

EMPLOYEES' RETIREMENT SYSTEM OF
THE STATE OF RHODE ISLAND
Employees' Retirement System Cost-Sharing Plan
Schedules of Employer Allocations
Schedules of Pension Amounts by Employer
June 30, 2019 Measurement Date
(for Fiscal 2020 Employer Reporting)



Dennis E. Hoyle, CPA, Auditor General
Office of the Auditor General
General Assembly
State of Rhode Island



Office of the Auditor General

State of Rhode Island - General Assembly
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September 30, 2020

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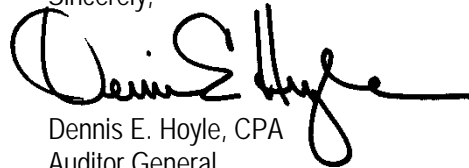
We have completed our audit of the Schedules of Employer Allocations and Schedules of Pension Amounts by Employer for the Employees' Retirement System (ERS) Cost-Sharing Plan of the State of Rhode Island for the fiscal year ended June 30, 2019.

These Schedules will be used by employers participating in the ERS cost-sharing defined benefit plan to meet their fiscal 2020 financial reporting responsibilities under generally accepted accounting principles – specifically the requirements of Governmental Accounting Standards Board Statement No. 68 – *Accounting and Financial Reporting for Pensions*.

Other reports containing similar information for the Teachers' Survivors Benefit Cost-Sharing Plan and the Municipal Employees' Retirement System Plan will be issued under separate cover.

Our report is contained herein as outlined in the Table of Contents.

Sincerely,



Dennis E. Hoyle, CPA
Auditor General

EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

Employees' Retirement System Cost-Sharing Plan

Schedules of Employer Allocations

Schedules of Pension Amounts by Employer

June 30, 2019 Measurement Date

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EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

Employees' Retirement System Cost-Sharing Plan

Schedules of Employer Allocations

Schedules of Pension Amounts by Employer

June 30, 2019 Measurement Date

INTRODUCTION

The Employees' Retirement System (ERS) Plan covers state employees, certain employees of quasi-public agencies, and teachers employed by local educational agencies, collaboratives and certain charter schools. ERS is a cost-sharing plan with a special funding situation related to teacher members. Separate actuarial valuations are made for state employee and teacher members; however, separate valuations are not made for individual employers participating in the plan.

For employers with teacher members in ERS, due to the "special funding" situation, the State will report approximately 40% of the net pension liability in its financial statements and the remaining 60% will be reported as a liability in the financial statements of the employers with teacher members in the plan.

As a cost-sharing plan – the net pension liability is apportioned based on proportionate contributions – see Schedules A and B.

The measurement date is June 30, 2019 – the information included herein is intended for use in Fiscal 2020 financial reporting by employers participating in the ERS cost-sharing plan. These include the State of Rhode Island, certain component units of the State of Rhode Island and municipalities, regional school districts, and collaboratives that have teachers participating in the plan.

The net pension liability and other measures included herein have been developed consistent with the requirements of GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions*. Such amounts are intended for accounting and financial reporting by governments which prepare their financial statements in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board. These amounts may and will likely differ from amounts reported in actuarial valuations used to measure actuarially determined contribution amounts consistent with the plan's adopted funding policies.



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INDEPENDENT AUDITOR'S REPORT

JOINT COMMITTEE ON LEGISLATIVE SERVICES, GENERAL ASSEMBLY
STATE OF RHODE ISLAND:

RETIREMENT BOARD OF THE EMPLOYEES' RETIREMENT SYSTEM OF THE
STATE OF RHODE ISLAND:

Report on Schedules

We have audited the accompanying Schedules of Employer Allocations (state employees and teachers and other nonemployer entity) of the Employees' Retirement System Plan (the Plan) as of and for the year ended June 30, 2019, and the related notes. We have also audited the total for all entities of the columns titled ending net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense (specified column totals) included in the accompanying Schedules of Pension Amounts by Employer of the Plan (state employees and teachers) as of and for the year ended June 30, 2019, and the related notes.

Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of these schedules 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 the schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on the Schedules of Employer Allocations and the specified column totals included in the Schedules of Pension Amounts by Employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedules of employer allocations and specified column totals included in the schedules of pension amounts by employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedules of employer allocations and specified column totals included in the schedules of pension amounts by employer. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedules of employer allocations and specified column totals included in the schedules of pension amounts by employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedules of employer allocations and specified column totals included in the schedules of pension amounts by employer in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's

Joint Committee on Legislative Services, General Assembly
Retirement Board of the Employees' Retirement System of the State of Rhode Island

internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedules of employer allocations and specified column totals included in the schedules of pension amounts by employer.

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

Opinions

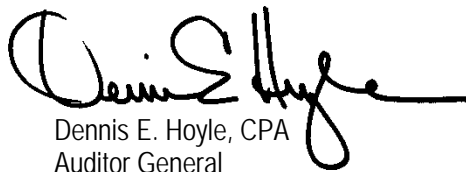
In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations for state employees and teachers and other nonemployer entity, ending net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the total of all participating state employee and teacher entities for the Employees' Retirement System Plan as of and for the year ended June 30, 2019, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Employees' Retirement System Plan within the Employees' Retirement System of the State of Rhode Island as of and for the year ended June 30, 2019, and our report thereon, dated December 31, 2019 expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of the Employees' Retirement System of the State of Rhode Island's management, the Retirement Board of the Employees' Retirement System of the State of Rhode Island, the Employees' Retirement System employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.



Dennis E. Hoyle, CPA
Auditor General

September 30, 2020

EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND
EMPLOYEES' RETIREMENT SYSTEM COST SHARING PLAN
Schedule of Employer Allocations - State Employees

State, proprietary fund, or component unit	Fiscal 2019 employer contribution	
	Amount	%
State of Rhode Island	\$ 169,364,959	89.65625054%
University of Rhode Island	9,917,091	5.24978241%
Rhode Island College	3,466,590	1.83509912%
Community College of RI	2,649,766	1.40269891%
Lottery	1,737,836	0.91995341%
Division of Higher Education Assistance	32,103	0.01699442%
Narragansett Bay Commission	1,561,301	0.82650137%
RI Commerce Corporation	25,206	0.01334320%
RI Airport Corporation	149,946	0.07937663%
Total	<u>\$ 188,904,798</u>	<u>100.00000000%</u>

See notes to schedules.

