2.00%	5.69%
Liquid Credit	5.00%	4.36%
Private Credit	3.00%	4.36%
Collateralized Loan Obligations (CLO)	2.00%	4.36%
Sub-Total	12.00%	
<i>STABILITY</i>		
Crisis Protection Class:		
Treasury Duration	5.00%	1.00%
Systematic Trend	5.00%	4.02%
Sub-Total	10.00%	
Inflation Protection:		
Core Real Estate	4.00%	4.92%
Private Infrastructure	4.00%	6.02%
Sub-Total	8.00%	
Volatility Protection:		
IG Corp Credit	3.25%	2.60%
Securitized Credit	3.25%	2.60%
Absolute Return	6.50%	4.02%
Cash	2.00%	1.00%
Sub-Total	15.00%	
Total	100.00%	

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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%)
\$ 10,829,107	\$ 12,056,798	\$ 13,172,271

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, 2025

NOTE 8 - PENSION PLANS (CONTINUED)

LOCAL POLICE AND FIRE PENSION PLAN

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

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

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

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

Plan Membership – The Plan consisted of the following as of the date of the latest actuarial valuation of June 30, 2025:

Police:

Inactive employees or beneficiaries currently receiving benefit payments	126
Vested terminated members entitled to but not yet receiving benefits	2
Active employees	21
Total	<u>149</u>

Fire:

Inactive employees or beneficiaries currently receiving benefit payments	103
Active employees	10
Total	<u>113</u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 - PENSION PLANS (CONTINUED)

LOCAL POLICE AND FIRE PENSION PLAN (CONTINUED)

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

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

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

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

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

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 - PENSION PLANS (CONTINUED)

LOCAL POLICE AND FIRE PENSION PLAN (CONTINUED)

Benefits Provided (Continued)

Years of Service	Percentage of Final Average Salary	
	Police	Fire
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, 2025

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%	6.10%
International equity - developed markets	10.00%	6.20%
International equity - emerging markets	5.00%	7.40%
Fixed income - core	25.00%	1.90%

Rate of return – For the year ended June 30, 2025 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 13.97%. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts actually invested.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 - PENSION PLANS (CONTINUED)

LOCAL POLICE AND FIRE PENSION PLAN (CONTINUED)

Net Pension Liability

The components of the change in the net pension asset of the Town Plan for the year ended June 30, 2025, were as follows:

Police Plan

Pension Liability:	
Balance at July 1, 2024	\$ 92,464,337
Changes for the year:	
Service cost	1,059,084
Interest	6,123,436
Changes in assumptions	--
Differences in experience	(1,384,218)
Benefit payments	<u>(5,611,690)</u>
Net changes	<u>186,612</u>
Balance at June 30, 2025	<u>\$ 92,650,949</u>
Fiduciary Net Position:	
Balance at July 1, 2024	\$ 36,062,058
Changes for the year:	
Employer contributions	5,796,039
Member contributions	193,614
Net investment income	4,716,449
Benefit payments	(5,611,690)
Administrative expense	(58,411)
Other	<u>1,797</u>
Net changes	<u>5,037,798</u>
Balance at June 30, 2025	<u>\$ 41,099,856</u>
Town's Net Pension Liability	<u>\$ 51,551,093</u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 - PENSION PLANS (CONTINUED)

LOCAL POLICE AND FIRE PENSION PLAN (CONTINUED)

Fire Plan

Pension Liability:	
Balance at July 1, 2024	\$ 88,158,038
Changes for the year:	
Service cost	484,552
Interest	5,793,433
Changes in assumptions	--
Differences in experience	(157,257)
Benefit payments	<u>(5,627,914)</u>
Net changes	<u>492,814</u>
Balance at June 30, 2025	<u>\$ 88,650,852</u>
Fiduciary Net Position:	
Balance at July 1, 2024	\$ 30,024,352
Changes for the year:	
Employer contributions	4,971,508
Member contributions	116,518
Net investment income	3,870,426
Benefit payments	(5,627,914)
Administrative expense	<u>(58,412)</u>
Net changes	<u>3,272,126</u>
Balance at June 30, 2025	<u>\$ 33,296,478</u>
Town's Net Pension Liability	<u>\$ 55,354,374</u>

Actuarial assumptions – The total pension liability was determined by an actuarial valuation as of June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.50 percent
Discount rate	6.75 percent

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 - PENSION PLANS (CONTINUED)

LOCAL POLICE AND FIRE PENSION PLAN (CONTINUED)

Actuarial assumptions (Continued)

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 6.75%. 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 6.75%, 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 (5.75%) or 1-percentage-point higher (7.75%).

Police Plan:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 62,606,654	\$ 51,551,093	\$ 42,434,951

Fire Plan:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 65,137,640	\$ 55,354,374	\$ 47,173,493

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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, 2025, the Town recognized pension expense related to the Police Plan of \$2,400,841 and pension expense related to the Fire Plan of \$3,323,718. At June 30, 2025, 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	\$ --	\$ 2,138,928

Fire Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual earnings on investments	\$ --	\$ 1,667,955

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:	
2026	\$ 224,300
2027	(1,013,111)
2028	(895,834)
2029	(454,283)
	\$ (2,138,928)

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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:		
2026	\$	300,034
2027		(848,784)
2028		(746,410)
2029		(372,795)
	\$	(1,667,955)

Payable to the Plan

The Town does not have a reported payable liability to the Plan as of June 30, 2025.

The following schedules present the net position held in trust for pension and OPEB benefits at June 30, 2025 and the changes in net position for the year ended June 30, 2025.

	Police / Fire Pension Trust	Town OPEB Trust	Total
Assets			
Cash and cash equivalents	\$ 392,458	\$ --	\$ 392,458
Accounts Receivable	114,779	--	114,779
Investments, at fair value:			
Money market mutual funds	72,887,185	14,906,237	87,793,422
Prepaid items	1,014,247	--	1,014,247
Total Assets	74,408,669	14,906,237	89,314,906
Liabilities			
Accrued expenses	12,335	--	12,335
Total Liabilities	12,335	--	12,335
Net Position			
Restricted for other post-employment benefits	--	14,906,237	14,906,237
Restricted for pension benefits	74,396,334	--	74,396,334
Total Net Position	\$ 74,396,334	\$ 14,906,237	\$ 89,302,571

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 - PENSION PLANS (CONTINUED)

LOCAL POLICE AND FIRE PENSION PLAN (CONTINUED)

	Police / Fire Pension Trust	Town OPEB Trust	Total
Additions			
Contributions:			
Employer contributions	\$ 10,767,547	\$ 8,178,384	\$ 18,945,931
Plan member contributions	310,132	--	310,132
Other income	1,797	--	1,797
Total Contributions	<u>11,079,476</u>	<u>8,178,384</u>	<u>19,257,860</u>
Investment earnings:			
Net appreciation in fair value of investments	6,905,436	--	6,905,436
Interest and dividends	1,681,440	1,867,910	3,549,350
Total Investment Earnings	<u>8,586,876</u>	<u>1,867,910</u>	<u>10,454,786</u>
Total Additions	<u>19,666,352</u>	<u>10,046,294</u>	<u>29,712,646</u>
Deductions			
Benefits paid	11,239,604	7,778,384	19,017,988
Administration	116,823	42,600	159,423
Total Deductions	<u>11,356,427</u>	<u>7,820,984</u>	<u>19,177,411</u>
Change in Net Position	8,309,925	2,225,310	10,535,235
Net Position - Beginning of Year	<u>66,086,409</u>	<u>12,680,927</u>	<u>78,767,336</u>
Net Position - End of Year	<u>\$ 74,396,334</u>	<u>\$ 14,906,237</u>	<u>\$ 89,302,571</u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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 \$819,043 for the fiscal year ended June 30, 2025. 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 June 30, 2025:

Retired members and beneficiaries	80
Active employees	92
Total	<u>172</u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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, 2025, were as follows:

Pension Liability:	
Balance at July 1, 2024	\$ 7,052,953
Changes for the year:	
Service cost	191,845
Interest	279,694
Changes in assumptions	(1,126,656)
Differences in experience	105,511
Benefit payments	<u>(255,786)</u>
Net changes	<u>(805,392)</u>
Total Pension Liability	<u>\$ 6,247,561</u>

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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	3.50 percent
Discount rate	5.20 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 5.20%, 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 (4.20%) or 1-percentage-point higher (6.20%).

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Total Pension Liability	\$ 8,149,914	\$ 6,247,561	\$ 6,177,580

Pension Expense

For the year ended June 30, 2025, the Town recognized pension expense related to the Fire Longevity Plan of (\$673,265).

Payable to the Plan

The Town does not have a reported payable liability to the Plan as of June 30, 2025.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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, 2025:

Retired members and beneficiaries	--
Active employees	41
Total	<u>41</u>

Benefits Provided –

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

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

Summary of Significant Accounting Policies

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

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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, 2025, were as follows:

Pension Liability:	
Balance at July 1, 2023	\$ 486,033
Changes for the year:	
Service cost	212,675
Benefit payments	<u>(104,999)</u>
Net changes	<u>107,676</u>
Total Pension Liability	<u>\$ 593,709</u>

Actuarial assumptions – The total pension liability was determined by an actuarial valuation as of July 1, 2025, 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, 2025, the Town recognized pension expense related to the Plan of \$104,999.

Payable to the Plan

The Town does not have a reported payable liability to the Plan as of June 30, 2025.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 - PENSION PLANS (CONTINUED)

FIRE COST OF LIVING ADJUSTMENT PLAN

The Town administers a Fire Cost of Living Adjustment (COLA) Plan, a single-employer retirement plan. The Fire 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, 2024:

Retired members and beneficiaries	12
Active employees	81
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, 2025

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, 2025, were as follows:

Pension Liability:	
Balance at July 1, 2024	\$ 2,833,010
Changes for the year:	
Service cost	1,006,801
Benefit payments	<u>(197,040)</u>
Net changes	<u>809,761</u>
 Total Pension Liability	 <u>\$ 3,642,771</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, 2025, the Town recognized pension expense related to the Plan of \$197,040.

Payable to the Plan

The Town does not have a reported payable liability to the Plan as of June 30, 2025.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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	\$ 2,605,209	\$ 779,964	\$ 3,272,810	\$ --	\$ --	\$ 6,042,170	\$ 779,239	\$ 79,134	\$ --	\$ --	\$ 13,558,526
Deferred inflows	1,342,537	436,912	1,378,858	2,138,928	1,667,955	4,716,249	2,405,618	1,064,614	--	--	15,151,671
Net pension liability	11,944,102	108,248	1,733,755	51,551,093	55,354,374	33,121,980	--	6,247,561	593,709	3,642,771	164,297,593
Net pension asset	--	--	--	--	--	--	12,056,798	--	--	--	12,056,798
Pension expense	1,740,131	255,815	999,164	2,400,841	3,323,718	4,606,801	(1,357,812)	(673,265)	104,999	197,040	11,597,432

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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, 2025, the date of the latest actuarial valuation, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefit payments	676
Active employees	664
Total	<u>1,340</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, 2025

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, 2025. The following actuarial assumptions applied to all periods in the measurements:

- Actuarial cost method – Entry Age Normal
- Healthcare Cost Trend Rates – 8.00 percent decreasing to an ultimate rate of 4.50 percent
- Discount rate – The discount rate used to measure the OPEB liability 5.8% 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, 2025, 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. Large Cap Equity	42.80%	7.20%
U.S. Small Cap Equity	2.30%	7.90%
International Developed Equity	16.90%	6.90%
Emerging Markets Equity	5.60%	7.40%
REITs	3.80%	7.00%
Listed Infrastructure	3.80%	7.40%
Core Bonds	23.10%	5.00%
High Yield Bonds	<u>1.70%</u>	6.10%
	100.00%	

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

NET OPEB LIABILITY

Balance at July 1, 2024	\$ 159,436,993
Changes for the year:	
Service cost	3,162,550
Interest	8,573,120
Changes in assumptions	(2,120,729)
Differences in experience	15,947,952
Benefit payments	<u>(7,778,384)</u>
Net changes	<u>17,784,509</u>
Balance at June 30, 2025	<u><u>\$ 177,221,502</u></u>
Fiduciary Net Position:	
Balance at July 1, 2024	\$ 12,680,927
Changes for the year:	
Employer contributions	8,178,384
Net investment income	1,867,910
Benefit payments	(7,778,384)
Administrative expense	<u>(42,600)</u>
Net changes	<u>2,225,310</u>
Balance at June 30, 2025	<u><u>\$ 14,906,237</u></u>
Town's Net OPEB Liability	<u><u>\$ 162,315,265</u></u>

SENSITIVITY OF THE NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the net OPEB liability calculated using the discount rate of 5.80 percent for the Town as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (4.80%)	Current Discount Rate (5.80%)	1% Increase (6.80%)
Town	\$ 187,532,773	\$ 162,315,265	\$ 141,909,415

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

SENSITIVITY OF THE NET OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES

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

	1% Decrease (7.00%)	Current Health Care Trend Rates (8.00%)	1% Increase (9.00%)
Town	\$ 141,158,018	\$ 162,315,265	\$ 188,517,306

OPEB EXPENSE AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2025, the Town recognized OPEB expense of \$1,028,573. At June 30, 2025, 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	\$ 14,042,230	\$ 3,668,585
Net difference between projected actual earnings	--	987,902
Changes in assumptions	58,905	17,255,384
Total	<u>\$ 14,101,135</u>	<u>\$ 21,911,871</u>

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

Year Ended June 30,	
2026	\$ (12,036,172)
2027	348,057
2028	1,300,380
2029	2,576,999
	<u>\$ (7,810,736)</u>

The Town's OPEB 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, 2025

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.

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, 2025 the stop loss insurance contract covered all claims exceeding \$250,000 per individual on an annual basis. In addition, specific stop loss maximum for the Town for the year is maintained at approximately \$1,750,000. Settlements have not exceeded coverage in any of the last three years.

The Town's finance department oversees the self-insured program for all Town employees and claims payment services are provided by Blue Cross Blue Shield of Rhode Island (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, 2025

NOTE 11 - RISK MANAGEMENT (CONTINUED)

HEALTHCARE (CONTINUED)

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

Medical Insurance					
	Liability July 1,		Current Year Claims and Changes in Estimates	Claims Payments	Liability June 30,
2023-24	\$ 1,181,287	\$	22,384,087	\$ (22,160,787)	\$ 1,404,587
2024-25	1,404,587		25,169,155	(25,145,412)	1,428,330

UNEMPLOYMENT

The Town is self-insured for unemployment benefits.

OTHER INSURANCE

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

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

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

NET POSITION

At June 30, 2025, net position is split between the Town and School Department at \$2,760,209 and \$1,791,641, respectively.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 12 - OTHER AGREEMENTS

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

The terms of the agreement are as follows:

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

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

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

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

Total revenue of \$3,585,278 was received under the terms of the agreement for the year ended June 30, 2025.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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 by Town management 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, 2025, the Town maintained five tax treaty/tax stabilization agreements. These agreements provided tax relief to businesses in the form of stabilization agreements for real and tangible property taxes. Listed below is a summary of information pertaining to these agreements for the fiscal year ended June 30, 2025.