EMPLOYEES' RETIREMENT SYSTEM COST SHARING PLAN
Schedules of Employer and Other Nonemployer Entity Allocations - Teachers

Employer Unit	Employer Contributions at shared rate	Federally Funded 100% local contributions	Fiscal 2019 total actual contributions	Adjustment - if all contributions at shared rate *	Adjusted total - equivalent contributions all at shared rate	Percent
State of Rhode Island			\$ 102,238,747	\$ 4,674,566	\$ 106,913,313	42.82785607%
School District or Charter School						
Barrington	\$ 3,439,066	\$ 71,099	\$ 3,510,164	\$ (30,423)	\$ 3,479,741	1.39393155%
Bristol/Warren	3,243,168	250,921	3,494,089	(107,370)	3,386,719	1.35666848%
Burrillville	2,064,970	145,729	2,210,699	(62,358)	2,148,341	0.86059292%
Central Falls	2,431,160	453,233	2,884,392	(193,940)	2,690,453	1.07775469%
Chariho	3,449,200	178,194	3,627,393	(76,250)	3,551,144	1.42253440%
Coventry	4,789,798	280,890	5,070,688	(120,194)	4,950,494	1.98309308%
Cranston	10,773,215	823,787	11,597,002	(352,501)	11,244,501	4.50437706%
Cumberland	4,341,190	246,162	4,587,352	(105,334)	4,482,018	1.79542881%
East Greenwich	2,560,332	92,418	2,652,750	(39,546)	2,613,204	1.04681007%
East Providence	5,042,374	564,891	5,607,265	(241,719)	5,365,546	2.14935675%
Exeter-West Greenwich	1,826,493	71,682	1,898,176	(30,673)	1,867,503	0.74809328%
Foster	239,871	15,080	254,951	(6,453)	248,498	0.09954467%
Foster-Glocester	1,305,738	24,596	1,330,334	(10,525)	1,319,809	0.52869550%
Glocester	547,567	14,357	561,924	(6,143)	555,780	0.22263717%
Jamestown	568,458	45,381	613,839	(19,419)	594,420	0.23811570%
Johnston	3,361,190	227,349	3,588,539	(97,283)	3,491,256	1.39854423%
Lincoln	3,434,736	186,508	3,621,244	(79,807)	3,541,437	1.41864606%
Little Compton	358,346	-	358,346	-	358,346	0.14354785%
Middletown	2,383,398	153,094	2,536,492	(65,509)	2,470,983	0.98983842%
Narragansett	1,617,354	62,395	1,679,749	(26,699)	1,653,050	0.66218679%
New Shoreham	302,543	-	302,543	-	302,543	0.12119414%
Newport	2,399,490	211,038	2,610,528	(90,304)	2,520,224	1.00956352%
North Kingstown	4,066,500	192,228	4,258,728	(82,255)	4,176,473	1.67303197%
North Providence	3,327,758	305,922	3,633,680	(130,905)	3,502,775	1.40315864%
North Smithfield	1,721,520	35,954	1,757,474	(15,385)	1,742,089	0.69785462%
Northern RI Collaborative	293,498	-	293,498	-	293,498	0.11757071%
Pawtucket	7,546,668	1,064,012	8,610,679	(455,294)	8,155,386	3.26692407%
Portsmouth	2,413,986	80,873	2,494,859	(34,606)	2,460,253	0.98554032%
Providence	21,222,597	2,608,532	23,831,129	(1,116,199)	22,714,930	9.09925733%
Scituate	1,475,099	104,473	1,579,572	(44,704)	1,534,868	0.61484495%
Smithfield	2,591,359	128,580	2,719,939	(55,020)	2,664,919	1.06752617%
South Kingstown	3,758,143	139,802	3,897,946	(59,822)	3,838,124	1.53749437%
Tiverton	1,827,757	38,842	1,866,599	(16,620)	1,849,978	0.74107340%
Urban Collaborative	137,237	-	137,237	-	137,237	0.05497504%
Warwick	10,410,909	696,207	11,107,116	(297,909)	10,809,207	4.33000481%
West Bay Collaborative	132,699	-	132,699	-	132,699	0.05315734%
West Warwick	3,448,590	260,078	3,708,668	(111,288)	3,597,380	1.44105591%
Westerly	3,280,437	79,920	3,360,357	(34,198)	3,326,159	1.33240909%
Woonsocket	4,746,865	705,343	5,452,209	(301,819)	5,150,390	2.06316836%
Highlander Charter School	398,589	21,150	419,739	(9,050)	410,689	0.16451568%
Paul Cuffee Charter School	676,468	94,389	770,857	(40,389)	730,467	0.29261418%
Kingston Hill Charter School	131,545	-	131,545	-	131,545	0.05269496%
International Charter School	263,901	26,622	290,522	(11,392)	279,131	0.11181559%
Compass School Charter School	145,674	-	145,674	-	145,674	0.05835475%
Blackstone Academy Charter School	227,344	35,322	262,667	(15,115)	247,552	0.09916557%
Beacon Charter School	302,120	-	302,120	-	302,120	0.12102485%
Learning Community Charter School	376,054	62,959	439,013	(26,940)	412,073	0.16507019%
Segue Institute Charter School	173,224	-	173,224	-	173,224	0.06939080%
Greene Charter School	161,471	12,300	173,772	(5,263)	168,508	0.06750186%
Trinity Academy Charter School	156,132	16,552	172,683	(7,083)	165,601	0.06633721%
RI Nurses Charter School	207,533	48,839	256,371	(20,898)	235,473	0.09432697%
Village Green Charter School	155,019	33,894	188,913	(14,503)	174,409	0.06986580%
Sheila Nowell Charter School	114,673	-	114,673	-	114,673	0.04593643%
South Side Charter School	73,642	9,219	82,861	(3,945)	78,916	0.03161275%
Charette Charter School	27,214	3,545	30,760	(1,517)	29,242	0.01171410%
	\$ 136,471,882	\$ 10,924,359	\$ 147,396,241	\$ (4,674,566)	\$ 142,721,675	57.17214393%
<i>See notes to schedules.</i>			\$ 249,634,988		\$ 249,634,988	100.00000000%

Employees' Retirement System Cost-Sharing Plan
State Employees - Schedule of Pension Amounts by Employer
June 30, 2019 Measurement Date

Schedule C

<i>Participating Employer</i>	Beginning Net Pension Liability	Ending Net Pension Liability	Pension Expense		
			Proportionate Share of Pension Plan Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total
State of Rhode Island	\$ 2,013,417,042	\$ 2,031,988,996	\$ 224,627,220	\$ 2,721,241	\$ 227,348,461
University of Rhode Island	123,705,037	118,982,224	13,152,948	(1,545,335)	11,607,613
Rhode Island College	42,651,346	41,591,090	4,597,707	(665,557)	3,932,150
Community College of RI	31,484,850	31,791,077	3,514,360	(280,915)	3,233,445
Lottery	17,142,457	20,850,027	2,304,876	705,963	3,010,839
Division of Higher Education Assistance	1,495,213	385,165	42,578	(611,710)	(569,132)
Narragansett Bay Commission	18,671,241	18,732,009	2,070,739	(184,866)	1,885,873
RI Commerce Corporation	308,888	302,413	33,430	(7,898)	25,532
RI Airport Corporation	1,928,084	1,799,009	198,872	(130,923)	67,949
	\$ 2,250,804,158	\$ 2,266,422,010	\$ 250,542,730	\$ -	\$ 250,542,730