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, 2025 were \$1,690,074.
- 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, 2025 were \$70,012.
- 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 \$8,912,306 by year twenty for a total payment schedule of \$144,104,548. Payments for the year ended June 30, 2025 were \$6,342,500 with \$500,000 reserved for drainage expenses.
- 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 over a \$290 million investment in the project with the personal property value yet to be determined. Payments for the year ended June 30, 2025 were \$1,120,500.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 14 - LEASE RECEIVABLES

The Town is reporting Lease receivables of \$2,316,770 at June 30, 2025. For fiscal year 2025, the Town reported lease revenue of \$120,918 related to lease payments received. These leases are summarized as follows:

Lease	Lease Receivable	Lease Revenue
Verizon Wireless	\$ 273,093	\$ 22,096
AT&T	510,006	26,912
TMobile Northeast LLC	362,864	16,090
TMobile Northeast LLC	606,456	26,816
DISH Wireless LLC	564,351	29,004
	<u>\$ 2,316,770</u>	<u>\$ 120,918</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.

Dish Wireless, LLC – On February 1, 2024, the Town entered into a lease agreement with Dish Wireless, LLC. for the lease of a Cell Tower. Based on this agreement, the Town is receiving monthly payments through January 31, 2049. There is a renewal option included in this lease agreement.

REQUIRED SUPPLEMENTARY INFORMATION

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

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TOWN OF JOHNSTON, RHODE ISLAND

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

LAST NINE FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service cost	\$ 3,162,550	\$ 3,213,896	\$ 3,381,241	\$ 7,087,431	\$ 6,181,660	\$ 5,219,371	\$ 6,198,704	\$ 7,067,566	\$ 8,833,235
Interest	8,573,120	8,355,528	7,918,112	5,603,598	6,561,633	6,899,657	7,987,364	7,777,513	6,598,353
Change of benefit terms	--	--	--	--	--	--	--	1,555,927	--
Differences between expected and actual experience	15,947,952	(5,676,931)	(656,068)	6,419,332	(20,513,927)	(508,457)	(11,697,088)	(7,400,008)	2,971,612
Changes of assumptions	(2,120,779)	98,175	(3,695,057)	(70,403,877)	19,536,911	16,571,033	(4,383,253)	(12,833,741)	(26,076,367)
Benefit payments	(7,778,384)	(7,945,321)	(7,449,818)	(7,691,989)	(6,803,660)	(7,173,184)	(6,718,528)	(8,027,130)	(5,793,237)
Net change in total OPEB liability	17,784,459	(1,954,653)	(501,590)	(58,985,505)	4,962,617	21,008,420	(8,612,801)	(11,859,873)	(13,466,404)
Total OPEB Liability - Beginning	<u>159,436,993</u>	<u>161,391,646</u>	<u>161,893,236</u>	<u>220,878,741</u>	<u>215,916,124</u>	<u>194,907,704</u>	<u>203,520,505</u>	<u>215,380,378</u>	<u>228,846,782</u>
Total OPEB Liability - Ending	<u>\$ 177,221,452</u>	<u>\$ 159,436,993</u>	<u>\$ 161,391,646</u>	<u>\$ 161,893,236</u>	<u>\$ 220,878,741</u>	<u>\$ 215,916,124</u>	<u>\$ 194,907,704</u>	<u>\$ 203,520,505</u>	<u>\$ 215,380,378</u>
Plan Fiduciary Net Position									
Contributions - employer	\$ 8,178,384	\$ 8,345,321	\$ 7,699,818	\$ 11,513,989	\$ 6,803,660	\$ 7,673,184	\$ 7,618,528	\$ 9,367,130	\$ 6,043,237
Net investment income	1,867,910	1,558,937	1,044,234	(1,467,244)	1,708,469	(28,426)	330,700	15,818	102,793
Benefit payments	(7,778,384)	(7,945,321)	(7,449,818)	(7,691,989)	(6,803,660)	(7,173,184)	(6,718,528)	(8,027,130)	(5,793,237)
Administrative expenses	(42,600)	(35,282)	(31,440)	(24,650)	(18,934)	(13,388)	(10,877)	(6,309)	(5,466)
Net change in plan fiduciary net position	2,225,310	1,923,655	1,262,794	2,330,106	1,689,535	458,186	1,219,823	1,349,509	347,327
Plan Fiduciary Net Position - Beginning	<u>12,680,927</u>	<u>10,757,272</u>	<u>9,494,478</u>	<u>7,164,372</u>	<u>5,474,837</u>	<u>5,016,651</u>	<u>3,796,828</u>	<u>2,447,319</u>	<u>2,099,992</u>
Plan Fiduciary Net Position - Ending	<u>\$ 14,906,237</u>	<u>\$ 12,680,927</u>	<u>\$ 10,757,272</u>	<u>\$ 9,494,478</u>	<u>\$ 7,164,372</u>	<u>\$ 5,474,837</u>	<u>\$ 5,016,651</u>	<u>\$ 3,796,828</u>	<u>\$ 2,447,319</u>
Town's Net OPEB Liability - Ending	<u>\$ 162,315,215</u>	<u>\$ 146,756,066</u>	<u>\$ 150,634,374</u>	<u>\$ 152,398,758</u>	<u>\$ 213,714,369</u>	<u>\$ 210,441,287</u>	<u>\$ 189,891,053</u>	<u>\$ 199,723,677</u>	<u>\$ 212,933,059</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	8.41%	7.95%	6.67%	5.86%	3.24%	2.54%	2.57%	1.87%	1.14%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town's Net OPEB Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is intended to show ten years of information. Additional information will be reported once 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 OPEB CONTRIBUTIONS**

LAST TEN FISCAL YEARS

Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution (Deficiency) Excess	Covered Payroll	Actual Contribution as a % of Covered Payroll
2025	\$ 13,569,931	\$ 8,178,384	\$ (5,391,547)	N/A	N/A
2024	\$ 13,266,326	\$ 8,345,321	\$ (4,921,005)	N/A	N/A
2023	\$ 12,695,501	\$ 7,699,818	\$ (4,995,683)	N/A	N/A
2022	\$ 12,184,751	\$ 11,513,989	\$ (670,762)	N/A	N/A
2021	\$ 12,180,877	\$ 6,803,660	\$ (5,377,217)	N/A	N/A
2020	\$ 15,779,391	\$ 7,673,184	\$ (8,106,207)	N/A	N/A
2019	\$ 18,140,760	\$ 7,618,528	\$ (10,522,232)	N/A	N/A
2018	\$ 18,051,553	\$ 9,367,130	\$ (8,684,423)	N/A	N/A
2017	\$ 16,785,322	\$ 6,043,237	\$ (10,742,085)	N/A	N/A
2016	\$ 16,032,814	\$ 6,167,417	\$ (9,865,397)	N/A	N/A

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

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

LAST NINE FISCAL YEARS

OPEB Trust Fund - Town	Year Ended June 30	Money Weighted Rate of Return
	2025	14.73%
	2024	14.49%
	2023	11.00%
	2022	-20.48%
	2021	31.21%
	2020	-0.57%
	2019	8.01%
	2018	0.56%
	2017	3.56%

This schedule is intended to show ten years of information. Additional information will reported once 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 CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM – GENERAL EMPLOYEES

LAST TEN FISCAL YEARS

Measurement Date:	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
Total Pension Liability										
Service cost	\$ 668,565	\$ 634,663	\$ 613,418	\$ 634,732	\$ 676,854	\$ 772,077	\$ 766,931	\$ 737,891	\$ 724,766	\$ 726,120
Interest	3,421,185	3,371,214	3,252,666	3,151,783	3,152,442	3,149,856	3,099,262	3,141,434	3,069,317	2,976,813
Changes of benefit terms	404,012	--	--	--	--	--	--	--	--	817,330
Differences between expected and actual experience	(318,707)	545,515	1,353,323	1,085,623	(65,758)	(773,499)	(240,905)	(911,415)	38,342	(474,099)
Changes of assumptions	--	(229,050)	--	--	(488,463)	--	--	2,265,521	--	--
Benefit payments	(3,671,068)	(3,579,795)	(3,493,173)	(3,347,412)	(3,179,445)	(2,948,308)	(2,861,885)	(2,855,249)	(2,899,591)	(2,724,611)
Net change in total pension liability	503,987	742,547	1,726,234	1,524,726	95,630	200,126	763,403	2,378,182	932,834	1,321,553
Total Pension Liability - Beginning	<u>50,375,320</u>	<u>49,632,773</u>	<u>47,906,539</u>	<u>46,381,813</u>	<u>46,286,183</u>	<u>46,086,057</u>	<u>45,322,654</u>	<u>42,944,472</u>	<u>42,011,638</u>	<u>40,690,085</u>
Total Pension Liability - Ending	<u>\$ 50,879,307</u>	<u>\$ 50,375,320</u>	<u>\$ 49,632,773</u>	<u>\$ 47,906,539</u>	<u>\$ 46,381,813</u>	<u>\$ 46,286,183</u>	<u>\$ 46,086,057</u>	<u>\$ 45,322,654</u>	<u>\$ 42,944,472</u>	<u>\$ 42,011,638</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 1,814,485	\$ 1,595,008	\$ 1,305,625	\$ 1,276,570	\$ 1,293,724	\$ 1,361,051	\$ 1,279,294	\$ 1,313,489	\$ 1,241,203	\$ 1,254,378
Contributions - employee	200,239	186,665	184,023	180,496	188,607	215,773	220,303	233,647	220,343	162,213
Net investment income	3,684,455	2,932,269	(1,002,861)	8,379,483	1,178,978	2,029,157	2,405,314	3,324,653	8,614	721,793
Benefit payments, including refunds of employee contributions	(3,671,068)	(3,579,795)	(3,493,173)	(3,347,412)	(3,179,445)	(2,948,308)	(2,861,885)	(2,855,249)	(2,899,591)	(2,724,611)
Administrative expenses	(37,974)	(31,562)	(34,188)	(31,928)	(32,484)	(32,016)	(32,021)	(31,410)	(46,174)	(28,933)
Other	(17,109)	44,477	113,103	(8,382)	73,323	840	(173,048)	(2,573)	(2)	(110,090)
Net change in plan fiduciary net position	1,973,028	1,147,062	(2,927,471)	6,448,827	(477,297)	626,497	837,957	1,982,557	(1,475,607)	(725,250)
Plan Fiduciary Net Position - Beginning	<u>36,962,177</u>	<u>35,815,115</u>	<u>38,742,586</u>	<u>32,293,759</u>	<u>32,771,056</u>	<u>32,144,559</u>	<u>31,306,602</u>	<u>29,324,045</u>	<u>30,799,652</u>	<u>31,524,902</u>
Plan Fiduciary Net Position - Ending	<u>\$ 38,935,205</u>	<u>\$ 36,962,177</u>	<u>\$ 35,815,115</u>	<u>\$ 38,742,586</u>	<u>\$ 32,293,759</u>	<u>\$ 32,771,056</u>	<u>\$ 32,144,559</u>	<u>\$ 31,306,602</u>	<u>\$ 29,324,045</u>	<u>\$ 30,799,652</u>
Plan's Net Pension Liability - Ending	<u>\$ 11,944,102</u>	<u>\$ 13,413,143</u>	<u>\$ 13,817,658</u>	<u>\$ 9,163,953</u>	<u>\$ 14,088,054</u>	<u>\$ 13,515,127</u>	<u>\$ 13,941,498</u>	<u>\$ 14,016,052</u>	<u>\$ 13,620,427</u>	<u>\$ 11,211,986</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.52%	73.37%	72.16%	80.87%	69.63%	70.80%	69.75%	69.07%	68.28%	73.31%
Covered Payroll	\$ 8,902,336	\$ 8,350,828	\$ 7,854,266	\$ 7,656,599	\$ 7,815,866	\$ 8,437,995	\$ 8,005,543	\$ 8,020,555	\$ 7,835,304	\$ 7,996,917
Net Pension Liability as a Percentage of Covered Payroll	134.17%	160.62%	175.93%	119.69%	180.25%	160.17%	174.15%	174.75%	173.83%	140.20%

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 TEN FISCAL YEARS

Measurement Date:	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
Total Pension Liability										
Service cost	\$ 451,585	\$ 342,285	\$ 268,393	\$ 266,164	\$ 229,209	\$ 210,311	\$ 166,174	\$ 125,451	\$ 110,120	\$ 93,320
Interest	177,765	156,257	131,182	107,731	88,496	70,696	55,621	41,289	30,769	17,733
Changes of benefit terms	100,882	--	--	--	--	--	--	--	--	16,739
Differences between expected and actual experience	515,159	(199,335)	(32,831)	(31,411)	(36,268)	(36,170)	(28,509)	(17,348)	(8,279)	37,616
Changes of assumptions	--	(9,710)	--	--	(25,130)	--	--	74,307	--	--
Benefit payments	--	(73,787)	(17,154)	--	--	--	--	--	--	--
Net change in total pension liability	1,245,391	215,710	349,590	342,484	256,307	244,837	193,286	223,699	132,610	165,408
Total Pension Liability - Beginning	2,313,710	2,098,000	1,748,410	1,405,926	1,149,619	904,782	711,496	487,797	355,187	189,779
Total Pension Liability - Ending	\$ 3,559,101	\$ 2,313,710	\$ 2,098,000	\$ 1,748,410	\$ 1,405,926	\$ 1,149,619	\$ 904,782	\$ 711,496	\$ 487,797	\$ 355,187
Plan Fiduciary Net Position										
Contributions - employer	\$ 198,533	\$ 161,120	\$ 139,753	\$ 135,257	\$ 111,070	\$ 78,612	\$ 65,893	\$ 65,378	\$ 61,293	\$ 56,198
Contributions - employee	231,452	173,456	137,013	134,957	111,688	102,536	81,237	70,238	61,429	42,390
Net investment income	326,618	213,815	(63,535)	460,678	51,069	69,449	65,258	70,152	(158)	7,812
Benefit payments, including refunds of employee contributions	--	(73,787)	(17,154)	--	--	--	--	--	--	--
Administrative expenses	(3,366)	(2,301)	(2,166)	(1,755)	(1,407)	(1,096)	(869)	(663)	(425)	(312)
Other	2,661	(46,374)	(54,839)	1,956	4,840	(2)	--	(1)	(1)	(1)
Net change in plan fiduciary net position	755,898	425,929	139,072	731,093	277,260	249,499	211,519	205,104	122,138	106,087
Plan Fiduciary Net Position - Beginning	2,694,955	2,269,026	2,129,954	1,398,861	1,121,601	872,102	660,583	455,479	333,341	227,254
Plan Fiduciary Net Position - Ending	\$ 3,450,853	\$ 2,694,955	\$ 2,269,026	\$ 2,129,954	\$ 1,398,861	\$ 1,121,601	\$ 872,102	\$ 660,583	\$ 455,479	\$ 333,341
Plan's Net Pension Liability (Asset) - Ending	\$ 108,248	\$ (381,245)	\$ (171,026)	\$ (381,544)	\$ 7,065	\$ 28,018	\$ 32,680	\$ 50,913	\$ 32,318	\$ 21,846
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.96%	116.48%	108.15%	121.82%	99.50%	97.56%	96.39%	92.84%	93.37%	93.85%
Covered Payroll	\$ 2,571,670	\$ 1,927,281	\$ 1,522,366	\$ 1,499,516	\$ 1,240,982	\$ 1,139,280	\$ 902,628	\$ 780,165	\$ 678,916	\$ 605,582
Net Pension Liability as a Percentage of Covered Payroll	4.21%	-19.78%	-11.23%	-25.44%	0.57%	2.46%	3.62%	6.53%	4.76%	3.61%