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
State Employees - Schedule of Pension Amounts by Employer
June 30, 2019 Measurement Date

Schedule C

Participating Employer

Deferred Outflows of Resources				
Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows
\$ 21,399,794	\$ 88,872,025	\$ 41,732,426	\$ 9,079,497	\$ 161,083,742
University of Rhode Island 1,253,056	5,203,862	2,443,624	395,373	9,295,915
Rhode Island College 438,015	1,819,047	854,186	-	3,111,248
Community College of RI 334,806	1,390,429	652,916	59,597	2,437,748
Lottery 219,581	911,907	428,212	2,861,467	4,421,167
Division of Higher Education Assistance 4,056	16,846	7,910	-	28,812
Narragansett Bay Commission 197,275	819,272	384,713	34,345	1,435,605
RI Commerce Corporation 3,185	13,226	6,211	2,947	25,569
RI Airport Corporation 18,946	78,682	36,948	69,610	204,186
\$ 23,868,714	\$ 99,125,296	\$ 46,547,146	\$ 12,502,836	\$ 182,043,992

See notes to schedules.

**Employees' Retirement System Cost-Sharing Plan
State Employees - Schedule of Pension Amounts by Employer
June 30, 2019 Measurement Date**

Schedule C

Deferred Inflows of Resources					
Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows	
Participating Employer					
State of Rhode Island	\$ 10,591,719	\$ -	\$ 45,503,637	\$ 100,621	\$ 56,195,977
University of Rhode Island	620,193	-	2,664,445	7,361,735	10,646,373
Rhode Island College	216,793	-	931,376	2,150,019	3,298,188
Community College of RI	165,711	-	711,918	661,101	1,538,730
Lottery	108,681	-	466,908	154,674	730,263
Division of Higher Education Assistance	2,008	-	8,625	1,293,187	1,303,820
Narragansett Bay Commission	97,640	-	419,478	457,494	974,612
RI Commerce Corporation	1,576	-	6,772	8,993	17,341
RI Airport Corporation	9,377	-	40,286	315,012	364,675
	\$ 11,813,698	\$ -	\$ 50,753,445	\$ 12,502,836	\$ 75,069,979

See notes to schedules.

**Employees' Retirement System Cost-Sharing Plan
State Employees - Schedule of Pension Amounts by Employer
June 30, 2019 Measurement Date**

Schedule C

Participating Employer

	Collective Deferred Outflows for Plan as a Whole					
	2021	2022	2023	2024	2025	Thereafter
State of Rhode Island	\$ 54,392,215	\$ 30,169,074	\$ 13,434,882	\$ 6,485,302	\$ 406,291	\$ -
University of Rhode Island	1,192,487	(627,153)	(1,048,540)	(769,632)	(97,621)	-
Rhode Island College	375,825	(116,823)	(262,332)	(161,760)	(21,850)	-
Community College of RI	563,327	234,025	16,538	78,628	6,501	-
Lottery	1,186,734	910,018	804,939	712,074	77,139	-
Division of Higher Education Assistance	(503,574)	(301,572)	(241,477)	(205,317)	(23,066)	-
Narragansett Bay Commission	364,557	105,982	(32,459)	21,563	1,349	-
RI Commerce Corporation	6,378	2,030	614	(664)	(130)	-
RI Airport Corporation	(78,823)	(6,479)	(46,740)	(25,774)	(2,673)	-
	\$ 57,499,126	\$ 30,369,102	\$ 12,625,425	\$ 6,134,420	\$ 345,940	\$ -

See notes to schedules.

**Employees' Retirement System Cost-Sharing Plan
State Employees - Schedule of Pension Amounts by Employer
June 30, 2019 Measurement Date**

Schedule C

<i>Participating Employer</i>	Net Pension Liability 1% Decrease (6.0% Discount Rate)	Net Pension Liability (7.0% Discount Rate)	Net Pension Liability 1% Increase (8.0% Discount Rate)
State of Rhode Island	\$ 2,494,082,782	\$ 2,031,988,996	\$ 1,653,711,038
University of Rhode Island	146,039,923	118,982,224	96,832,324
Rhode Island College	51,049,303	41,591,090	33,848,434
Community College of RI	39,020,672	31,791,077	25,872,805
Lottery	25,591,523	20,850,027	16,968,556
Division of Higher Education Assistance	472,755	385,165	313,462
Narragansett Bay Commission	22,991,848	18,732,009	15,244,832
RI Commerce Corporation	371,185	302,413	246,115
RI Airport Corporation	2,208,121	1,799,009	1,464,103
	\$ 2,781,828,112	\$ 2,266,422,010	\$ 1,844,501,669

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2019 Measurement Date

Schedule D

<i>Participating Employer</i>	Beginning Net Pension Liability	Ending Net Pension Liability	Pension Expense		
			Proportionate Share of Pension Plan Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total
State of Rhode Island	\$ 1,357,443,538	\$ 1,366,537,851	\$ 144,887,994	\$ 6,711,943	\$ 151,599,937
Barrington	44,374,286	44,477,132	4,715,715	41,078	4,756,793
Bristol/Warren	42,654,902	43,288,154	4,589,652	(36,394)	4,553,258
Burrillville	27,558,632	27,459,530	2,911,413	(196,158)	2,715,255
Central Falls	33,327,788	34,388,660	3,646,078	57,959	3,704,037
Chariho	45,614,052	45,389,783	4,812,479	(453,736)	4,358,743
Coventry	65,346,536	63,275,914	6,708,867	(893,008)	5,815,859
Cranston	143,161,570	143,724,256	15,238,450	82,698	15,321,148
Cumberland	56,077,472	57,287,981	6,073,993	531,543	6,605,536
East Greenwich	32,976,770	33,401,289	3,541,392	291,148	3,832,540
East Providence	67,171,776	68,581,003	7,271,342	980,567	8,251,909
Exeter-West Greenwich	24,463,951	23,869,927	2,530,823	(831,114)	1,699,709
Foster	3,019,322	3,176,240	336,763	(96,749)	240,014
Foster-Glocester	16,564,612	16,869,451	1,788,594	(3,739)	1,784,855
Glocester	7,181,440	7,103,837	753,189	(21,492)	731,697
Jamestown	7,595,832	7,597,721	805,553	(145,529)	660,024
Johnston	44,322,186	44,624,312	4,731,319	419,707	5,151,026
Lincoln	45,182,730	45,265,715	4,799,325	(805,648)	3,993,677
Little Compton	4,428,409	4,580,280	485,627	(157,798)	327,829
Middletown	32,333,768	31,583,455	3,348,655	(360,676)	2,987,979
Narragansett	21,717,707	21,128,849	2,240,199	(231,294)	2,008,905
New Shoreham	3,772,270	3,867,025	410,004	4,435	414,439
Newport	32,707,660	32,212,837	3,415,385	(49,248)	3,366,137
North Kingstown	53,227,391	53,382,581	5,659,920	(149,744)	5,510,176
North Providence	45,260,377	44,771,547	4,746,930	701,604	5,448,534
North Smithfield	22,266,785	22,266,927	2,360,864	(829)	2,360,035
Northern RI Collaborative	4,742,951	3,751,410	397,745	(169,451)	228,294
Pawtucket	106,751,172	104,239,992	11,052,108	(73,277)	10,978,831

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2019 Measurement Date

Schedule D

<i>Participating Employer</i>	Beginning Net Pension Liability	Ending Net Pension Liability	Pension Expense		
			Proportionate Share of Pension Plan Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total
Portsmouth	31,370,338	31,446,313	3,334,114	(712,736)	2,621,378
Providence	286,186,843	290,336,259	30,783,076	(1,219,490)	29,563,586
Scituate	19,990,396	19,618,280	2,080,040	(514,783)	1,565,257
Smithfield	33,966,888	34,062,291	3,611,475	478,047	4,089,522
South Kingstown	47,392,970	49,057,890	5,201,392	(374,510)	4,826,882
Tiverton	22,942,334	23,645,938	2,507,075	222,724	2,729,799
Urban Collaborative	1,756,518	1,754,126	185,982	(19,741)	166,241
Warwick	140,219,615	138,160,440	14,648,543	(2,506,616)	12,141,927
West Bay Collaborative	1,894,746	1,696,128	179,833	7,043	186,876
West Warwick	45,423,614	45,980,761	4,875,138	(8,867)	4,866,271
Westerly	43,780,963	42,514,093	4,507,582	(1,030,114)	3,477,468
Woonsocket	64,726,498	65,830,931	6,979,764	(307,224)	6,672,540
Highlander Charter School	5,054,601	5,249,315	556,562	161,508	718,070
Paul Cuffee Charter School	9,280,461	9,336,642	989,923	(152,301)	837,622
Kingston Hill Charter School	1,590,139	1,681,374	178,269	(286)	177,983
International Charter School	3,878,116	3,567,777	378,276	(52,378)	325,898
Compass School Charter School	1,714,904	1,861,965	197,416	13,055	210,471
Blackstone Academy Charter School	2,791,410	3,164,144	335,480	232,063	567,543
Beacon Charter School	3,612,544	3,861,623	409,431	239,879	649,310
Learning Community Charter School	5,304,943	5,267,008	558,438	(142,190)	416,248
Segue Institute Charter School	2,295,512	2,214,100	234,751	(21,742)	213,009
Greene Charter School	2,199,851	2,153,828	228,361	42,389	270,750
Trinity Academy Charter School	1,790,942	2,116,667	224,421	53,521	277,942
RI Nurses Charter School	2,626,996	3,009,755	319,111	128,704	447,815
Village Green Charter School	2,149,605	2,229,256	236,358	136,288	372,646
Sheila Nowell Charter School	1,245,922	1,465,725	155,404	24,458	179,862
South Side Charter School	814,610	1,008,690	106,947	126,859	233,806
Charette Charter School	-	373,770	39,629	49,642	89,271
	\$ 3,177,248,164	\$ 3,190,768,748	\$ 338,303,169	-	\$ 338,303,169

See notes to schedules.

**Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2019 Measurement Date**

Schedule D

	Deferred Outflows of Resources				
	Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows
<i>Participating Employer</i>					
State of Rhode Island	\$ 16,640,923	\$ 79,964,029	\$ 30,667,016	\$ 40,019,843	\$ 167,291,811
Barrington	541,617	2,602,614	998,129	1,158,543	5,300,903
Bristol/Warren	527,139	2,533,040	971,447	1,283,338	5,314,964
Burrillville	334,387	1,606,816	616,230	1,201,895	3,759,328
Central Falls	418,766	2,012,279	771,729	1,843,584	5,046,358
Chariho	552,731	2,656,019	1,018,610	1,295,423	5,522,783
Coventry	770,538	3,702,640	1,420,000	82,413	5,975,591
Cranston	1,750,192	8,410,137	3,225,373	1,768,601	15,154,303
Cumberland	697,621	3,352,251	1,285,622	2,928,557	8,264,051
East Greenwich	406,742	1,954,502	749,572	2,884,663	5,995,479
East Providence	835,141	4,013,071	1,539,053	3,986,415	10,373,680
Exeter-West Greenwich	290,674	1,396,767	535,674	-	2,223,115
Foster	38,678	185,860	71,279	120,133	415,950
Foster-Glocester	205,427	987,129	378,574	538,437	2,109,567
Glocester	86,506	415,687	159,420	168,994	830,607
Jamestown	92,521	444,587	170,503	215,935	923,546
Johnston	543,410	2,611,226	1,001,432	2,202,407	6,358,475
Lincoln	551,220	2,648,759	1,015,826	-	4,215,805
Little Compton	55,776	268,019	102,788	467,388	893,971
Middletown	384,605	1,848,131	708,777	322,016	3,263,529
Narragansett	257,295	1,236,371	474,161	317,090	2,284,917
New Shoreham	47,090	226,282	86,781	295,082	655,235
Newport	392,270	1,884,959	722,901	1,653,543	4,653,673
North Kingstown	650,063	3,123,723	1,197,980	971,075	5,942,841
North Providence	545,202	2,619,842	1,004,736	2,661,204	6,830,984
North Smithfield	271,154	1,302,967	499,701	1,278,247	3,352,069
Northern RI Collaborative	45,683	219,517	84,187	492,233	841,620
Pawtucket	1,269,375	6,099,685	2,339,291	2,085,320	11,793,671