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 TEN FISCAL YEARS

Measurement Date:	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
Total Pension Liability										
Service cost	\$ 1,086,129	\$ 991,309	\$ 948,913	\$ 898,029	\$ 914,417	\$ 881,187	\$ 846,595	\$ 719,151	\$ 657,278	\$ 543,904
Interest	1,428,614	1,209,334	1,113,863	1,009,292	833,886	760,619	624,347	535,882	457,138	390,096
Changes of benefit terms	507,994	--	--	--	--	--	--	--	--	187,802
Differences between expected and actual experience	102,629	1,409,952	(341,273)	(159,421)	958,842	(417,107)	602,544	(5,835)	6,024	(206,476)
Changes of assumptions	--	(85,502)	--	--	34,904	--	--	583,764	--	--
Benefit payments	(452,654)	(427,213)	(330,460)	(228,461)	(227,646)	(161,651)	(126,426)	(118,651)	(84,257)	(71,970)
Net change in total pension liability	2,672,712	3,097,880	1,391,043	1,519,439	2,514,403	1,063,048	1,947,060	1,714,311	1,036,183	843,356
Total Pension Liability - Beginning	<u>20,092,032</u>	<u>16,994,152</u>	<u>15,603,109</u>	<u>14,083,670</u>	<u>11,569,267</u>	<u>10,506,219</u>	<u>8,559,159</u>	<u>6,844,848</u>	<u>5,808,665</u>	<u>4,965,309</u>
Total Pension Liability - Ending	<u>\$ 22,764,744</u>	<u>\$ 20,092,032</u>	<u>\$ 16,994,152</u>	<u>\$ 15,603,109</u>	<u>\$ 14,083,670</u>	<u>\$ 11,569,267</u>	<u>\$ 10,506,219</u>	<u>\$ 8,559,159</u>	<u>\$ 6,844,848</u>	<u>\$ 5,808,665</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 650,312	\$ 645,337	\$ 671,503	\$ 539,324	\$ 516,401	\$ 358,292	\$ 338,814	\$ 334,335	\$ 352,791	\$ 330,728
Contributions - employee	557,946	505,478	483,867	456,625	438,449	422,066	407,671	400,601	341,251	239,904
Net investment income (loss)	1,990,398	1,448,386	(450,812)	3,391,126	421,053	641,756	681,992	842,725	(2,251)	134,680
Benefit payments, including refunds of employee contributions	(452,654)	(427,213)	(330,460)	(228,461)	(227,646)	(161,651)	(126,426)	(118,651)	(84,257)	(71,970)
Administrative expenses	(20,514)	(15,590)	(15,368)	(12,921)	(11,601)	(10,126)	(9,079)	(7,962)	(6,055)	(5,394)
Other	49,321	--	62,161	--	32,080	--	(114,369)	(18)	136,054	12
Net change in plan fiduciary net position	2,774,809	2,156,398	420,891	4,145,693	1,168,736	1,250,337	1,178,603	1,451,030	737,533	627,960
Plan Fiduciary Net Position - Beginning	<u>18,256,180</u>	<u>16,099,782</u>	<u>15,678,891</u>	<u>11,533,198</u>	<u>10,364,462</u>	<u>9,114,125</u>	<u>7,935,522</u>	<u>6,484,492</u>	<u>5,746,959</u>	<u>5,118,999</u>
Plan Fiduciary Net Position - Ending	<u>\$ 21,030,989</u>	<u>\$ 18,256,180</u>	<u>\$ 16,099,782</u>	<u>\$ 15,678,891</u>	<u>\$ 11,533,198</u>	<u>\$ 10,364,462</u>	<u>\$ 9,114,125</u>	<u>\$ 7,935,522</u>	<u>\$ 6,484,492</u>	<u>\$ 5,746,959</u>
Plan's Net Pension Liability (Asset) - Ending	<u>\$ 1,733,755</u>	<u>\$ 1,835,852</u>	<u>\$ 894,370</u>	<u>\$ (75,782)</u>	<u>\$ 2,550,472</u>	<u>\$ 1,204,805</u>	<u>\$ 1,392,094</u>	<u>\$ 623,637</u>	<u>\$ 360,356</u>	<u>\$ 61,706</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.38%	90.86%	94.74%	100.49%	81.89%	89.59%	86.75%	92.71%	94.74%	98.94%
Covered Payroll	\$ 6,199,366	\$ 5,616,479	\$ 5,376,280	\$ 5,073,608	\$ 4,871,693	\$ 4,689,661	\$ 4,529,668	\$ 4,273,030	\$ 3,990,758	\$ 3,427,246
Net Pension Liability as a Percentage of Covered Payroll	27.97%	32.69%	16.64%	-1.49%	52.35%	25.69%	30.73%	14.59%	9.03%	1.80%

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

TOWN OF JOHNSTON, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF TOWN'S CONTRIBUTIONS

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution (Deficiency) Excess	Covered Payroll	Actual Contribution as a % of Covered Payroll
General Employees Plan	2025	\$ 1,929,842	\$ 1,929,842	\$ --	\$ 9,169,406	21.05%
	2024	\$ 1,814,485	\$ 1,814,485	\$ --	\$ 8,902,336	20.38%
	2023	\$ 1,305,625	\$ 1,305,625	\$ --	\$ 8,350,828	15.63%
	2022	\$ 1,305,625	\$ 1,305,625	\$ --	\$ 7,854,266	16.62%
	2021	\$ 1,276,570	\$ 1,276,570	\$ --	\$ 7,656,599	16.67%
	2020	\$ 1,293,724	\$ 1,293,724	\$ --	\$ 7,915,866	16.34%
	2019	\$ 1,361,051	\$ 1,361,051	\$ --	\$ 8,437,995	16.13%
	2018	\$ 1,279,294	\$ 1,279,294	\$ --	\$ 8,005,543	15.98%
	2017	\$ 1,313,489	\$ 1,313,489	\$ --	\$ 8,020,555	16.38%
	2016	\$ 1,241,203	\$ 1,241,203	\$ --	\$ 7,835,304	15.84%
Police Employees Plan	2025	\$ 244,463	\$ 244,463	\$ --	\$ 2,648,820	9.23%
	2024	\$ 198,533	\$ 198,533	\$ --	\$ 2,571,670	7.72%
	2023	\$ 161,120	\$ 161,120	\$ --	\$ 1,927,281	8.36%
	2022	\$ 139,753	\$ 139,753	\$ --	\$ 1,522,366	9.18%
	2021	\$ 135,257	\$ 135,257	\$ --	\$ 1,499,516	9.02%
	2020	\$ 111,070	\$ 111,070	\$ --	\$ 1,240,982	8.95%
	2019	\$ 78,612	\$ 78,612	\$ --	\$ 1,139,280	6.90%
	2018	\$ 65,893	\$ 65,893	\$ --	\$ 902,628	7.30%
	2017	\$ 65,378	\$ 65,378	\$ --	\$ 780,165	8.38%
	2016	\$ 61,293	\$ 61,293	\$ --	\$ 678,916	9.03%
Fire Employees Plan	2025	\$ 864,864	\$ 864,864	\$ --	\$ 5,958,523	14.51%
	2024	\$ 650,312	\$ 650,312	\$ --	\$ 5,784,973	11.24%
	2023	\$ 645,337	\$ 645,337	\$ --	\$ 5,616,479	11.49%
	2022	\$ 671,503	\$ 671,503	\$ --	\$ 5,376,280	12.49%
	2021	\$ 539,324	\$ 539,324	\$ --	\$ 5,073,608	10.63%
	2020	\$ 516,401	\$ 516,401	\$ --	\$ 4,871,693	10.60%
	2019	\$ 358,292	\$ 358,292	\$ --	\$ 4,689,661	7.64%
	2018	\$ 338,814	\$ 338,814	\$ --	\$ 4,529,668	7.48%
	2017	\$ 334,335	\$ 334,335	\$ --	\$ 4,273,030	7.82%
	2016	\$ 352,791	\$ 352,791	\$ --	\$ 3,990,758	8.84%

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

TOWN OF JOHNSTON, RHODE ISLAND

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

LAST TEN FISCAL YEARS

Measurement Date:	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
Town's proportion of the net pension liability	1.39%	1.38%	1.35%	1.32%	1.68%	1.40%	1.39%	1.35%	1.41%	1.40%
Town's proportionate share of the net pension liability	\$ 33,121,980	\$ 33,584,644	\$ 36,587,875	\$ 30,967,192	\$ 43,614,392	\$ 44,624,312	\$ 44,322,186	\$ 42,724,384	\$ 42,089,055	\$ 37,498,898
State's proportionate share of the net pension liability associated with the Town	<u>25,213,151</u>	<u>25,342,727</u>	<u>27,059,304</u>	<u>22,964,949</u>	<u>32,406,561</u>	<u>33,428,231</u>	<u>33,061,167</u>	<u>32,289,369</u>	<u>28,824,823</u>	<u>25,618,070</u>
Total	<u>\$ 58,335,131</u>	<u>\$ 58,927,371</u>	<u>\$ 63,647,179</u>	<u>\$ 53,932,141</u>	<u>\$ 76,020,953</u>	<u>\$ 78,052,543</u>	<u>\$ 77,383,353</u>	<u>\$ 75,013,753</u>	<u>\$ 70,913,878</u>	<u>\$ 63,116,968</u>
Town's covered payroll	<u>\$ 27,377,006</u>	<u>\$ 27,105,947</u>	<u>\$ 26,837,571</u>	<u>\$ 26,571,852</u>	<u>\$ 26,308,765</u>	<u>\$ 26,048,282</u>	<u>\$ 26,137,866</u>	<u>\$ 25,310,860</u>	<u>\$ 23,089,090</u>	<u>\$ 22,674,661</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	120.98%	123.90%	136.33%	116.54%	165.78%	171.31%	169.57%	168.80%	182.29%	165.38%
Plan fiduciary net position as a percentage of the total pension liability	67.70%	65.80%	62.10%	66.50%	54.30%	54.60%	54.30%	54.00%	54.06%	57.55%

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

TOWN OF JOHNSTON, RHODE ISLAND

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

LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 4,240,689	\$ 4,652,178	\$ 3,864,915	\$ 3,685,054	\$ 3,577,433	\$ 4,247,379	\$ 3,588,539	\$ 3,558,216	\$ 3,182,090	\$ 2,968,073
Contributions in relation to the actuarially determined contribution	<u>4,240,689</u>	<u>4,652,178</u>	<u>3,864,915</u>	<u>3,685,054</u>	<u>3,577,433</u>	<u>4,247,379</u>	<u>3,588,539</u>	<u>3,558,216</u>	<u>3,182,090</u>	<u>2,968,073</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered payroll	<u>\$ 27,377,006</u>	<u>\$ 27,105,947</u>	<u>\$ 26,837,571</u>	<u>\$ 26,571,852</u>	<u>\$ 26,308,765</u>	<u>\$ 26,048,282</u>	<u>\$ 26,137,866</u>	<u>\$ 25,310,860</u>	<u>\$ 23,089,090</u>	<u>\$ 22,674,661</u>
Contributions as a percentage of covered payroll	15.49%	17.16%	14.40%	13.87%	13.60%	16.31%	13.73%	14.06%	13.78%	13.09%

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 TEN FISCAL YEARS

Measurement Date:	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
Town's proportion of the net pension asset	5.45%	5.38%	5.25%	5.12%	5.55%	5.13%	5.13%	5.08%	4.98%	4.93%
Town's proportionate share of the net pension asset	\$ 12,056,798	\$ 10,816,837	\$ 9,232,018	\$ 10,010,912	\$ 6,589,596	\$ 5,972,304	\$ 4,578,176	\$ 4,205,570	\$ 4,958,163	\$ 4,604,566
Town's covered payroll	\$ 27,377,006	\$ 27,105,947	\$ 26,837,571	\$ 26,571,852	\$26,308,765	\$ 26,048,282	\$ 26,137,866	\$ 25,310,860	\$ 23,089,090	\$ 22,674,661
Town's proportionate share of the net pension asset as a percentage of its covered payroll	44.04%	39.91%	34.40%	37.67%	25.05%	22.93%	17.52%	16.62%	21.47%	20.31%
Plan fiduciary net position as a percentage of the total pension liability	193.80%	190.20%	177.70%	185.70%	153.10%	137.40%	137.40%	136.10%	153.30%	146.60%

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

TOWN OF JOHNSTON, RHODE ISLAND

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

LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ --	\$ 41,378	\$ 41,215	\$ 39,691	\$ 37,661	\$ 41,379	\$ 39,265	\$ 38,175	\$ 29,988	\$ 38,175
Contributions in relation to the actuarially determined contribution	--	41,378	41,215	39,691	37,661	41,379	39,265	38,175	29,988	38,175
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Covered payroll	<u>\$ 27,377,006</u>	<u>\$ 27,105,947</u>	<u>\$ 26,837,571</u>	<u>\$ 26,571,852</u>	<u>\$ 26,308,765</u>	<u>\$ 26,048,282</u>	<u>\$ 26,137,866</u>	<u>\$ 25,310,860</u>	<u>\$ 23,089,090</u>	<u>\$ 25,310,860</u>
Contributions as a percentage of covered payroll	0.00%	0.15%	0.15%	0.15%	0.14%	0.16%	0.15%	0.15%	0.13%	0.15%

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

TOWN OF JOHNSTON, RHODE ISLAND

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

LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	\$ 1,059,084	\$ 1,148,184	\$ 1,379,984	\$ 1,403,357	\$ 1,378,435	\$ 1,502,837	\$ 1,477,049	\$ 1,494,639	\$ 5,820,728	\$ 4,354,675
Interest	6,123,436	6,141,283	5,859,447	5,740,655	5,705,789	5,590,184	5,447,208	5,264,762	5,023,358	5,462,015
Change in benefit terms	--	--	--	--	--	--	--	--	(15,869,440)	--
Differences between expected and actual experience	(1,384,218)	(258,958)	2,517,192	(363,254)	(1,499,958)	(941,623)	(588,200)	(608,109)	(853,055)	(3,200,839)
Changes of assumptions	--	1,546,876	--	--	2,198,486	--	--	3,182,625	(87,523,217)	29,239,726
Benefit payments	(5,611,690)	(5,394,944)	(5,602,264)	(4,518,454)	(4,479,240)	(4,385,639)	(4,393,907)	(4,364,593)	(4,100,493)	(4,002,706)
Net change in total pension liability	186,612	3,182,441	4,154,359	2,262,304	3,303,512	1,765,759	1,942,150	4,969,324	(97,502,119)	31,852,871
Total Pension Liability - Beginning	92,464,337	89,281,896	85,127,537	82,865,233	79,561,721	77,795,962	75,853,812	70,884,488	168,386,607	136,533,736
Total Pension Liability - Ending	\$ 92,650,949	\$ 92,464,337	\$ 89,281,896	\$ 85,127,537	\$ 82,865,233	\$ 79,561,721	\$ 77,795,962	\$ 75,853,812	\$ 70,884,488	\$ 168,386,607
Plan Fiduciary Net Position										
Contributions - employer	\$ 5,796,039	\$ 5,627,222	\$ 5,463,322	\$ 5,304,197	\$ 5,149,705	\$ 4,999,713	\$ 4,854,090	\$ 4,714,480	\$ 4,797,069	\$ 2,783,429
Contributions - employee	193,614	229,558	250,699	283,687	300,138	302,388	314,146	363,787	426,286	394,051
Net investment income (loss)	4,716,449	4,409,504	2,591,174	(3,977,449)	6,880,535	(19,621)	763,639	1,512,485	1,753,780	21,130
Benefit payments, including refunds of employee contributions	(5,611,690)	(5,394,944)	(5,602,264)	(4,518,454)	(4,479,240)	(4,385,639)	(4,393,907)	(4,364,593)	(4,100,493)	(4,002,706)
Administrative expenses	(58,411)	(65,488)	(66,360)	(50,875)	(55,175)	(50,096)	(66,174)	(73,110)	(84,157)	(77,728)
Other	1,797	1,647	1,647	1,037,474	1,797	1,754	37,077	4,215	(49,245)	--
Net change in plan fiduciary net position	5,037,798	4,807,499	2,638,218	(1,921,420)	7,797,760	848,499	1,508,871	2,157,264	2,743,240	(881,824)
Plan Fiduciary Net Position - Beginning	36,062,058	31,254,559	28,616,341	30,537,761	22,740,001	21,891,502	20,382,631	18,225,367	15,482,127	16,363,951
Plan Fiduciary Net Position - Ending	\$ 41,099,856	\$ 36,062,058	\$ 31,254,559	\$ 28,616,341	\$ 30,537,761	\$ 22,740,001	\$ 21,891,502	\$ 20,382,631	\$ 18,225,367	\$ 15,482,127
Plan's net pension liability - Ending	\$ 51,551,093	\$ 56,402,279	\$ 58,027,337	\$ 56,511,196	\$ 52,327,472	\$ 56,821,720	\$ 55,904,460	\$ 55,471,181	\$ 52,659,121	\$ 152,904,480
Plan fiduciary net position as a percentage of the total pension liability	44.36%	39.00%	35.01%	33.62%	36.85%	28.58%	28.14%	26.87%	25.71%	9.19%
Covered-employee payroll	\$ 2,713,652	\$ 3,077,010	\$ 3,531,801	\$ 4,194,009	\$ 4,401,235	\$ 4,615,136	\$ 4,671,254	\$ 4,741,461	\$ 5,019,760	\$ 5,054,901
Net pension liability as a percentage of covered-employee payroll	1899.69%	1833.02%	1643.00%	1347.43%	1188.93%	1231.20%	1196.78%	1169.92%	1049.04%	3024.88%

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

TOWN OF JOHNSTON, RHODE ISLAND

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

LAST TEN FISCAL YEARS

Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution (Deficiency) Excess	Covered Payroll	Actual Contribution as a % of Covered Payroll	Weighted Rate of Return
2025	\$ 5,796,038	\$ 5,796,039	\$ 1	\$ 2,713,652	213.59%	13.07%
2024	\$ 5,627,221	\$ 5,627,222	\$ 1	\$ 3,077,010	182.88%	14.10%
2023	\$ 5,463,322	\$ 5,463,322	\$ --	\$ 3,531,801	154.69%	9.05%
2022	\$ 5,304,196	\$ 5,304,197	\$ 1	\$ 4,194,009	126.47%	-13.02%
2021	\$ 5,149,705	\$ 5,149,705	\$ --	\$ 4,401,235	117.01%	30.26%
2020	\$ 4,999,713	\$ 4,999,713	\$ --	\$ 4,615,136	108.33%	-0.09%
2019	\$ 4,854,090	\$ 4,854,090	\$ --	\$ 4,671,254	103.91%	3.61%
2018	\$ 8,509,584	\$ 4,714,480	\$ (3,795,104)	\$ 4,741,461	99.43%	7.84%
2017	\$ 8,073,936	\$ 4,797,069	\$ (3,276,867)	\$ 5,019,760	95.56%	0.01%
2016	\$ 7,197,627	\$ 2,783,429	\$ (4,414,198)	\$ 5,054,901	55.06%	-0.01%

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

TOWN OF JOHNSTON, RHODE ISLAND

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

LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	\$ 484,552	\$ 504,928	\$ 655,019	\$ 731,813	\$ 653,960	\$ 651,848	\$ 621,647	\$ 528,576	\$ 2,268,136	\$ 2,314,587
Interest	5,793,433	5,869,104	5,852,868	5,781,189	5,698,225	5,630,730	5,644,481	5,808,544	4,778,023	5,227,209
Change in benefit terms	--	--	--	--	--	--	--	--	(8,256,305)	--
Differences between expected and actual experience	(157,257)	17,459	(662,411)	(105,403)	116,928	(347,071)	(1,558,937)	(4,039,743)	(3,153,677)	2,235,932
Changes of assumptions	--	1,188,992	--	--	2,590,059	--	--	2,939,026	(72,009,127)	24,437,339
Benefit payments	(5,627,914)	(5,523,714)	(5,403,173)	(5,210,462)	(5,079,175)	(4,934,125)	(4,920,012)	(4,923,617)	(4,918,521)	(4,584,209)
Net change in total pension liability	492,814	2,056,769	442,303	1,197,137	3,979,997	1,001,382	(212,821)	312,786	(81,291,471)	29,630,858
Total Pension Liability - Beginning	88,158,038	86,101,269	85,658,966	84,461,829	80,481,832	79,480,450	79,693,271	79,380,485	160,671,956	131,041,098
Total Pension Liability - Ending	\$ 88,650,852	\$ 88,158,038	\$ 86,101,269	\$ 85,658,966	\$ 84,461,829	\$ 80,481,832	\$ 79,480,450	\$ 79,693,271	\$ 79,380,485	\$ 160,671,956
Plan Fiduciary Net Position										
Contributions - employer	\$ 4,971,508	\$ 4,826,707	\$ 4,686,123	\$ 4,549,634	\$ 4,417,120	\$ 4,288,466	\$ 4,163,560	\$ 4,041,720	\$ 3,924,059	\$ 2,576,831
Contributions - employee	116,518	120,737	128,551	141,434	159,733	161,588	171,202	160,257	185,921	233,585
Net investment income (loss)	3,870,426	3,731,066	2,261,910	(3,692,682)	6,832,623	(20,744)	858,655	1,814,122	2,283,935	29,412
Benefit payments, including refunds of employee contributions	(5,627,914)	(5,523,714)	(5,403,173)	(5,210,462)	(5,079,175)	(4,934,125)	(4,920,012)	(4,923,617)	(4,918,521)	(4,584,209)
Administrative expenses	(58,412)	(65,489)	(66,360)	(50,875)	(55,175)	(50,097)	(66,174)	(73,110)	(84,157)	(77,829)
Net change in plan fiduciary net position	3,272,126	3,089,307	1,607,051	(4,262,951)	6,275,126	(554,912)	207,231	1,019,372	1,391,237	(1,822,210)
Plan Fiduciary Net Position - Beginning	30,024,352	26,935,045	25,327,994	29,590,945	23,315,819	23,870,731	23,663,500	22,644,128	21,252,891	23,075,101
Plan Fiduciary Net Position - Ending	\$ 33,296,478	\$ 30,024,352	\$ 26,935,045	\$ 25,327,994	\$ 29,590,945	\$ 23,315,819	\$ 23,870,731	\$ 23,663,500	\$ 22,644,128	\$ 21,252,891
Plan's net pension liability - Ending	\$ 55,354,374	\$ 58,133,686	\$ 59,166,224	\$ 60,330,972	\$ 54,870,884	\$ 57,166,013	\$ 55,609,719	\$ 56,029,771	\$ 56,736,357	\$ 139,419,065
Plan fiduciary net position as a percentage of the total pension liability	37.56%	34.06%	31.28%	29.57%	35.03%	28.97%	30.03%	29.69%	28.53%	13.23%
Covered-employee payroll	\$ 1,571,607	\$ 1,903,091	\$ 1,797,343	\$ 2,109,436	\$ 2,230,342	\$ 2,267,624	\$ 2,285,342	\$ 2,200,925	\$ 1,988,230	\$ 2,205,173
Net pension liability as a percentage of covered-employee payroll	3522.15%	3054.70%	3291.87%	2860.05%	2460.20%	2520.97%	2433.32%	2545.74%	2853.61%	6322.36%

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

TOWN OF JOHNSTON, RHODE ISLAND

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

LAST TEN FISCAL YEARS

Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution (Deficiency) Excess	Covered Payroll	Actual Contribution as a % of Covered Payroll	Weighted Rate of Return
2025	\$ 4,826,707	\$ 4,826,707	\$ --	\$ 1,903,091	253.62%	12.89%
2024	\$ 4,826,707	\$ 4,826,707	\$ --	\$ 1,903,091	253.62%	13.90%
2023	\$ 4,686,123	\$ 4,686,123	\$ --	\$ 1,797,343	260.73%	8.93%
2022	\$ 4,549,634	\$ 4,549,634	\$ --	\$ 2,109,436	215.68%	-13.02%
2021	\$ 4,417,120	\$ 4,417,120	\$ --	\$ 2,230,342	198.05%	30.26%
2020	\$ 4,288,466	\$ 4,288,466	\$ --	\$ 2,267,624	189.12%	-0.09%
2019	\$ 4,163,560	\$ 4,163,560	\$ --	\$ 2,285,342	182.19%	3.61%
2018	\$ 7,430,222	\$ 4,041,720	\$ (3,388,502)	\$ 2,200,925	183.64%	7.84%
2017	\$ 6,954,295	\$ 3,924,059	\$ (3,030,236)	\$ 1,988,230	197.36%	0.01%
2016	\$ 6,607,532	\$ 2,576,831	\$ (4,030,701)	\$ 2,205,173	116.85%	-0.01%

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 FOUR FISCAL YEARS

	2025	2024	2023	2022
Total Pension Liability				
Service cost	\$ 191,845	\$ 186,801	\$ 274,740	\$ 362,488
Interest	279,694	276,196	203,980	--
Differences between expected and actual experience	105,511	(281,463)	(60,915)	3,604,621
Changes of assumptions	(1,126,656)	(377,404)	(1,948,771)	--
Benefit payments	(255,786)	(262,805)	(252,405)	(235,589)
Net change in total pension liability	(805,392)	(458,675)	(1,783,371)	3,731,520
Total Pension Liability - Beginning	7,052,953	7,511,628	9,294,999	5,563,479
Total Pension Liability - Ending	<u>\$ 6,247,561</u>	<u>\$ 7,052,953</u>	<u>\$ 7,511,628</u>	<u>\$ 9,294,999</u>
Covered-employee payroll	\$ 6,247,561	\$ 7,052,953	\$ 5,270,672	\$ 5,270,672
Net pension liability as a percentage of covered-employee payroll	100.00%	100.00%	142.52%	176.35%

This schedule is intended to show ten years of information. Additional information will reported once 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 CHANGES IN TOWN'S POLICE COLA PENSION LIABILITY AND RELATED RATIOS**

LAST FOUR FISCAL YEARS

	2025	2024	2023	2022
Total Pension Liability				
Service cost	\$ 212,675	\$ 283,881	\$ 132,956	\$ 67,666
Benefit payments	(104,999)	(111,089)	(61,801)	(67,666)
Net change in total pension liability	107,676	172,792	71,155	--
Total Pension Liability - Beginning	486,033	313,241	242,086	242,086
Total Pension Liability - Ending	<u>\$ 593,709</u>	<u>\$ 486,033</u>	<u>\$ 313,241</u>	<u>\$ 242,086</u>
Covered-employee payroll	\$ 3,208,312	\$ 2,920,327	\$ 2,270,576	\$ 1,512,198
Net pension liability as a percentage of covered-employee payroll	18.51%	16.64%	13.80%	16.01%

This schedule is intended to show ten years of information. Additional information will reported once 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 CHANGES IN TOWN'S FIRE COLA PENSION LIABILITY AND RELATED RATIOS**

LAST FOUR FISCAL YEARS

	2025	2024	2023	2022
Total Pension Liability				
Service cost	\$ 1,006,801	\$ 275,889	\$ 304,705	\$ 388,794
Benefit payments	(197,040)	(208,413)	(181,634)	(388,794)
Net change in total pension liability	809,761	67,476	123,071	--
Total Pension Liability - Beginning	2,833,010	2,833,010	2,833,010	2,833,010
Total Pension Liability - Ending	<u>\$ 3,642,771</u>	<u>\$ 2,900,486</u>	<u>\$ 2,956,081</u>	<u>\$ 2,833,010</u>
 Covered-employee payroll	 \$ 5,577,440	 \$ 5,461,414	 \$ 5,111,776	 \$ 5,270,672
 Net pension liability as a percentage of covered-employee payroll	 65.31%	 53.11%	 57.83%	 53.75%

This schedule is intended to show ten years of information. Additional information will reported once available.

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, 2025

OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

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

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 5.80% 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, 2023 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, 2024 measurement date compared to the June 30, 2023 measurement date.

June 30, 2023 measurement date –

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

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

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2025

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

June 30, 2022 measurement date –

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

June 30, 2021 measurement date –

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

June 30, 2020 measurement date –

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

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

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.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2025

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

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.

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.

TOWN OF JOHNSTON, RHODE ISLAND

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2025

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

- 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.
- 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	3.50 percent
Discount rate	6.75 percent
Investment rate of return	6.75 percent, net of pension plan investment expense, including inflation

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

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, 2025

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	\$ 74,061,217	\$ 74,061,217	\$ 76,591,486	\$ 2,530,269
Stabilization agreements	9,842,773	9,842,773	10,166,912	324,139
Host Community Service Revenue - RIRRC	4,659,685	4,659,685	4,644,977	(14,708)
Interest and penalties on taxes	555,658	555,658	576,730	21,072
Intergovernmental	13,474,138	13,474,138	13,586,608	112,470
School aid - state, medicaid and other miscellaneous revenue	24,784,412	24,784,412	26,060,027	1,275,615
Investment income	1,000,000	1,000,000	1,720,551	720,551
Departmental fees and revenues	5,964,318	5,964,318	6,866,882	902,564
Total Revenues	<u>134,342,201</u>	<u>134,342,201</u>	<u>140,214,173</u>	<u>5,871,972</u>
Expenditures				
Town council	47,477	47,477	41,626	5,851
Mayor	462,500	462,500	462,377	123
School committee - appointed	--	--	14,763	(14,763)
Courts	20,802	20,802	20,717	85
Canvassers	170,097	170,097	189,245	(19,148)
Legal	532,006	532,006	723,427	(191,421)
Town clerk	432,165	432,165	435,030	(2,865)
Human resources	153,798	153,798	158,835	(5,037)
Finance	1,574,063	1,574,063	1,528,650	45,413
Assessor	475,760	475,760	426,294	49,466
Police department	20,624,699	20,624,699	20,076,634	548,065
Municipal court	328,553	328,553	300,879	27,674
Fire	24,620,595	24,620,595	25,938,744	(1,318,149)
Emergency management	16,148	16,148	16,143	5
Street and highways	2,263,145	2,263,145	2,615,988	(352,843)
Building maintenance	1,300,692	1,300,692	1,353,539	(52,847)
Public works administration	3,436,877	3,436,877	3,282,005	154,872
Sewer department	345,015	345,015	214,746	130,269
Fleet maintenance	505,249	505,249	544,988	(39,739)
Inspector's fees	346,510	346,510	349,741	(3,231)
Parks and recreation	683,355	683,355	726,141	(42,786)
General public assistance	3,634	3,634	2,584	1,050
Administrative and miscellaneous appropriations	3,219,335	3,219,335	3,243,747	(24,412)
Planning and public services	319,798	319,798	325,782	(5,984)
Assessment board	2,745	2,745	2,745	--
Library	694,519	694,519	683,769	10,750
Debt services	5,012,851	5,012,851	5,011,932	919
Senior services	335,000	335,000	345,650	(10,650)
Total Expenditures	<u>67,927,388</u>	<u>67,927,388</u>	<u>69,036,721</u>	<u>(1,109,333)</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, 2025

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Excess of Revenues Over Expenditures Before Other Financing Sources (Uses)	66,414,813	66,414,813	71,177,452	4,762,639
Other Financing Uses				
Transfers out	(66,414,813)	(66,414,813)	(67,690,428)	(1,275,615)
Total Other Financing Uses	(66,414,813)	(66,414,813)	(67,690,428)	(1,275,615)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - Budgetary Basis	\$ --	\$ --	3,487,024	\$ 3,487,024