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2019 Measurement Date

Schedule D

	Deferred Outflows of Resources				
	Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows
<i>Participating Employer</i>					
Portsmouth	382,935	1,840,106	705,699	116,320	3,045,060
Providence	3,535,550	16,989,253	6,515,551	4,151,401	31,191,755
Scituate	238,900	1,147,979	440,262	-	1,827,141
Smithfield	414,791	1,993,182	764,405	1,944,721	5,117,099
South Kingstown	597,399	2,870,661	1,100,927	1,652,807	6,221,794
Tiverton	287,947	1,383,661	530,648	1,839,376	4,041,632
Urban Collaborative	21,361	102,644	39,365	57,207	220,577
Warwick	1,682,439	8,084,566	3,100,513	3,130,772	15,998,290
West Bay Collaborative	20,654	99,250	38,063	185,225	343,192
West Warwick	559,928	2,690,600	1,031,872	7,549,618	11,832,018
Westerly	517,712	2,487,745	954,076	-	3,959,533
Woonsocket	801,652	3,852,148	1,477,338	1,909,673	8,040,811
Highlander Charter School	63,923	307,168	117,802	670,476	1,159,369
Paul Cuffee Charter School	113,696	546,341	209,527	281,601	1,151,165
Kingston Hill Charter School	20,475	98,387	37,732	122,248	278,842
International Charter School	43,446	208,771	80,066	474,365	806,648
Compass School Charter School	22,674	108,954	41,785	264,473	437,886
Blackstone Academy Charter School	38,531	185,152	71,008	941,473	1,236,164
Beacon Charter School	47,025	225,966	86,660	853,281	1,212,932
Learning Community Charter School	64,139	308,203	118,199	-	490,541
Segue Institute Charter School	26,962	129,560	49,687	180,629	386,838
Greene Charter School	26,228	126,033	48,335	326,352	526,948
Trinity Academy Charter School	25,776	123,858	47,501	386,629	583,764
RI Nurses Charter School	36,651	176,118	67,543	551,309	831,621
Village Green Charter School	27,147	130,447	50,028	493,906	701,528
Sheila Nowell Charter School	17,849	85,768	32,893	200,697	337,207
South Side Charter School	12,283	59,024	22,636	540,033	633,976
Charette Charter School	4,552	21,871	8,388	298,616	333,427
	\$ 38,855,371	\$ 186,710,325	\$ 71,605,301	\$ 101,365,588	\$ 398,536,585

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2019 Measurement Date

Schedule D

	Deferred Inflows of Resources				
	Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows
<i>Participating Employer</i>					
State of Rhode Island	\$ 22,821,146	\$ 10,785,217	\$ 32,817,361	\$ 13,608,734	\$ 80,032,458
Barrington	742,767	351,030	1,068,117	1,546,288	3,708,202
Bristol/Warren	722,911	341,646	1,039,564	1,227,311	3,331,432
Burrillville	458,573	216,721	659,440	1,280,879	2,615,613
Central Falls	574,290	271,408	825,843	1,922,945	3,594,486
Chariho	758,008	358,233	1,090,034	3,838,600	6,044,875
Coventry	1,056,706	499,397	1,519,569	4,280,447	7,356,119
Cranston	2,400,191	1,134,325	3,451,533	1,814,164	8,800,213
Cumberland	956,708	452,138	1,375,769	1,170,868	3,955,483
East Greenwich	557,801	263,615	802,131	1,470,245	3,093,792
East Providence	1,145,301	541,266	1,646,971	-	3,333,538
Exeter-West Greenwich	398,627	188,390	573,236	2,873,784	4,034,037
Foster	53,043	25,068	76,277	373,312	527,700
Foster-Glocester	281,719	133,140	405,119	416,233	1,236,211
Glocester	118,634	56,066	170,598	403,895	749,193
Jamestown	126,882	59,964	182,459	633,599	1,002,904
Johnston	745,225	352,191	1,071,651	851,026	3,020,093
Lincoln	755,936	357,254	1,087,055	2,734,284	4,934,529
Little Compton	76,491	36,149	109,995	694,891	917,526
Middletown	527,443	249,268	758,476	1,712,345	3,247,532
Narragansett	352,851	166,757	507,409	1,669,348	2,696,365
New Shoreham	64,579	30,520	92,866	175,474	363,439
Newport	537,954	254,236	773,590	1,639,057	3,204,837
North Kingstown	891,488	421,315	1,281,981	1,670,593	4,265,377
North Providence	747,684	353,353	1,075,187	1,261,609	3,437,833
North Smithfield	371,857	175,739	534,740	1,021,227	2,103,563
Northern RI Collaborative	62,648	29,608	90,090	1,303,780	1,486,126
Pawtucket	1,740,805	822,700	2,503,320	3,176,316	8,243,141

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2019 Measurement Date

Schedule D

	Deferred Inflows of Resources				
	Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows
<i>Participating Employer</i>					
Portsmouth	525,153	248,186	755,182	2,425,024	3,953,545
Providence	4,848,608	2,291,440	6,972,416	7,857,960	21,970,424
Scituate	327,625	154,835	471,132	1,921,670	2,875,262
Smithfield	568,839	268,832	818,005	735,099	2,390,775
South Kingstown	819,266	387,183	1,178,124	3,153,505	5,538,078
Tiverton	394,887	186,622	567,856	1,464,614	2,613,979
Urban Collaborative	29,294	13,844	42,125	177,594	262,857
Warwick	2,307,276	1,090,413	3,317,918	12,130,010	18,845,617
West Bay Collaborative	28,325	13,386	40,732	345,345	427,788
West Warwick	767,878	362,897	1,104,226	6,308,626	8,543,627
Westerly	709,984	335,537	1,020,975	4,246,410	6,312,906
Woonsocket	1,099,375	519,562	1,580,928	2,721,510	5,921,375
Highlander Charter School	87,663	41,430	126,062	62,912	318,067
Paul Cuffee Charter School	155,922	73,688	224,219	760,638	1,214,467
Kingston Hill Charter School	28,079	13,270	40,378	132,406	214,133
International Charter School	59,582	28,158	85,680	730,420	903,840
Compass School Charter School	31,095	14,695	44,715	166,745	257,250
Blackstone Academy Charter School	52,841	24,973	75,987	-	153,801
Beacon Charter School	64,489	30,477	92,737	-	187,703
Learning Community Charter School	87,959	41,569	126,487	579,204	835,219
Segue Institute Charter School	36,975	17,474	53,172	248,484	356,105
Greene Charter School	35,969	16,999	51,724	147,924	252,616
Trinity Academy Charter School	35,348	16,706	50,832	188,432	291,318
RI Nurses Charter School	50,263	23,754	72,279	20,918	167,214
Village Green Charter School	37,229	17,594	53,536	-	108,359
Sheila Nowell Charter School	24,478	11,568	35,199	68,882	140,127
South Side Charter School	16,845	7,961	24,224	-	49,030
Charette Charter School	6,242	2,950	8,976	-	18,168
	\$ 53,285,757	\$ 25,182,717	\$ 76,626,207	\$ 101,365,588	\$ 256,442,101