Reconciliation to GAAP Basis

Property tax revenue for prior years reported in Compensated Absence Retirement Escrow Fund in accordance with Ordinance 2022-4 not included in fiscal 2025 budget	(250,000)
Investment income reported directly in the Capital Projects Fund in accordance with Ordinance 2022-5 not included in the fiscal 2025 budget	(500,000)
Fire Rescue Revenue reported directly in the Fire Equipment Capital Fund in accordance with Ordinance 2013-16 not included in the fiscal 2025 budget	(524,264)
Transfer to Capital Expenditures for Road Resuracing Projects Resolution 2024-33	(2,350,000)
Resolution 2025-18 authorizing payment for GW - 178-200	(775,000)
Resolutions 2024-44, 2024-57 , and 2024-59 transfers to capital expenditures for various capital equipment and infrastructure costs	(1,736,100)
Proceeds from Sale of Real Property - Kaleff School	992,680
Inclusion of Net Loss of Town Grants Fund, Police Detail Fund , Police Account Fund , Police Pending Seizure Fund and Fire Deail with the General Fund, for GAAP purposes not part of budget	(298,501)
Net Change in Fund Balance - GAAP Basis	\$ (1,954,161)

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, 2025

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues				
State aid	\$ 24,277,223	\$ 24,277,223	\$ 24,533,922	\$ 256,699
Medicaid	700,000	700,000	985,547	285,547
Other revenues	<u>688,579</u>	<u>688,579</u>	<u>599,991</u>	<u>(88,588)</u>
Total Revenues	<u>25,665,802</u>	<u>25,665,802</u>	<u>26,119,460</u>	<u>453,658</u>
Expenditures				
Salaries	33,142,121	33,142,121	33,497,769	(355,648)
Fringe benefits	16,955,218	16,955,218	17,196,503	(241,285)
Professional services	16,069,017	16,069,017	18,892,068	(2,823,051)
Supplies and materials	1,317,466	1,317,466	1,225,809	91,657
Capital outlay	<u>312,381</u>	<u>312,381</u>	<u>224,943</u>	<u>87,438</u>
Total Expenditures	<u>67,796,203</u>	<u>67,796,203</u>	<u>71,037,092</u>	<u>(3,240,889)</u>
Deficiency of Revenues Under Expenditures				
Before Other Financing Sources (Uses)	<u>(42,130,401)</u>	<u>(42,130,401)</u>	<u>(44,917,632)</u>	<u>(2,787,231)</u>
Other Financing Sources (Uses)				
Operating transfer from Town	<u>42,130,401</u>	<u>42,130,401</u>	<u>41,630,401</u>	<u>(500,000)</u>
Total Other Financing Sources (Uses)	<u>42,130,401</u>	<u>42,130,401</u>	<u>41,630,401</u>	<u>(500,000)</u>
Excess of Expenditures and Other Financing Uses				
Over Revenue and Other Financing Sources	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (3,287,231)</u>	<u>\$ (3,287,231)</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, 2025

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, 2025 for the School Unrestricted Fund:

Excess of Expenditures and Other Financing Uses Over Revenue and Other Financing Sources	\$ (3,287,231)
ERSRI on behalf pension revenue	3,195,659
ERSRI on behalf pension expenditures	<u>(3,195,659)</u>
Excess of Expenditures and Other Financing Uses Under Revenues and Other Financing Sources - GAAP Basis - School Unrestricted Fund	<u><u>\$ (3,287,231)</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.

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TOWN OF JOHNSTON, RHODE ISLAND

TAX COLLECTOR'S ANNUAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

Real estate and personal property taxes receivable:

Fiscal Year	July 1, 2024	Current Year Assessment	Additions	Abatements	Refunds / Adjustments	Amount to be Collected	FY 2025 Collections	June 30, 2025	FY 2025 Collections Summary			July - August 2025 (FY25) Collections Subject to 60-day FY25 Accrual
									July - August 2024 (FY24) Collections Subject to 60-day FY24 Accrual	September -2024 to June 2025 Collections	Total FY 2025 Collections	
2024	\$ --	\$ 77,004,795	\$ 575,963	\$ (117,680)	\$ (719,765)	\$ 76,743,313	\$ 73,780,670	\$ 2,962,643				\$ 827,110
2023	2,885,352	--	575,850	(27,274)	131,082	3,565,010	2,717,777	847,233	\$ 1,262,634	1,455,143	2,717,777	208,970
2022	972,758	--	27,638	(37,679)	3,630	966,347	495,708	470,639	243,977	251,731	495,708	1,423
2021	416,188	--	20,670	(30,200)	(6,660)	399,998	48,618	351,380	12,190	36,428	48,618	893
2020	370,514	--	20,670	--	--	391,184	26,768	364,416	185	26,583	26,768	834
2019	265,549	--	10,483	(306)	--	275,726	13,650	262,076	299	13,351	13,650	491
2018	304,923	--	--	(1,440)	(47)	303,436	3,418	300,018	198	3,220	3,418	1,331
2017	370,715	--	(379)	--	(127)	370,209	2,846	367,363	350	2,496	2,846	1,327
2016	373,276	--	--	(486)	--	372,790	4,026	368,764	590	3,436	4,026	903
2015	441,585	--	--	--	(72)	441,513	3,630	437,883	385	3,245	3,630	1,071
2014 and prior	<u>2,237,568</u>	--	--	<u>(1,135)</u>	<u>(20)</u>	<u>2,236,413</u>	<u>4,510</u>	<u>2,231,903</u>	<u>517</u>	<u>3,993</u>	<u>4,510</u>	<u>1,987</u>
	8,638,428	<u>\$ 77,004,795</u>	<u>\$ 1,230,895</u>	<u>\$ (216,200)</u>	<u>\$ (591,979)</u>	<u>\$ 86,065,939</u>	<u>\$ 77,101,621</u>	8,964,318	<u>\$ 1,521,325</u>	<u>\$ 75,580,296</u>	<u>\$ 77,101,621</u>	<u>\$ 1,046,340</u>
<i>Allowance for Uncollectible Accounts</i>	<u>(4,205,144)</u>							<u>(4,537,993)</u>				
<i>Net Property Tax Receivable</i>	<u>\$ 4,433,284</u>							<u>\$ 4,426,325</u>				

TOWN OF JOHNSTON, RHODE ISLAND
TAX COLLECTOR'S ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2025

Schedule of Net Assessed Property, Value by Category		
<u>Description of Property</u>	Valuations	
	December 31, 2023	Levy July 1, 2024
Real Property	\$ 4,389,174,610	\$ 66,029,055
Tangible	<u>191,289,400</u>	<u>10,975,740</u>
Total	4,580,464,010	77,004,795
Exemptions	<u>717,798,626</u>	--
Net Assessed Value	<u>\$ 3,862,665,384</u>	<u>\$ 77,004,795</u>

Reconciliation of Current Year Property Tax Revenue	
Current Year Collections	\$ 77,101,621
July - August 2025 Collections	
Subject to 60-day FY25 Accrual	<u>1,046,340</u>
	78,147,961
July - August 2024 Collections	
Subject to 60-day FY24 Accrual	<u>(1,521,325)</u>
Current Year Property Tax Revenue	<u>\$ 76,626,636</u>

TOWN OF JOHNSTON, RHODE ISLAND
ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
FOR THE YEAR ENDED JUNE 30, 2025

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 74,607,780	\$ -
Last Year's Levy Tax Collection	1,664,113	-
Prior Years Property Tax Collection	354,743	-
Interest & Penalty	576,730	-
PILOT & Tax Treaty (excluded from levy) Collection	10,166,912	-
Other Local Property Taxes	-	-
Licenses and Permits	199,113	-
Fines and Forfeitures	323,959	-
Investment Income	2,097,100	-
Departmental	7,981,949	-
Rescue Run Revenue	1,682,264	-
Police & Fire Detail	1,117,503	-
Other Local Non-Property Tax Revenues	1,322,928	-
Tuition	-	150,290
Impact Aid	-	-
Medicaid	-	985,547
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	887,824
CDBG	-	-
COPS Grants	14,441	-
SAFER Grants	-	-
Other Federal Aid Funds	18,707	3,303,065
COVID - ESSER	-	323,624
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	-
COVID - ARPA	3,365,292	-
MV Excise Tax Reimbursement	-	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	130,296	-
Library Construction Aid	-	-
Public Service Corporation Tax	423,177	-
Meals & Beverage Tax / Hotel Tax	1,142,511	-
LEA Aid	-	24,533,922
Group Home	-	-
Housing Aid Capital Projects	119,782	-
Housing Aid Bonded Debt	-	-
State Food Service Revenue	-	144,210
Incentive Aid	-	-
Property Revaluation Reimbursement	1,391,119	-
Other State Revenue	108,808	632,046
Motor Vehicle Phase Out	10,375,322	-
Tangible Property Reimbursement	-	-
Cannabis Tax Distribution	-	-
Other Revenue	1,006,617	1,908,674
Local Appropriation for Education	-	41,630,401
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 120,191,166	\$ 74,499,603
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	4,124,711	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ 4,124,711	\$ -

TOWN OF JOHNSTON, RHODE ISLAND

ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)

FOR THE YEAR ENDED JUNE 30, 2025

<u>EXPENDITURES</u>	<u>General</u>	<u>Finance</u>	<u>Social</u>	<u>Centralized</u>	<u>Planning</u>	<u>Libraries</u>	<u>Public</u>	<u>Parks and</u>	<u>Police</u>
	<u>Government</u>		<u>Services</u>	<u>IT</u>			<u>Works</u>	<u>Rec</u>	<u>Department</u>
Compensation- Group A	\$ 927,045	\$ 772,438	\$ 2,400	\$ -	\$ 178,106	\$ 355,973	\$ 2,196,291	\$ 415,557	\$ 5,811,385
Compensation - Group B	-	-	-	-	-	-	-	-	758,421
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation - Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	14,151	88,851	-	-	762	-	214,195	9,266	1,129,064
Overtime - Group B	-	-	-	-	-	-	-	-	89,872
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	718,662
Active Medical Insurance - Group A	754,827	631,011	-	-	41,475	128,635	757,591	82,048	1,247,052
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	292,518
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group A	12,638	11,262	-	-	1,557	4,672	31,000	3,114	55,152
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	12,937
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	78,816	71,524	184	-	13,648	26,387	181,414	34,991	652,935
Life Insurance	1,307	1,426	-	-	336	713	4,309	594	134,743
State Defined Contribution- Group A	6,794	8,232	-	-	1,437	2,773	21,235	2,917	6,981
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	372,213	-	-	-	-	-	62,454	-	-
Other Benefits- Group B	-	-	-	-	-	-	-	-	259,775
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	5,796,039
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	135,306	153,402	-	-	26,173	53,216	413,738	56,291	141,597
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	245,298
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	711,431	380,690	-	-	5,534	-	109,215	-	6,933
Materials/Supplies	31,857	93,090	14,912	-	50,871	16,570	90,441	6,902	55,711
Software Licenses	-	60,219	-	-	-	45,634	4,725	-	47,777
Capital Outlays	4,737	1,574	-	-	-	5,373	5,301,763	2,907,912	598,997
Insurance	649,644	-	-	-	-	-	-	-	-
Maintenance	47,489	-	-	-	-	12,368	156,440	7,729	37,212
Vehicle Operations	-	7,601	-	-	-	-	309,447	4,903	130,004
Utilities	38,952	-	-	-	2,798	31,094	40,628	92,837	62,447
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	551,333	-	-
Revaluation	-	27,670	-	-	-	-	-	-	-
Snow Removal-raw Material & External Contracts	-	-	-	-	-	-	174,442	-	-
Trash Removal & Recycling	-	-	-	-	-	-	2,351,678	-	-
Claims & Settlements	61,362	-	-	-	-	-	-	-	-
Community Support	37,701	-	-	-	-	-	-	-	-
Other Operation Expenditures	199,197	8,112	345,650	-	3,285	1,708	595,823	530,180	281,852
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	-	-	-	-	-	-	-	-	-
OFB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 4,085,467	\$ 2,317,102	\$ 363,146	\$ -	\$ 325,782	\$ 685,116	\$ 13,567,962	\$ 4,155,241	\$ 18,573,364

TOWN OF JOHNSTON, RHODE ISLAND
ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
FOR THE YEAR ENDED JUNE 30, 2025

<u>EXPENSES</u>	<u>Fire</u>	<u>Centralized</u>	<u>Public Safety</u>	<u>Education</u>	<u>Debt</u>	<u>OPES</u>	<u>Total</u>	<u>Education</u>
	<u>Department</u>	<u>Dispatch</u>	<u>Other</u>	<u>Appropriation</u>			<u>Municipal</u>	<u>Department</u>
Compensation- Group A	\$ 8,145,020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,804,205	\$ 28,445,009
Compensation - Group B	152,326	-	-	-	-	-	910,747	2,893,248
Compensation - Group C	-	-	-	-	-	-	-	4,329,545
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	4,343,691	-	-	-	-	-	5,799,980	-
Overtime - Group B	10,314	-	-	-	-	-	100,186	-
Overtime - Group C	-	-	-	-	-	-	-	275,947
Police & Fire Detail	12,291	-	-	-	-	-	730,953	-
Active Medical Insurance - Group A	1,833,777	-	-	-	-	-	5,476,416	6,890,729
Active Medical Insurance- Group B	47,020	-	-	-	-	-	339,538	940,483
Active Medical Insurance- Group C	-	-	-	-	-	-	-	2,473,120
Active Dental Insurance- Group A	85,819	-	-	-	-	-	205,234	271,630
Active Dental Insurance- Group B	2,201	-	-	-	-	-	15,138	29,380
Active Dental Insurance- Group C	-	-	-	-	-	-	-	61,425
Payroll Taxes	929,969	-	-	-	-	-	1,999,668	985,284
Life Insurance	38,681	-	-	-	-	-	181,909	158,511
State Defined Contribution- Group A	-	-	-	-	-	-	50,369	779,450
State Defined Contribution - Group B	1,001	-	-	-	-	-	1,001	73,488
State Defined Contribution - Group C	-	-	-	-	-	-	-	35,358
Other Benefits- Group A	259,634	-	-	-	-	-	694,301	-
Other Benefits- Group B	-	-	-	-	-	-	259,775	-
Other Benefits- Group C	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	4,971,508	-	-	-	-	-	4,971,508	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	5,796,039	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	884,016	-	-	-	-	-	1,862,739	4,666,959
State Defined Benefit Pension - Group B	29,152	-	-	-	-	-	274,450	492,151
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	764,758
Other Defined Benefits / Contribution	-	-	-	-	-	-	-	-
Purchased Services	1,957	-	-	-	-	-	1,215,790	19,393,883
Materials/Supplies	274,242	-	-	-	-	-	634,596	1,494,284
Software Licenses	-	-	-	-	-	-	158,355	104,265
Capital Outlays	871	-	-	-	-	-	8,821,237	390,218
Insurance	-	-	-	-	-	-	649,644	264,132
Maintenance	144,999	-	-	-	-	-	406,237	505,415
Vehicle Operations	365,336	-	-	-	-	-	817,291	-
Utilities	175,464	-	-	-	-	-	444,220	804,891
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	551,333	-
Revaluation	-	-	-	-	-	-	27,670	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	174,442	-
Trash Removal & Recycling	-	-	-	-	-	-	2,351,678	-
Claims & Settlements	-	-	-	-	-	-	61,362	-
Community Support	-	-	-	-	-	-	37,701	-
Other Operation Expenditures	686,204	-	-	-	-	-	2,652,011	479,202
Tipping Fees	-	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	41,630,401	-	-	41,630,401	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	2,099,429	-	2,099,429	-
Municipal Debt- Interest	-	-	-	-	2,912,502	-	2,912,502	-
School Debt- Principal	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	6,540,271	6,540,271	-
Retiree Dental Insurance- Total	-	-	-	-	-	199,177	199,177	7,396
OPES Contribution- Total	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 23,405,683	\$ -	\$ -	\$ 41,630,401	\$ 5,011,931	\$ 6,739,648	\$ 120,860,643	\$ 77,790,361
Financing Uses: Transfer to Capital Funds	-	-	-	-	-	-	\$ -	\$ -
Financing Uses: Transfer to Other Funds	-	-	-	-	-	-	5,571,800	-
Financing Uses: Payment to Bond Escrow Agent	-	-	-	-	-	-	-	-
Financing Uses: Other	-	-	-	-	-	-	-	-
Total Other Financing Uses	-	-	-	-	-	-	\$ 5,571,800	\$ -
Net Change in Fund Balance¹	-	-	-	-	-	-	(2,116,366)	(3,290,758)
Fund Balance²- beginning of year	-	-	-	-	-	-	551,135,130	\$147,777
Funds removed from Reportable Government Services (RGS)	-	-	-	-	-	-	-	-
Funds added to Reportable Government Services (RGS)	-	-	-	-	-	-	-	-
Prior period adjustments	-	-	-	-	-	-	-	-
Misc. Adjustment	-	-	-	-	-	-	-	-
Fund Balance² - beginning of year adjusted	-	-	-	-	-	-	551,135,130	147,777
Rounding	-	-	-	-	-	-	-	-
Fund Balance² - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,018,764	\$ (3,142,981)

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

TOWN OF JOHNSTON, RHODE ISLAND

COMBINING SCHEDULE OF REPORTABLE GOVERNMENTAL SERVICES WITH RECONCILIATION TO MTP2

MUNICIPAL

FOR THE YEAR ENDED JUNE 30, 2025

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2024						\$ 53,135,130	-	\$ 53,135,130	
<i>No funds removed from RGS for fiscal 2024</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2024</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2024</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2025 adjusted						<u>\$ 53,135,130</u>	-	<u>\$ 53,135,130</u>	
General Fund	\$ 115,420,414	\$ 64,823	\$ 71,174,845	\$ 46,264,553	\$ (1,954,161)	\$ 45,738,765	\$ -	\$ 45,738,765	\$ 43,784,604
Scholarship Fund	34,249	-	14,000	-	20,249	294,010	-	294,010	314,259
Johnston Memorial Library Fund	25,891	-	1,347	-	24,544	159,901	-	159,901	184,445
Police Seizure Fund - Federal	746	-	9,000	-	(8,254)	21,121	-	21,121	12,867
ARPA Funding	3,365,292	-	3,261,055	-	104,237	368,121	-	368,121	472,358
Police Seizure Fund - Other Than Federal Funds	4,418	23,788	15,690	14,823	(2,307)	42,072	-	42,072	39,765
Memorial Park Recreation Fields Restoration Funds	36,312	-	18,389	-	17,923	31,120	-	31,120	49,043
Fire Prevention Fund	8,710	-	9,482	-	(772)	98,719	-	98,719	97,947
Indoor Athletic Complex Fund	141,819	-	149,656	172,825	(180,662)	371,313	-	371,313	190,651
Blue Riptide Grant Fund	13,695	-	13,695	-	-	-	-	-	-
Fire Plan Review Fund	22,847	-	13,467	50,000	(40,620)	154,226	-	154,226	113,606
Historical Records Fund	40,989	-	13,806	-	27,183	266,793	-	266,793	293,976
Opioid Litigation	104,408	-	73,668	-	30,740	466,231	-	466,231	496,971
Compensated Absences	372,475	-	-	-	372,475	2,878,348	-	2,878,348	3,250,823
Capital Projects	598,901	4,086,100	5,211,942	-	(526,941)	2,244,390	-	2,244,390	1,717,449
Totals per audited financial statements	<u>\$ 120,191,166</u>	<u>\$ 4,174,711</u>	<u>\$ 79,980,042</u>	<u>\$ 46,502,201</u>	<u>\$ (2,116,366)</u>	<u>\$ 53,135,130</u>	<u>\$ -</u>	<u>\$ 53,135,130</u>	<u>\$ 51,018,764</u>
<u>Reconciliation from financial statements to MTP2</u>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 41,630,401	\$ (41,630,401)	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer elimination fund	-	(50,000)	-	(50,000)	-	-	-	-	-
Reclass transfer of taxes to special revenue funds	-	-	(750,000)	750,000	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 120,191,166</u>	<u>\$ 4,124,711</u>	<u>\$ 120,860,443</u>	<u>\$ 5,571,800</u>	<u>\$ (2,116,366)</u>	<u>\$ 53,135,130</u>	<u>\$ -</u>	<u>\$ 53,135,130</u>	<u>\$ 51,018,764</u>

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

TOWN OF JOHNSTON, RHODE ISLAND

COMBINING SCHEDULE OF REPORTABLE GOVERNMENTAL SERVICES WITH RECONCILIATION TO MTP2

EDUCATION DEPARTMENT

FOR THE YEAR ENDED JUNE 30, 2025

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2024						\$ 147,777	-	\$ 147,777	
<i>No misc. adjustments made for fiscal 2024</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2025 adjusted						<u>\$ 147,777</u>	-	<u>\$ 147,777</u>	
School Unrestricted Fund	\$ 29,315,038	\$ 41,630,401	\$ 74,232,670	\$ -	\$ (3,287,231)	\$ (2,276,613)	\$ -	\$ (2,276,613)	\$ (5,563,844)
Enterprise Fund1	1,631,937	-	1,632,153	-	(216)	1,299,854	-	1,299,854	1,299,638
School Special Revenue Funds	5,117,886	-	5,139,091	-	(21,205)	1,146,431	-	1,146,431	1,125,226
Totals per audited financial statements	<u>\$ 36,064,861</u>	<u>\$ 41,630,401</u>	<u>\$ 81,003,914</u>	<u>\$ -</u>	<u>\$ (3,308,652)</u>	<u>\$ 169,672</u>	<u>\$ -</u>	<u>\$ 169,672</u>	<u>\$ (3,138,980)</u>
Reconciliation from financial statements to MTP2									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 41,630,401	\$ (41,630,401)	\$ -	\$ -	-	-	-	-	-
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(3,195,659)	-	(3,195,659)	-	-	-	-	-	-
Adjustment for capital assets net of depreciation	-	-	(17,894)	-	17,894	(21,895)	-	(21,895)	(4,001)
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 74,499,603</u>	<u>\$ -</u>	<u>\$ 77,790,361</u>	<u>\$ -</u>	<u>\$ (3,290,758)</u>	<u>\$ 147,777</u>	<u>\$ -</u>	<u>\$ 147,777</u>	<u>\$ (3,142,981)</u>
Reconciliation from MTP2 to UCOA									
Miscellaneous variance between MTP2 and UCOA	-	-	-	-	-	-	-	-	-
Totals per UCOA Validated Totals Report Dated 12/01/2025	<u>\$ 74,499,603</u>	<u>\$ -</u>	<u>\$ 77,790,361</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

TOWN OF JOHNSTON, RHODE ISLAND

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

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – BASIS OF PRESENTATION

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

NOTE 2 – REPORTABLE GOVERNMENT SERVICES

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

NOTE 3 – ALLOCATIONS

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

NOTE 4 – EMPLOYEE GROUPS - COMPENSATION AND BENEFIT COSTS

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

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

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

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

TOWN OF JOHNSTON, RHODE ISLAND

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

FOR THE YEAR ENDED JUNE 30, 2025

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, 2025

	TOWN SPECIAL REVENUE FUNDS							
	205	305	318	258	328	329	350	330
	Mayor's Scholarship	Memorial Library	Police Federal	Soccer Field	Police State	Memorial Park	CDBG	Fire Prevention
Assets								
Cash and cash equivalents	\$ 314,259	\$ 184,445	\$ 12,867	\$ --	\$ 36,989	\$ 51,195	\$ 8,038	\$ --
Due from federal & state governments	--	--	--	--	--	--	--	--
Due from other funds	--	--	--	--	2,776	--	--	97,947
Other receivables, net	--	--	--	--	--	--	--	--
Total Assets	<u>\$ 314,259</u>	<u>\$ 184,445</u>	<u>\$ 12,867</u>	<u>\$ --</u>	<u>\$ 39,765</u>	<u>\$ 51,195</u>	<u>\$ 8,038</u>	<u>\$ 97,947</u>
Liabilities								
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,152	\$ --	\$ --
Due to other funds	--	--	--	--	--	--	8,038	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,152</u>	<u>8,038</u>	<u>--</u>
Fund Balances								
Restricted	314,259	184,445	12,867	--	39,765	49,043	--	97,947
Committed	--	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--	--
Total Fund Balances	<u>314,259</u>	<u>184,445</u>	<u>12,867</u>	<u>--</u>	<u>39,765</u>	<u>49,043</u>	<u>--</u>	<u>97,947</u>
Total Liabilities Deferred Inflows of Resources and Fund Balances	<u>\$ 314,259</u>	<u>\$ 184,445</u>	<u>\$ 12,867</u>	<u>\$ --</u>	<u>\$ 39,765</u>	<u>\$ 51,195</u>	<u>\$ 8,038</u>	<u>\$ 97,947</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

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

JUNE 30, 2025

	TOWN SPECIAL REVENUE FUNDS							Total Town Special Revenue
	331	340	310	360	256	257	500	
	Indoor Athletic	Blue RIPTIDE	USDA Grants	Fire Plan Review	Opioid Litigation	Compensated Absences	Historical Trust	
Assets								
Cash and cash equivalents	\$ 249,082	\$ --	\$ --	\$ --	\$ 505,871	\$ 3,250,823	\$ 291,992	\$ 4,905,561
Due from federal & state governments	--	--	710,704	--	--	--	--	710,704
Due from other funds	--	--	--	113,606	--	--	2,579	216,908
Other receivables, net	--	--	--	--	--	--	--	--
Total Assets	<u>\$ 249,082</u>	<u>\$ --</u>	<u>\$ 710,704</u>	<u>\$ 113,606</u>	<u>\$ 505,871</u>	<u>\$ 3,250,823</u>	<u>\$ 294,571</u>	<u>\$ 5,833,173</u>
Liabilities								
Accounts payable and accrued liabilities	\$ 1,312	\$ --	\$ --	\$ --	\$ 8,900	\$ --	\$ 595	\$ 12,959
Due to other funds	<u>57,119</u>	<u>--</u>	<u>710,704</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>775,861</u>
Total Liabilities	<u>58,431</u>	<u>--</u>	<u>710,704</u>	<u>--</u>	<u>8,900</u>	<u>--</u>	<u>595</u>	<u>788,820</u>
Fund Balances								
Restricted	--	--	--	--	496,971	--	293,976	1,489,273
Committed	190,651	--	--	113,606	--	3,250,823	--	3,555,080
Unassigned	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Fund Balances	<u>190,651</u>	<u>--</u>	<u>--</u>	<u>113,606</u>	<u>496,971</u>	<u>3,250,823</u>	<u>293,976</u>	<u>5,044,353</u>
Total Liabilities Deferred Inflows of Resources and Fund Balances	<u>\$ 249,082</u>	<u>\$ --</u>	<u>\$ 710,704</u>	<u>\$ 113,606</u>	<u>\$ 505,871</u>	<u>\$ 3,250,823</u>	<u>\$ 294,571</u>	<u>\$ 5,833,173</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

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

JUNE 30, 2025

	SCHOOL SPECIAL REVENUE FUNDS				
	21011100	21011200	21092100	21092101	21021100
	IDEA	IDEA	Perks	Perkins CTE	Title I
	Part B	Pre-K	Secondary	Reserve	Title I
Assets					
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	28,573	15,374	--	8,263	473,867
Due from other funds	198,140	8,147	20,000	--	176,887
Total Assets	<u>\$ 226,713</u>	<u>\$ 23,521</u>	<u>\$ 20,000</u>	<u>\$ 8,263</u>	<u>\$ 650,754</u>
Liabilities					
Accounts payable and accrued liabilities	\$ 375	\$ --	\$ --	\$ --	\$ --
Due to other funds	226,338	23,521	--	8,263	650,754
Unearned revenue	--	--	20,000	--	--
Total Liabilities	<u>226,713</u>	<u>23,521</u>	<u>20,000</u>	<u>8,263</u>	<u>650,754</u>
Fund Balances					
Restricted	--	--	--	--	--
Unassigned	--	--	--	--	--
Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 226,713</u>	<u>\$ 23,521</u>	<u>\$ 20,000</u>	<u>\$ 8,263</u>	<u>\$ 650,754</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

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

JUNE 30, 2025

	SCHOOL SPECIAL REVENUE FUNDS				
	21031100	21041100	21051100	21091100	21162100
	Title II	Title III	Title IV	Perkins	FFVP
Assets					
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	112,009	24,668	48,000	42,876	1,435
Due from other funds	<u>107,052</u>	<u>15,628</u>	<u>49,307</u>	<u>84,694</u>	<u> --</u>
Total Assets	<u><u>\$ 219,061</u></u>	<u><u>\$ 40,296</u></u>	<u><u>\$ 97,307</u></u>	<u><u>\$ 127,570</u></u>	<u><u>\$ 1,435</u></u>
Liabilities					
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ 2,642	\$ 1,435
Due to other funds	219,061	40,296	97,307	124,928	--
Unearned revenue	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
Total Liabilities	<u>219,061</u>	<u>40,296</u>	<u>97,307</u>	<u>127,570</u>	<u>1,435</u>
Fund Balances					
Restricted	--	--	--	--	--
Unassigned	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
Total Fund Balances	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
Total Liabilities and Fund Balances	<u><u>\$ 219,061</u></u>	<u><u>\$ 40,296</u></u>	<u><u>\$ 97,307</u></u>	<u><u>\$ 127,570</u></u>	<u><u>\$ 1,435</u></u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

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

JUNE 30, 2025

	SCHOOL SPECIAL REVENUE FUNDS			
	22232005 Healthy Meals Incentive	21413100 Rising Star	23911015 Opioid Stewardship	21422101 School Climate
Assets				
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	--	--	--	--
Due from other funds	--	2,000	--	--
Total Assets	\$ --	\$ 2,000	\$ --	\$ --
Liabilities				
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--
Unearned revenue	--	--	--	--
Total Liabilities	--	--	--	--
Fund Balances				
Restricted	--	2,000	--	--
Unassigned	--	--	--	--
Total Fund Balances	--	2,000	--	--
Total Liabilities and Fund Balances	\$ --	\$ 2,000	\$ --	\$ --

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

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

JUNE 30, 2025

	SCHOOL SPECIAL REVENUE FUNDS					
	21422300	21422400	22192000	23031000	23153001	23183001
	Literacy	CS4RI Spring	Healthier Schools	Student Equity	Pre-K Grant	RISCA
Assets						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	--	--	--	--	--	--
Due from other funds	4,500	11,592	2,000	7,684	2,126	4,825
Total Assets	<u>\$ 4,500</u>	<u>\$ 11,592</u>	<u>\$ 2,000</u>	<u>\$ 7,684</u>	<u>\$ 2,126</u>	<u>\$ 4,825</u>
Liabilities						
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due to other funds	4,500	--	--	--	--	--
Unearned revenue	--	--	--	--	--	--
Total Liabilities	<u>4,500</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances						
Restricted	--	11,592	2,000	7,684	2,126	4,825
Unassigned	--	--	--	--	--	--
Total Fund Balances	<u>--</u>	<u>11,592</u>	<u>2,000</u>	<u>7,684</u>	<u>2,126</u>	<u>4,825</u>
Total Liabilities and Fund Balances	<u>\$ 4,500</u>	<u>\$ 11,592</u>	<u>\$ 2,000</u>	<u>\$ 7,684</u>	<u>\$ 2,126</u>	<u>\$ 4,825</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