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2019 Measurement Date

Schedule D

Collective Deferred Outflows for Plan as a Whole						
<i>Participating Employer</i>	2021	2022	2023	2024	2025	Thereafter
State of Rhode Island	27,658,825	3,966,172	21,621,648	28,085,623	6,538,837	(611,759)
Barrington	722,843	(48,289)	384,722	377,618	164,584	(8,776)
Bristol/Warren	627,145	(123,372)	400,400	626,486	367,805	85,067
Burrillville	224,753	(251,332)	290,465	562,682	318,352	(1,205)
Central Falls	585,083	(11,138)	318,167	264,334	156,004	139,424
Chariho	242,018	(544,937)	(242,702)	75,136	5,370	(56,977)
Coventry	76,912	(1,020,148)	(149,947)	182,616	(157,067)	(312,895)
Cranston	2,285,765	(206,086)	1,647,660	1,931,563	666,411	28,777
Cumberland	1,409,678	416,435	1,101,922	852,279	386,699	141,555
East Greenwich	803,137	224,035	676,708	632,173	489,570	76,063
East Providence	2,031,806	842,768	1,625,362	1,578,401	761,345	200,461
Exeter-West Greenwich	(465,226)	(879,076)	(317,481)	51,644	(98,689)	(102,094)
Foster	(48,062)	(103,131)	(34,735)	39,156	16,830	18,193
Foster-Glocester	254,843	(37,635)	192,225	271,891	155,083	36,948
Glocester	87,399	(35,766)	18,791	43,921	(15,127)	(17,804)
Jamestown	(29,068)	(160,795)	(19,788)	69,724	58,411	2,157
Johnston	1,103,728	330,044	778,330	713,967	371,114	41,199
Lincoln	(111,796)	(896,600)	(108,233)	301,866	107,167	(11,127)
Little Compton	(87,590)	(167,001)	17,027	112,976	79,143	21,889
Middletown	123,449	(424,136)	101,956	290,709	35,913	(111,893)
Narragansett	92,578	(273,748)	(71,620)	(2,645)	(62,694)	(93,318)
New Shoreham	63,710	(3,335)	58,677	89,070	68,938	14,736
Newport	444,524	(113,973)	328,268	737,424	133,198	(80,604)
North Kingstown	668,527	(257,005)	485,500	564,013	217,458	(1,029)
North Providence	1,387,882	611,645	746,029	523,109	193,217	(68,730)
North Smithfield	340,488	(45,570)	273,323	382,277	287,544	10,444
Northern RI Collaborative	(111,948)	(176,989)	(148,732)	(9,638)	(64,876)	(132,324)
Pawtucket	1,524,558	(282,725)	1,037,027	1,258,255	336,124	(322,709)

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2019 Measurement Date

Schedule D

Collective Deferred Outflows for Plan as a Whole						
<i>Participating Employer</i>	2021	2022	2023	2024	2025	Thereafter
Portsmouth	(230,713)	(775,921)	(140,537)	183,313	63,974	(8,601)
Providence	3,230,909	(1,802,860)	1,994,745	3,500,305	1,758,639	539,593
Scituate	(214,066)	(554,202)	(244,058)	30,987	(8,936)	(57,847)
Smithfield	1,000,168	409,606	604,690	471,681	232,334	7,845
South Kingstown	377,470	(473,082)	187,842	329,680	89,196	172,610
Tiverton	585,179	175,212	264,478	153,885	163,312	85,585
Urban Collaborative	7,147	(23,266)	(13,120)	(6,456)	(4,459)	(2,127)
Warwick	(388,833)	(2,784,220)	(701,018)	696,911	596,720	(266,886)
West Bay Collaborative	33,042	3,635	(1,767)	(34,078)	(53,954)	(31,474)
West Warwick	695,946	(101,256)	173,266	1,857,739	603,648	59,048
Westerly	(378,440)	(1,115,537)	(444,368)	(60,003)	(152,863)	(202,162)
Woonsocket	701,861	(439,497)	472,731	750,825	473,245	160,273
Highlander Charter School	241,972	150,961	193,544	139,703	87,083	28,039
Paul Cuffee Charter School	(9,185)	(171,061)	(2,935)	58,146	51,957	9,776
Kingston Hill Charter School	25,487	(3,664)	10,264	7,877	13,473	11,273
International Charter School	2,310	(59,547)	(8,600)	65,951	(49,406)	(47,900)
Compass School Charter School	41,596	9,314	29,230	61,666	21,657	17,173
Blackstone Academy Charter School	280,564	225,705	257,191	165,951	99,782	53,171
Beacon Charter School	299,072	232,120	243,546	141,101	76,166	33,225
Learning Community Charter School	(61,455)	(152,773)	(80,700)	(30,125)	(13,380)	(6,245)
Segue Institute Charter School	12,197	(26,191)	88	27,289	26,446	(9,095)
Greene Charter School	75,404	38,061	69,626	52,533	41,355	(2,648)
Trinity Academy Charter School	85,966	49,268	50,405	44,541	22,009	40,258
RI Nurses Charter School	174,839	122,657	129,909	116,644	68,193	52,166
Village Green Charter School	170,459	131,809	138,508	92,055	47,039	13,299
Sheila Nowell Charter School	46,925	21,513	33,803	37,630	29,043	28,165
South Side Charter School	142,321	124,832	120,447	94,722	72,631	29,994
Charette Charter School	55,371	48,891	53,672	55,454	51,507	50,364
	\$ 48,909,474	\$ (6,411,181)	\$ 34,401,851	\$ 49,612,557	\$ 15,923,075	\$ (359,460)

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2019 Measurement Date

Schedule D

<i>Participating Employer</i>	Net Pension Liability 1% Decrease (6.0% Discount Rate)	Net Pension Liability (7.0% Discount Rate)	Net Pension Liability 1% Increase (8.0% Discount Rate)
State of Rhode Island	\$ 1,688,808,504	\$ 1,366,537,851	\$ 1,102,726,863
Barrington	54,966,176	44,477,132	35,890,794
Bristol/Warren	53,496,800	43,288,154	34,931,349
Burrillville	33,935,312	27,459,530	22,158,451
Central Falls	42,498,538	34,388,660	27,749,908
Chariho	56,094,057	45,389,783	36,627,257
Coventry	78,198,275	63,275,914	51,060,459
Cranston	177,618,751	143,724,256	115,978,198
Cumberland	70,798,208	57,287,981	46,228,501
East Greenwich	41,278,315	33,401,289	26,953,149
East Providence	84,754,463	68,581,003	55,341,398
Exeter-West Greenwich	29,499,172	23,869,927	19,261,822
Foster	3,925,293	3,176,240	2,563,065
Foster-Glocester	20,847,774	16,869,451	13,612,793
Glocester	8,779,136	7,103,837	5,732,437
Jamestown	9,389,492	7,597,721	6,130,977
Johnston	55,148,065	44,624,312	36,009,561
Lincoln	55,940,730	45,265,715	36,527,140
Little Compton	5,660,448	4,580,280	3,696,054
Middletown	39,031,782	31,583,455	25,486,249
Narragansett	26,111,666	21,128,849	17,049,912
New Shoreham	4,778,985	3,867,025	3,120,493
Newport	39,809,592	32,212,837	25,994,129
North Kingstown	65,971,797	53,382,581	43,077,040
North Providence	55,330,023	44,771,547	36,128,372
North Smithfield	27,518,137	22,266,927	17,968,283
Northern RI Collaborative	4,636,105	3,751,410	3,027,198
Pawtucket	128,822,912	104,239,992	84,116,397