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

JUNE 30, 2025

	SCHOOL SPECIAL REVENUE FUNDS				
	23183002	23493000	23581001	23591003	23581000
	RISCA	Electrify	CTE		CTE
	JHS	RI	Categorical	CS4RI	Categorical
Assets					
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	--	--	--	--	--
Due from other funds	581	640	--	8,627	865
Total Assets	<u>\$ 581</u>	<u>\$ 640</u>	<u>\$ --</u>	<u>\$ 8,627</u>	<u>\$ 865</u>
Liabilities					
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--	--
Unearned revenue	--	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances					
Restricted	581	640	--	8,627	865
Unassigned	--	--	--	--	--
Total Fund Balances	<u>581</u>	<u>640</u>	<u>--</u>	<u>8,627</u>	<u>865</u>
Total Liabilities and Fund Balances	<u>\$ 581</u>	<u>\$ 640</u>	<u>\$ --</u>	<u>\$ 8,627</u>	<u>\$ 865</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

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

JUNE 30, 2025

	SCHOOL SPECIAL REVENUE FUNDS			
	23682002 Learning Champion	23911007 SBA Cap Fund	23911025 Instructional Coaching	24040293 RI Education Collective
Assets				
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	--	--	--	--
Due from other funds	<u>4,053</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$ 4,053</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Liabilities				
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--
Unearned revenue	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances				
Restricted	4,053	--	--	--
Unassigned	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Fund Balances	<u>4,053</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 4,053</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

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

JUNE 30, 2025

	SCHOOL SPECIAL REVENUE FUNDS		
	24012024	24012043	24020045
	Feinstein	Verizon	
	Warrior	Foundation	Scholarship
Assets			
Cash and cash equivalents	\$ --	\$ --	\$ --
Due from federal & state governments	--	--	--
Due from other funds	61,704	3,512	1,220
Total Assets	\$ 61,704	\$ 3,512	\$ 1,220
Liabilities			
Accounts payable and accrued liabilities	\$ 600	\$ --	\$ --
Due to other funds	--	--	--
Unearned revenue	--	--	--
Total Liabilities	600	--	--
Fund Balances			
Restricted	61,104	3,512	1,220
Unassigned	--	--	--
Total Fund Balances	61,104	3,512	1,220
Total Liabilities and Fund Balances	\$ 61,704	\$ 3,512	\$ 1,220

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

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

JUNE 30, 2025

	SCHOOL SPECIAL REVENUE FUNDS					
	24030049	24030057	24030075	24040021	24040061	24013076
	Stop & Shop	Broadrock	Panther Donation	EDC Grant	Lifetouch	Act Foundation
Assets						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	--	--	--	--	--	--
Due from other funds	4,532	145,033	18,615	4,565	29,267	--
Total Assets	<u>\$ 4,532</u>	<u>\$ 145,033</u>	<u>\$ 18,615</u>	<u>\$ 4,565</u>	<u>\$ 29,267</u>	<u>\$ --</u>
Liabilities						
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--	--	--
Unearned revenue	--	--	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances						
Restricted	4,532	145,033	18,615	4,565	29,267	--
Unassigned	--	--	--	--	--	--
Total Fund Balances	<u>4,532</u>	<u>145,033</u>	<u>18,615</u>	<u>4,565</u>	<u>29,267</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 4,532</u>	<u>\$ 145,033</u>	<u>\$ 18,615</u>	<u>\$ 4,565</u>	<u>\$ 29,267</u>	<u>\$ --</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

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

JUNE 30, 2025

	SCHOOL SPECIAL REVENUE FUNDS			
	21251801	24040277	23112001	23153003
	ESSER III	Amazon Smile	Senators Grant	Pre-K
Assets				
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --
Due from federal & state governments	--	--	--	--
Due from other funds	--	462,165	6,992	1,498
Total Assets	<u>\$ --</u>	<u>\$ 462,165</u>	<u>\$ 6,992</u>	<u>\$ 1,498</u>
Liabilities				
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ 361
Due to other funds	--	--	6,992	--
Unearned revenue	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>6,992</u>	<u>361</u>
Fund Balances				
Restricted	--	462,165	--	1,137
Unassigned	--	--	--	--
Total Fund Balances	<u>--</u>	<u>462,165</u>	<u>--</u>	<u>1,137</u>
Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ 462,165</u>	<u>\$ 6,992</u>	<u>\$ 1,498</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

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

JUNE 30, 2025

	SCHOOL SPECIAL REVENUE FUNDS			
	24040186 SEAC	24050025 Special Olympics	24050045 HS Donation	90010000 Student Activities
Assets				
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ 331,813
Due from federal & state governments	--	--	--	--
Due from other funds	12,457	500	4,533	--
Total Assets	\$ 12,457	\$ 500	\$ 4,533	\$ 331,813
Liabilities				
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--
Unearned revenue	--	--	--	--
Total Liabilities	--	--	--	--
Fund Balances				
Restricted	12,457	500	4,533	331,813
Unassigned	--	--	--	--
Total Fund Balances	12,457	500	4,533	331,813
Total Liabilities and Fund Balances	\$ 12,457	\$ 500	\$ 4,533	\$ 331,813

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

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

JUNE 30, 2025

	SCHOOL SPECIAL REVENUE FUNDS				Total School Special Revenue Funds
	21093100 Perkins Special Program	21251810 ARP HCY II	21422600 School Based Mental Health	23911001 SBA Cap Authority	
Assets					
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ 331,813
Due from federal & state governments	--	--	92,243	104,301	951,609
Due from other funds	--	--	156,740	--	1,622,681
Total Assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 248,983</u>	<u>\$ 104,301</u>	<u>\$ 2,906,103</u>
Liabilities					
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ 101,701	\$ 107,114
Due to other funds	--	--	249,203	2,600	1,653,763
Unearned revenue	--	--	--	--	20,000
Total Liabilities	<u>--</u>	<u>--</u>	<u>249,203</u>	<u>104,301</u>	<u>1,780,877</u>
Fund Balances					
Restricted	--	--	--	--	1,125,446
Unassigned	--	--	(220)	--	(220)
Total Fund Balances	<u>--</u>	<u>--</u>	<u>(220)</u>	<u>--</u>	<u>1,125,226</u>
Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 248,983</u>	<u>\$ 104,301</u>	<u>\$ 2,906,103</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

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

JUNE 30, 2025

	CAPITAL PROJECT FUNDS			
	212	611	650	656
	School	Pezza	Fire	RIDEM
	Facilities	DPW	Equipment	Dams
		Facility		Escrow
Assets				
Cash and cash equivalents	\$ 122,673	\$ 6,704	\$ 554,232	\$ 1,303,686
Due from federal & state governments	--	--	--	--
Due from other funds	--	40	524,264	--
Other receivables, net	--	--	--	--
Total Assets	\$ 122,673	\$ 6,744	\$ 1,078,496	\$ 1,303,686
Liabilities				
Accounts payable and accrued liabilities	\$ --	\$ --	\$ --	\$ 74,830
Due to other funds	--	--	--	--
Total Liabilities	--	--	--	74,830
Fund Balances				
Restricted	122,673	6,744	--	1,228,856
Committed	--	--	1,078,496	--
Unassigned	--	--	--	--
Total Fund Balances	122,673	6,744	1,078,496	1,228,856
Total Liabilities Deferred Inflows of Resources and Fund Balances	\$ 122,673	\$ 6,744	\$ 1,078,496	\$ 1,303,686

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

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

JUNE 30, 2025

	CAPITAL PROJECT FUNDS				Total Non-Major Governmental Funds
	668 Capital Project Funds	665 Capital Lease Fund	667 Rainone Gym	Total Capital Projects	
Assets					
Cash and cash equivalents	\$ 1,681,526	\$ 89,714	\$ --	\$ 3,758,535	\$ 8,995,909
Due from federal & state governments	--	--	--	--	1,662,313
Due from other funds	47,504	--	--	571,808	2,411,397
Other receivables, net	--	--	--	--	--
Total Assets	<u>\$ 1,729,030</u>	<u>\$ 89,714</u>	<u>\$ --</u>	<u>\$ 4,330,343</u>	<u>\$ 13,069,619</u>
Liabilities					
Accounts payable and accrued liabilities	\$ 11,581	\$ --	\$ --	\$ 86,411	\$ 206,484
Due to other funds	--	--	--	--	2,429,624
Total Liabilities	<u>11,581</u>	<u>--</u>	<u>--</u>	<u>86,411</u>	<u>2,656,108</u>
Fund Balances					
Restricted	--	89,714	--	1,447,987	4,062,706
Committed	1,717,449	--	--	2,795,945	6,351,025
Unassigned	--	--	--	--	(220)
Total Fund Balances	<u>1,717,449</u>	<u>89,714</u>	<u>--</u>	<u>4,243,932</u>	<u>10,413,511</u>
Total Liabilities Deferred Inflows of Resources and Fund Balances	<u>\$ 1,729,030</u>	<u>\$ 89,714</u>	<u>\$ --</u>	<u>\$ 4,330,343</u>	<u>\$ 13,069,619</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, 2025

	TOWN SPECIAL REVENUE FUNDS							
	205	305	318	258	328	329	350	330
	Mayor's Scholarship	Memorial Library	Police Federal	Soccer Field	Police State	Memorial Park	CDBG	Fire Prevention
Revenues								
Property taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	746	1,100,000	4,418	35,040	--	--
Investment income	12,982	6,867	--	--	--	1,272	--	--
Charges for services	--	--	--	--	--	--	7,950	8,710
Other	21,267	19,024	--	--	--	--	--	--
Total Revenues	<u>34,249</u>	<u>25,891</u>	<u>746</u>	<u>1,100,000</u>	<u>4,418</u>	<u>36,312</u>	<u>7,950</u>	<u>8,710</u>
Expenditures								
Current								
General government	14,000	--	--	--	--	--	--	--
Public safety	--	--	9,000	--	15,690	--	7,950	9,482
Education	--	--	--	--	--	--	--	--
Parks and recreation	--	--	--	--	--	18,389	--	--
Public libraries	--	1,347	--	--	--	--	--	--
Capital Outlays	--	--	--	1,272,825	--	--	--	--
Total Expenditures	<u>14,000</u>	<u>1,347</u>	<u>9,000</u>	<u>1,272,825</u>	<u>15,690</u>	<u>18,389</u>	<u>7,950</u>	<u>9,482</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>20,249</u>	<u>24,544</u>	<u>(8,254)</u>	<u>(172,825)</u>	<u>(11,272)</u>	<u>17,923</u>	<u>--</u>	<u>(772)</u>
Other Financing Sources (Uses)								
Transfers in	--	--	--	172,825	23,788	--	--	--
Transfers out	--	--	--	--	(14,823)	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>172,825</u>	<u>8,965</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	20,249	24,544	(8,254)	--	(2,307)	17,923	--	(772)
Fund Balance - Beginning of Year	<u>294,010</u>	<u>159,901</u>	<u>21,121</u>	<u>--</u>	<u>42,072</u>	<u>31,120</u>	<u>--</u>	<u>98,719</u>
Fund Balance - End of Year	<u>\$ 314,259</u>	<u>\$ 184,445</u>	<u>\$ 12,867</u>	<u>\$ --</u>	<u>\$ 39,765</u>	<u>\$ 49,043</u>	<u>\$ --</u>	<u>\$ 97,947</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

	TOWN SPECIAL REVENUE FUNDS							Total Town Special Revenue
	331	340	310	360	256	257	500	
	Indoor Athletic	Blue RIPTIDE	USDA Grants	Fire Plan Review	Opioid Litigation	Compensated Absences	Historical Trust	
Revenues								
Property taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 250,000	\$ --	\$ 250,000
Intergovernmental	--	13,695	915,670	--	--	--	--	2,069,569
Investment income	11,808	--	--	--	21,593	122,475	11,656	188,653
Charges for services	130,011	--	--	22,847	--	--	29,333	198,851
Other	--	--	--	--	82,815	--	--	123,106
Total Revenues	141,819	13,695	915,670	22,847	104,408	372,475	40,989	2,830,179
Expenditures								
Current								
General government	--	--	--	--	--	--	13,806	27,806
Public safety	--	13,695	--	13,467	73,668	--	--	142,952
Education	--	--	--	--	--	--	--	--
Parks and recreation	149,656	--	--	--	--	--	--	168,045
Public libraries	--	--	--	--	--	--	--	1,347
Capital Outlays	--	--	915,670	--	--	--	--	2,188,495
Total Expenditures	149,656	13,695	915,670	13,467	73,668	--	13,806	2,528,645
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,837)	--	--	9,380	30,740	372,475	27,183	301,534
Other Financing Sources (Uses)								
Transfers in	--	--	--	--	--	--	--	196,613
Transfers out	(172,825)	--	--	(50,000)	--	--	--	(237,648)
Total Other Financing Sources (Uses)	(172,825)	--	--	(50,000)	--	--	--	(41,035)
Net Change in Fund Balances	(180,662)	--	--	(40,620)	30,740	372,475	27,183	260,499
Fund Balance - Beginning of Year	371,313	--	--	154,226	466,231	2,878,348	266,793	4,783,854
Fund Balance - End of Year	\$ 190,651	\$ --	\$ --	\$ 113,606	\$ 496,971	\$ 3,250,823	\$ 293,976	\$ 5,044,353

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, 2025

	SCHOOL SPECIAL REVENUE FUNDS				
	21011100 IDEA Part B	21011200 IDEA Pre-K	21092100 Perks Secondary	21092101 Perkins CTE Reserve	21021100 Title I
Revenues					
Intergovernmental	\$ 1,163,059	\$ 44,967	\$ 28,690	\$ 8,262	\$ 1,045,942
Other revenue	--	--	--	--	--
Total Revenues	1,163,059	44,967	28,690	8,262	1,045,942
Expenditures					
Education	1,166,803	44,967	28,690	8,262	1,045,942
Total Expenditures	1,166,803	44,967	28,690	8,262	1,045,942
Net Change in Fund Balances	(3,744)	--	--	--	--
Fund Balances - Beginning of Year	3,744	--	--	--	--
Fund Balances - End of Year	\$ --	\$ --	\$ --	\$ --	\$ --

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, 2025

	SCHOOL SPECIAL REVENUE FUNDS				
	21031100	21041100	21051100	21091100	21162100
	Title II	Title III	Title IV	Perkins	FFVP
Revenues					
Intergovernmental	\$ 225,402	\$ 48,745	\$ 113,351	\$ 126,364	\$ 88,706
Other revenue	--	--	--	--	--
Total Revenues	225,402	48,745	113,351	126,364	88,706
Expenditures					
Education	229,140	49,082	113,357	127,173	88,706
Total Expenditures	229,140	49,082	113,357	127,173	88,706
Net Change in Fund Balances	(3,738)	(337)	(6)	(809)	--
Fund Balances - Beginning of Year	3,738	337	6	809	--
Fund Balances - End of Year	\$ --	\$ --	\$ --	\$ --	\$ --

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, 2025

	SCHOOL SPECIAL REVENUE FUNDS			
	22232005 Healthy Meals Incentive	21413100 Rising Star	23911015 Opioid Stewardship	21422101 School Climate
Revenues				
Intergovernmental	\$ 1,246	\$ --	\$ 10,000	\$ --
Other revenue	--	--	--	--
Total Revenues	1,246	--	10,000	--
Expenditures				
Education	1,246	--	10,000	122
Total Expenditures	1,246	--	10,000	122
Net Change in Fund Balances	--	--	--	(122)
Fund Balances - Beginning of Year	--	2,000	--	122
Fund Balances - End of Year	\$ --	\$ 2,000	\$ --	\$ --

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, 2025

	SCHOOL SPECIAL REVENUE FUNDS					
	21422300	21422400	22192000	23031000	23153001	23183001
	Literacy	CS4RI Spring	Healthier Schools	Student Equity	Pre-K Grant	RISCA
Revenues						
Intergovernmental	\$ 5,895	\$ 36,809	\$ --	\$ --	\$ --	\$ --
Other revenue	--	--	--	--	--	--
Total Revenues	<u>5,895</u>	<u>36,809</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Expenditures						
Education	<u>6,034</u>	<u>36,810</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Expenditures	<u>6,034</u>	<u>36,810</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(139)	(1)	--	--	--	--
Fund Balances - Beginning of Year	<u>139</u>	<u>11,593</u>	<u>2,000</u>	<u>7,684</u>	<u>2,126</u>	<u>4,825</u>
Fund Balances - End of Year	<u>\$ --</u>	<u>\$ 11,592</u>	<u>\$ 2,000</u>	<u>\$ 7,684</u>	<u>\$ 2,126</u>	<u>\$ 4,825</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED JUNE 30, 2025

	SCHOOL SPECIAL REVENUE FUNDS				
	23183002 RISCA JHS	23493000 Electrify RI	23581001 CTE Categorical	23591003 CS4RI	23581000 CTE Categorical
Revenues					
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ 865
Other revenue	--	--	--	--	--
Total Revenues	--	--	--	--	865
Expenditures					
Education	--	--	313	--	--
Total Expenditures	--	--	313	--	--
Net Change in Fund Balances	--	--	(313)	--	865
Fund Balances - Beginning of Year	581	640	313	8,627	--
Fund Balances - End of Year	\$ 581	\$ 640	\$ --	\$ 8,627	\$ 865

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, 2025

	SCHOOL SPECIAL REVENUE FUNDS			
	23682002 Learning Champion	23911007 SBA Cap Fund	23911025 Instructional Coaching	24040293 RI Education Collective
Revenues				
Intergovernmental	\$ --	\$ 57,327	\$ 150,042	\$ 8,000
Other revenue	--	--	--	--
Total Revenues	--	57,327	150,042	8,000
Expenditures				
Education	--	57,327	150,042	8,000
Total Expenditures	--	57,327	150,042	8,000
Net Change in Fund Balances	--	--	--	--
Fund Balances - Beginning of Year	4,053	--	--	--
Fund Balances - End of Year	\$ 4,053	\$ --	\$ --	\$ --

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, 2025

	SCHOOL SPECIAL REVENUE FUNDS		
	24012024 Feinstein Warrior	24012043 Verizon Foundation	24020045 Scholarship
Revenues			
Intergovernmental	\$ --	\$ --	\$ --
Other revenue	--	--	--
Total Revenues	--	--	--
Expenditures			
Education	11,349	--	--
Total Expenditures	11,349	--	--
Net Change in Fund Balances	(11,349)	--	--
Fund Balances - Beginning of Year	72,453	3,512	1,220
Fund Balances - End of Year	\$ 61,104	\$ 3,512	\$ 1,220

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, 2025

SCHOOL SPECIAL REVENUE FUNDS

	24030049 Stop & Shop	24030057 Broadrock	24030075 Panther Donation	24040021 EDC Grant	24040061 Lifetouch	24013076 Act Foundation
Revenues						
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Other revenue	--	--	--	--	--	72,500
Total Revenues	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>72,500</u>
Expenditures						
Education	--	26,148	--	--	4,877	97,500
Total Expenditures	<u>--</u>	<u>26,148</u>	<u>--</u>	<u>--</u>	<u>4,877</u>	<u>97,500</u>
Net Change in Fund Balances	--	(26,148)	--	--	(4,877)	(25,000)
Fund Balances - Beginning of Year	<u>4,532</u>	<u>171,181</u>	<u>18,615</u>	<u>4,565</u>	<u>34,144</u>	<u>25,000</u>
Fund Balances - End of Year	<u>\$ 4,532</u>	<u>\$ 145,033</u>	<u>\$ 18,615</u>	<u>\$ 4,565</u>	<u>\$ 29,267</u>	<u>\$ --</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED JUNE 30, 2025

	SCHOOL SPECIAL REVENUE FUNDS			
	21251801	24040277	23112001	23153003
	ESSER III	Amazon Smile	Senators Grant	Pre-K
Revenues				
Intergovernmental	\$ 323,624	\$ --	\$ 5,950	\$ 189,831
Other revenue	--	582,500	--	--
Total Revenues	323,624	582,500	5,950	189,831
Expenditures				
Education	324,884	584,752	5,990	189,832
Total Expenditures	324,884	584,752	5,990	189,832
Net Change in Fund Balances	(1,260)	(2,252)	(40)	(1)
Fund Balances - Beginning of Year	1,260	464,417	40	1,138
Fund Balances - End of Year	\$ --	\$ 462,165	\$ --	\$ 1,137

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, 2025

	SCHOOL SPECIAL REVENUE FUNDS			
	24040186 SEAC	24050025 Special Olympics	24050045 HS Donation	90010000 Student Activities
Revenues				
Intergovernmental	\$ --	\$ --	\$ --	\$ --
Other revenue	92	--	--	316,796
Total Revenues	92	--	--	316,796
Expenditures				
Education	--	--	--	258,101
Total Expenditures	--	--	--	258,101
Net Change in Fund Balances	92	--	--	58,695
Fund Balances - Beginning of Year	12,365	500	4,533	273,118
Fund Balances - End of Year	\$ 12,457	\$ 500	\$ 4,533	\$ 331,813

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, 2025

	SCHOOL SPECIAL REVENUE FUNDS				Total School Department Funds
	21093100 Perkins Special Program	21251810 ARP HCY II	21422600 School Based Mental Health	23911000 SBA Cap Authority	
Revenues					
Intergovernmental	\$ 1,986	\$ 11,793	\$ 353,094	\$ 96,048	\$ 4,145,998
Other revenue	--	--	--	--	971,888
Total Revenues	<u>1,986</u>	<u>11,793</u>	<u>353,094</u>	<u>96,048</u>	<u>5,117,886</u>
Expenditures					
Education	<u>1,986</u>	<u>11,793</u>	<u>353,815</u>	<u>96,048</u>	<u>5,139,091</u>
Total Expenditures	<u>1,986</u>	<u>11,793</u>	<u>353,815</u>	<u>96,048</u>	<u>5,139,091</u>
Net Change in Fund Balances	--	--	(721)	--	(21,205)
Fund Balances - Beginning of Year	<u>--</u>	<u>--</u>	<u>501</u>	<u>--</u>	<u>1,146,431</u>
Fund Balances - End of Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (220)</u>	<u>\$ --</u>	<u>\$ 1,125,226</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, 2025

	CAPITAL PROJECT FUNDS			
	212	611	650	656
	School Facilities	Pezza DPW Facility	Fire Equipment	RIDEM Dams Escrow
Revenues				
Property taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	--	--
Investment income	5,762	--	19,073	57,979
Charges for services	--	--	--	--
Other	--	265	--	--
Total Revenues	5,762	265	19,073	57,979
Expenditures				
Current				
General government	--	--	--	--
Public safety	--	--	--	--
Education	--	--	--	--
Parks and recreation	--	--	--	239,567
Public libraries	--	--	--	--
Capital Outlays	32,666	--	--	--
Total Expenditures	32,666	--	--	239,567
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,904)	265	19,073	(181,588)
Other Financing Sources (Uses)				
Transfers in	--	--	524,264	--
Transfers out	--	--	--	--
Total Other Financing Sources (Uses)	--	--	524,264	--
Net Change in Fund Balances	(26,904)	265	543,337	(181,588)
Fund Balance - Beginning of Year	149,577	6,479	535,159	1,410,444
Fund Balance - End of Year	\$ 122,673	\$ 6,744	\$ 1,078,496	\$ 1,228,856

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, 2025

	CAPITAL PROJECT FUNDS			Total Capital Projects	Total Non-Major Governmental Funds
	668 Capital Project Funds	665 Capital Lease Fund	667 Rainone Gym		
Revenues					
Property taxes	\$ 500,000	\$ --	\$ --	\$ 500,000	\$ 750,000
Intergovernmental	--	--	--	--	6,215,567
Investment income	98,901	3,817	--	185,532	374,185
Charges for services	--	--	--	--	198,851
Other	--	--	--	265	1,095,259
Total Revenues	<u>598,901</u>	<u>3,817</u>	<u>--</u>	<u>685,797</u>	<u>8,633,862</u>
Expenditures					
Current					
General government	--	--	--	--	27,806
Public safety	--	--	--	--	142,952
Education	4,987	--	--	4,987	5,144,078
Parks and recreation	--	--	--	239,567	407,612
Public libraries	--	--	--	--	1,347
Capital Outlays	<u>5,206,955</u>	<u>--</u>	<u>22,717</u>	<u>5,262,338</u>	<u>7,450,833</u>
Total Expenditures	<u>5,211,942</u>	<u>--</u>	<u>22,717</u>	<u>5,506,892</u>	<u>13,174,628</u>
Excess (Deficiency) of Revenues Over					
(Under) Expenditures	<u>(4,613,041)</u>	<u>3,817</u>	<u>(22,717)</u>	<u>(4,821,095)</u>	<u>(4,540,766)</u>
Other Financing Sources (Uses)					
Transfers in	4,086,100	--	--	4,610,364	4,806,977
Transfers out	--	--	--	--	(237,648)
Total Other Financing Sources (Uses)	<u>4,086,100</u>	<u>--</u>	<u>--</u>	<u>4,610,364</u>	<u>4,569,329</u>
Net Change in Fund Balances	(526,941)	3,817	(22,717)	(210,731)	28,563
Fund Balance - Beginning of Year	<u>2,244,390</u>	<u>85,897</u>	<u>22,717</u>	<u>4,454,663</u>	<u>10,384,948</u>
Fund Balance - End of Year	<u>\$ 1,717,449</u>	<u>\$ 89,714</u>	<u>\$ --</u>	<u>\$ 4,243,932</u>	<u>\$ 10,413,511</u>

See independent auditors' report on supplementary information.

TOWN OF JOHNSTON, RHODE ISLAND

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

JUNE 30, 2025

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds
	60010000 Cafeteria Fund	60030000 Credit Recovery	60140000 Athletic Field	6370000 TMobile Tower	
Assets					
Current Assets					
Cash and cash equivalents	\$ 1,400,495	\$ --	\$ --	\$ --	\$ 1,400,495
Other receivables, net	174,085	--	--	--	174,085
Due from other funds	--	19,571	132,942	--	152,513
Inventory	20,467	--	--	--	20,467
Total Current Assets	<u>1,595,047</u>	<u>19,571</u>	<u>132,942</u>	<u>--</u>	<u>1,747,560</u>
Noncurrent Assets					
Capital assets, net	71,577	--	--	--	71,577
Total Assets	<u>1,666,624</u>	<u>19,571</u>	<u>132,942</u>	<u>--</u>	<u>1,819,137</u>
Liabilities					
Current Liabilities					
Accounts payable and accrued expenses	97,925	--	--	--	97,925
Due to other funds	421,574	--	--	--	421,574
Total Current Liabilities	<u>519,499</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>519,499</u>
Total Liabilities	<u>519,499</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>519,499</u>
Net Position					
Investment in capital assets	71,577	--	--	--	71,577
Unrestricted	1,075,548	19,571	132,942	--	1,228,061
Total Net Position	<u>\$ 1,147,125</u>	<u>\$ 19,571</u>	<u>\$ 132,942</u>	<u>\$ --</u>	<u>\$ 1,299,638</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, 2025

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds
	60010000	60030000	60140000	6370000	
	Cafeteria Fund	Credit Recovery	Athletic Field	TMobile Tower	
Operating Revenues					
Charges for services	\$ 571,171	\$ --	\$ 4,963	\$ --	\$ 576,134
Intergovernmental	1,055,803	--	--	--	1,055,803
Total Operating Revenues	<u>1,626,974</u>	<u>--</u>	<u>4,963</u>	<u>--</u>	<u>1,631,937</u>
Operating Expenses					
Education	1,567,014	--	--	47,245	1,614,259
Depreciation	17,894	--	--	--	17,894
Total Operating Expenses	<u>1,584,908</u>	<u>--</u>	<u>--</u>	<u>47,245</u>	<u>1,632,153</u>
Operating Income (Loss)	<u>42,066</u>	<u>--</u>	<u>4,963</u>	<u>(47,245)</u>	<u>(216)</u>
Transfers in (out)	--	--	--	--	--
Change in Net Position	<u>42,066</u>	<u>--</u>	<u>4,963</u>	<u>(47,245)</u>	<u>(216)</u>
Total Net Position - Beginning	<u>1,105,059</u>	<u>19,571</u>	<u>127,979</u>	<u>47,245</u>	<u>1,299,854</u>
Total Net Position - Ending	<u>\$ 1,147,125</u>	<u>\$ 19,571</u>	<u>\$ 132,942</u>	<u>\$ --</u>	<u>\$ 1,299,638</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, 2025

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds
	60010000 Cafeteria Fund	60030000 Credit Recovery	60140000 Athletic Field	6370000 TMobile Tower	
Cash Flows from Operating Activities					
Cash received from customers	\$ 571,171	\$ --	\$ 4,963	\$ --	\$ 576,134
Cash received from grantor	900,753	--	--	--	900,753
Cash paid to suppliers for goods and services and other operating payments	(1,464,639)	--	--	(47,245)	(1,511,884)
Net Cash Provided by (Used in) Operating Activities	<u>7,285</u>	<u>--</u>	<u>4,963</u>	<u>(47,245)</u>	<u>(34,997)</u>
Cash Flows from Noncapital Financing Activities					
Receipts from other funds	595,172	--	(4,963)	47,245	637,454
Net Cash Provided (Used in) by Noncapital Financing Activities	<u>595,172</u>	<u>--</u>	<u>(4,963)</u>	<u>47,245</u>	<u>637,454</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition of capital assets	(62,103)	--	--	--	(62,103)
Net cash used in capital and related financing activities	<u>(62,103)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(62,103)</u>
Net Increase in Cash and Cash Equivalents	540,354	--	--	--	540,354
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>860,141</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>860,141</u>
Cash, Cash Equivalents, and Restricted Cash - End of Year	<u>\$ 1,400,495</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,400,495</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating income (loss)	\$ 42,066	\$ --	\$ 4,963	\$ (47,245)	\$ (216)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization expense	17,894	--	--	--	17,894
(Increase) decrease in intergovernmental receivables	(134,047)	--	--	--	(134,047)
Increase (decrease) in accounts payable and accrued expenses	97,925	--	--	--	97,925
Increase (decrease) in unearned revenue	(16,553)	--	--	--	(16,553)
Net Cash Provided by Operating Activities	<u>\$ 7,285</u>	<u>\$ --</u>	<u>\$ 4,963</u>	<u>\$ (47,245)</u>	<u>\$ (34,997)</u>

See independent auditors' report on supplementary information.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), 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 (the "Town") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated February 4, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

CBIZ CPAs P.C.

Providence, RI
February 4, 2026