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2019 Measurement Date

Schedule D

<i>Participating Employer</i>	Net Pension Liability 1% Decrease (6.0% Discount Rate)	Net Pension Liability (7.0% Discount Rate)	Net Pension Liability 1% Increase (8.0% Discount Rate)
Portsmouth	38,862,297	31,446,313	25,375,582
Providence	358,806,267	290,336,259	234,286,663
Scituate	24,244,860	19,618,280	15,830,959
Smithfield	42,095,202	34,062,291	27,486,545
South Kingstown	60,627,214	49,057,890	39,587,234
Tiverton	29,222,361	23,645,938	19,081,075
Urban Collaborative	2,167,802	1,754,126	1,415,491
Warwick	170,742,821	138,160,440	111,488,481
West Bay Collaborative	2,096,126	1,696,128	1,368,689
West Warwick	56,824,406	45,980,761	37,104,147
Westerly	52,540,193	42,514,093	34,306,721
Woonsocket	81,355,842	65,830,931	53,122,229
Highlander Charter School	6,487,261	5,249,315	4,235,931
Paul Cuffee Charter School	11,538,502	9,336,642	7,534,197
Kingston Hill Charter School	2,077,893	1,681,374	1,356,784
International Charter School	4,409,166	3,567,777	2,879,015
Compass School Charter School	2,301,072	1,861,965	1,502,512
Blackstone Academy Charter School	3,910,344	3,164,144	2,553,304
Beacon Charter School	4,772,310	3,861,623	3,116,134
Learning Community Charter School	6,509,127	5,267,008	4,250,209
Segue Institute Charter School	2,736,251	2,214,100	1,786,667
Greene Charter School	2,661,766	2,153,828	1,738,030
Trinity Academy Charter School	2,615,841	2,116,667	1,708,043
RI Nurses Charter School	3,719,546	3,009,755	2,428,720
Village Green Charter School	2,754,981	2,229,256	1,798,897
Sheila Nowell Charter School	1,811,387	1,465,725	1,182,766
South Side Charter School	1,246,569	1,008,690	813,962
Charette Charter School	461,916	373,770	301,613
	\$ 3,943,247,831	\$ 3,190,768,748	\$ 2,574,788,849

EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

EMPLOYEES' RETIREMENT SYSTEM COST-SHARING PLAN

Notes to the Schedules of Employer Allocations and Pension Amounts by Employer June 30, 2019 Measurement Date

1. Plan Description and Governance

The Employees' Retirement System of the State of Rhode Island (the System) acts as a common investment and administrative agent for pension benefits to be provided through various defined benefit and defined contribution retirement plans. The System is administered by the State of Rhode Island Retirement Board which was authorized, created and established as an independent retirement board to hold and administer, in trust, the funds of the retirement system.

Each plan's assets are accounted for separately and may be used only for the payment of benefits to the members of that plan, in accordance with the terms of that plan.

The Employees' Retirement System (ERS) Plan (the Plan) was established and placed under the management of the Retirement Board for the purpose of providing retirement allowances for employees of the State of Rhode Island under the provisions of chapters 8 to 10, inclusive, of Title 36, and public school teachers under the provisions of chapters 15 to 17, inclusive, of Title 16 of the Rhode Island General Laws.

The Plan covers most State employees other than certain personnel at the State colleges and university (principally faculty and administrative personnel). The plan also covers teachers, including superintendents, principals, school nurses, and certain other school officials in the public schools in the cities and towns. Membership in the plan is mandatory for all covered state employees and teachers. Elected officials may become members on an optional basis and legislators may participate if elected to office prior to January 1, 1995.

Certain employees of the University of Rhode Island, Rhode Island College, Community College of Rhode Island, Division of Higher Education Assistance, Rhode Island Airport Corporation (hired before July 1, 1993), the Rhode Island Commerce Corporation (active contributing members and employees of the Department of Economic Development before October 31, 1995 who elected to continue membership) and, the Narragansett Bay Water Quality District Commission (members of a collective bargaining unit) are also covered and have the same benefits as State employees.

2. Schedules of Employer Allocations

The Schedules of Employer Allocations reflect employer contributions recognized for the fiscal year ended June 30, 2019 consistent with contributions reflected within the Plan's financial statements. Contribution classification and presentation differences are reconciled on the next page.

The Schedules of Employer Allocations (Schedules A and B) reflect employer contribution amounts which are the preliminary basis for allocating the pension amounts to each employer. The final or effective allocations also include any changes in allocations between years which are reflected as deferred outflows/inflows and recognized over the remaining service lives of the respective employee group (state employees or teachers).

The Schedule of Employer and Other Nonemployer Entity Allocations for Teachers reflects a special funding situation wherein the State of Rhode Island, by statute, has assumed responsibility to fund 40% of the required employer contribution for teachers. The actual proportionate share of employer contributions as shown in the Schedule and to be borne by the State varies slightly from 40% due to differences in the amortization period for the unfunded liability between the State and teacher units which is reflected in the actuarially determined contribution for the State share the local teacher share. This results in the actual dollar amount of State contributions to be proportionately larger than the stated statutory amount of 40%.

EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

EMPLOYEES' RETIREMENT SYSTEM COST-SHARING PLAN

**Notes to the Schedules of Employer Allocations and Pension Amounts by Employer
June 30, 2019 Measurement Date**

2. Schedules of Employer Allocations (continued)

The Schedule of Employer Allocations and Other Nonemployer Entity Allocations for Teachers also includes an adjustment to determine equivalent contributions from local educational agencies if all had been shared on a consistent basis. The employer contribution for certain teachers funded by federal programs is borne 100% by the local education agency using federal funds and consequently there is no State share. The adjustment converts the actual contribution amounts by local educational agency employers to an equivalent basis for the purpose of determining each employer's proportionate share of the net pension liability, pension expense and deferred inflows and outflows of resources.

	<u>State Employees</u>	<u>Teachers Local Share</u>	<u>Teachers State Share</u>	<u>Total ERS Plan</u>
Employer Contributions included in the the Schedules of Employer Allocations	\$ 188,904,798	\$ 142,721,675	\$ 106,913,313	\$ 438,539,786
Adjustment for equivalent contributions if all shared at same rate		4,674,566	(4,674,566)	-
Other contribution related additions included in financial reporting amounts	27,945	833,624		861,569
	<u>\$ 188,932,743</u>	<u>\$ 148,229,865</u>	<u>\$ 102,238,747</u>	<u>\$ 439,401,355</u>
Per ERSRI 2019 Financial Statements			Employer Contributions	337,162,608
			State Contributions for Teachers	102,238,747
			Total Employer Contributions	<u>\$ 439,401,355</u>

The percentages included in the Schedules of Employer Allocations have been rounded to 8 decimal places.

3. Schedules of Pension Amounts by Employer

The Schedules of Pension Amounts by Employer were prepared by the Plan's actuary using amounts from (1) the Plan's fiscal 2019 financial statements, (2) Required Supplementary Information Schedules prepared in accordance with the requirements of GASB Statement No. 67, and (3) certain data from the actuarial valuation of the Plan performed at June 30, 2018 rolled-forward to June 30, 2019. These schedules utilize the proportionate employer contribution schedules detailed in the Schedules of Employer Allocations to apportion each employer's amounts for the cost-sharing plan.

The changes in allocations for teachers also reflects the effect of employer contributions for one employer unit (West Warwick Schools) which were under-reported due to a timing difference in fiscal 2016. Those fiscal 2016 contributions were recognized by the System in fiscal 2017 which, without adjustment, would have resulted in an over-allocation of pension expense and the net pension liability at the June 30, 2017 measurement date for that employer unit. The accompanying schedule of pension amounts by employer for teachers includes a change in proportion allocation adjustment to appropriately reflect each employers' proportionate share based on employer contributions attributable to fiscal 2017.

EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

EMPLOYEES' RETIREMENT SYSTEM COST-SHARING PLAN

**Notes to the Schedules of Employer Allocations and Pension Amounts by Employer
June 30, 2019 Measurement Date**

3. Schedules of Pension Amounts by Employer (continued)

The Schedules of Pension Amounts by Employer include the sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the employers calculated using the discount 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 1-percentage-point lower or 1-percentage-point higher than the current rate.

Net Pension Liability – Sensitivity Analysis

	1.0% Decrease (6%)	Discount Rate (7%)	1.0% Increase (8.0%)
ERS - State Employees	\$ 2,781,828,112	\$ 2,266,422,010	\$ 1,844,501,669
ERS - Teachers	\$ 3,943,247,831	\$ 3,190,768,748	\$ 2,574,788,849

4. Relationship to the Plan Financial Statements

The components associated with pension expense and deferred outflows and inflows of resources have been determined based on the net increase in fiduciary net position as reflected for the ERS Plan in the System's financial statements and consistent with the requirements of GASB Statements No. 67 and 68.

See note 2 which more fully describes how employer contribution amounts are utilized in the Schedules of Employer Allocations.

5. Summary of Significant Accounting Policies

Basis of Accounting – The underlying information to prepare the allocation schedules is based on the System's financial statements as of and for the year ended June 30, 2019. The financial statements of the System are prepared on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when incurred. Plan member contributions are recognized in the period in which the wages, subject to required contributions, are earned for the performance of duties for covered employment. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions.

6. Net Pension Liability

The components of the net pension liability of the employers participating in the ERS Plan at June 30, 2018 were as follows:

	<u>State employees</u>	<u>Teachers</u>
Fiscal year ended June 30, 2019		
Total pension liability	\$ 4,798,367,474	\$ 7,020,663,882
Plan Fiduciary net position	2,531,945,464	3,829,895,134
Employers' Net Pension Liability	<u>\$ 2,266,422,010</u>	<u>\$ 3,190,768,748</u>
Plan Fiduciary Net Position as a percentage of total pension liability	52.8%	54.6%

EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

EMPLOYEES' RETIREMENT SYSTEM COST-SHARING PLAN

**Notes to the Schedules of Employer Allocations and Pension Amounts by Employer
June 30, 2019 Measurement Date**

7. Actuarial methods and assumptions

The total pension liability was determined by actuarial valuations performed as of June 30, 2018 and rolled forward to June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement.

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

Actuarial Cost Method - Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.

Amortization Method - Level Percent of Payroll – Closed

Investment Rate of Return – 7.00%

Projected Salary Increases – state employees – 3.25% to 6.25%

Projected Salary Increases – teachers – 3.00% to 13.00%

Mortality – state employees:

- Male Employees, RP-2014 Combined Healthy for Males with Blue Collar adjustments, projected with the ultimate values of the MP scale.
- Female Employees: RP-2014 Combined Healthy for Females, projected with the ultimate values of the MP scale.

Mortality – teachers:

- Male Employees, RP-2014 Combined Healthy for Males with White Collar adjustments, projected with the ultimate values of the MP scale.
- Female Employees, RP-2014 Combined Healthy for Females with White Collar adjustments, projected with the ultimate values of the MP scale.

Inflation – 2.50%

Post-retirement Benefit Increase: Post-retirement benefit increases are assumed to be 2.1%, per annum, while the plan has a funding level that exceeds 80%; however, an interim COLA will be granted in four-year intervals while the COLA is suspended. The second such COLA will be applicable in calendar 2021. As of June 30, 2019, it is assumed that the COLAs will be suspended for 8 years due to the current funding level of the plans. The actual amount of the COLA is determined based on 50% of the plan's five-year average investment rate of return minus 5.0% which will range from zero to 4.0%, and 50% of the lesser of 3% or last year's CPI-U increase for a total maximum increase of 3.5%.

EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

EMPLOYEES' RETIREMENT SYSTEM COST-SHARING PLAN

**Notes to the Schedules of Employer Allocations and Pension Amounts by Employer
June 30, 2019 Measurement Date**

7. Actuarial methods and 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 34 sources. 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.

8. Discount rate

The discount rate used to measure the total pension liability of the ERS plan 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.

9. Deferred Outflows and Inflows of Resources

Consistent with the requirements of GASB Statement No. 68, differences between expected and actual experience and changes in assumptions are recognized in pension expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period.

Differences between projected and actual earnings on pension plan investments are to be recognized in pension expense using a systematic and rational method over a closed five-year period. Projected earnings of the plan reflect the plan's investment return assumption or discount rate of 7.0%.

Changes in proportion between the June 30, 2018 and June 30, 2019 measurement dates are also recognized in pension expense using the expected remaining service lives of state employee or teachers as applicable.

For state employees, the average of the expected remaining service lives for purposes of recognizing the applicable deferred inflows/outflows of resources established in fiscal 2019 is 5.1140 years (5.1303 years as of the June 30, 2018 measurement date).

For teachers, the average of the expected remaining service lives for purposes of recognizing the applicable deferred inflows/outflows of resources established in fiscal 2019 is 7.0154 years (7.1013 years as of the June 30, 2018 measurement date).