

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, 2020 Measurement Date
(for Fiscal 2021 Employer Reporting)

FINAL - 9-29-2021



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, 2021

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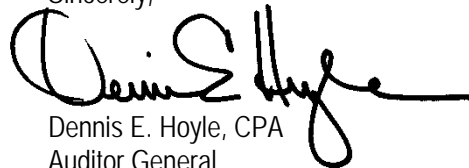
We have completed our audit of the Schedules of Employer Allocations and Schedules of Pension Amounts by Employer for the Employees' Retirement System (ERS) Cost-Sharing Plan of the State of Rhode Island for the fiscal year ended June 30, 2020.

These Schedules will be used by employers participating in the ERS cost-sharing defined benefit plan to meet their fiscal 2021 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, 2020 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, 2020 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, 2020 – the information included herein is intended for use in Fiscal 2021 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.



Office of the Auditor General

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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, 2020, 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, 2020, 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

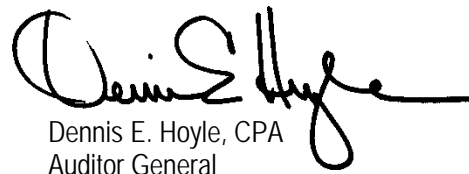
In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations for state employees and teachers and other nonemployer entity, ending net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension 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, 2020, 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, 2020, and our report thereon, dated December 29, 2020 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, 2021

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 2020 employer contribution	
	Amount	%
State of Rhode Island	\$ 179,418,928	89.91894737%
University of Rhode Island	10,145,538	5.08461481%
Rhode Island College	3,531,336	1.76979119%
Community College of RI	2,785,385	1.39594466%
Lottery	1,899,769	0.95210284%
Division of Higher Education Assistance	24,320	0.01218860%
Narragansett Bay Commission	1,553,112	0.77836916%
RI Commerce Corporation	26,788	0.01342513%
RI Airport Corporation	148,885	0.07461625%
Total	\$ 199,534,061	100.00000000%

See notes to schedules.

EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

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 2020 total actual contributions	Adjustment - if all contributions at shared rate	Adjusted total - equivalent contributions all at shared rate	Percent
State of Rhode Island			\$ 108,635,976	\$ 4,770,604	\$ 113,406,580	42.62845974%
School District or Charter School						
Barrington	\$ 3,634,725	\$ 69,888	\$ 3,704,613	\$ (29,790)	\$ 3,674,823	1.38133127%
Bristol/Warren	3,383,724	257,461	3,641,185	(109,743)	3,531,442	1.32743573%
Burrillville	2,191,785	158,391	2,350,176	(67,514)	2,282,662	0.85803094%
Central Falls	2,668,374	337,001	3,005,374	(143,646)	2,861,728	1.07569642%
Chariho	3,711,603	186,850	3,898,453	(79,645)	3,818,808	1.43545389%
Coventry	5,107,544	312,358	5,419,902	(133,142)	5,286,759	1.98724278%
Cranston	11,671,828	874,059	12,545,887	(372,567)	12,173,320	4.57583575%
Cumberland	4,714,869	285,056	4,999,925	(121,505)	4,878,420	1.83375187%
East Greenwich	2,681,054	148,375	2,829,429	(63,245)	2,766,184	1.03978240%
East Providence	5,370,692	516,055	5,886,747	(219,968)	5,666,779	2.13008841%
Exeter-West Greenwich	1,931,822	68,168	1,999,990	(29,057)	1,970,934	0.74085526%
Foster	271,535	22,467	294,002	(9,577)	284,425	0.10691281%
Foster-Glocester	1,458,928	26,681	1,485,609	(11,373)	1,474,236	0.55415151%
Glocester	579,358	23,208	602,566	(9,892)	592,674	0.22278047%
Jamestown	618,444	45,124	663,568	(19,234)	644,334	0.24219889%
Johnston	3,557,911	128,417	3,686,327	(54,738)	3,631,590	1.36508020%
Lincoln	3,639,618	214,784	3,854,403	(91,552)	3,762,851	1.41442012%
Little Compton	378,175		378,175	-	378,175	0.14215256%
Middletown	2,512,079	215,399	2,727,478	(91,814)	2,635,665	0.99072137%
Narragansett	1,772,337	73,623	1,845,961	(31,382)	1,814,579	0.68208298%
New Shoreham	322,197		322,197	-	322,197	0.12111085%
Newport	2,521,477	244,091	2,765,568	(104,044)	2,661,524	1.00044177%
North Kingstown	4,390,089	173,672	4,563,761	(74,028)	4,489,733	1.68764826%
North Providence	3,577,423	332,688	3,910,111	(141,808)	3,768,303	1.41646934%
North Smithfield	1,805,403	35,599	1,841,002	(15,174)	1,825,828	0.68631146%
Northern RI Collaborative	250,417		250,417	-	250,417	0.09412955%
Pawtucket	8,094,385	1,202,579	9,296,964	(512,599)	8,784,365	3.30195974%
Portsmouth	2,580,432	76,457	2,656,889	(32,590)	2,624,299	0.98644934%
Providence	22,938,366	2,526,913	25,465,279	(1,077,095)	24,388,184	9.16728740%
Scituate	1,598,376	111,939	1,710,314	(47,714)	1,662,601	0.62495583%
Smithfield	2,712,047	126,503	2,838,550	(53,922)	2,784,628	1.04671533%
South Kingstown	3,760,382	114,804	3,875,187	(48,935)	3,826,251	1.43825163%
Tiverton	2,015,544	32,197	2,047,741	(13,724)	2,034,017	0.76456771%
Urban Collaborative	139,315		139,315	-	139,315	0.05236734%
Warwick	11,090,585	718,082	11,808,666	(306,082)	11,502,584	4.32371252%
West Bay Collaborative	189,187		189,187	-	189,187	0.07111365%
West Warwick	3,752,178	285,947	4,038,124	(121,885)	3,916,240	1.47207742%
Westerly	3,384,426	94,757	3,479,182	(40,390)	3,438,792	1.29260947%
Woonsocket	5,203,063	763,130	5,966,192	(325,284)	5,640,909	2.12036413%
Highlander Charter School	452,349	12,991	465,340	(5,537)	459,802	0.17283540%
Paul Cuffee Charter School	722,188	139,322	861,510	(59,386)	802,124	0.30151076%
Kingston Hill Charter School	187,473		187,473	-	187,473	0.07046922%
International Charter School	290,104	21,255	311,359	(9,060)	302,299	0.11363134%
Compass School Charter School	172,591		172,591	-	172,591	0.06487521%
Blackstone Academy Charter School	254,038	34,933	288,971	(14,890)	274,081	0.10302428%
Beacon Charter School	337,402		337,402	-	337,402	0.12682626%
Learning Community Charter School	473,258	54,794	528,052	(23,356)	504,696	0.18971049%
Segue Institute Charter School	177,395		177,395	-	177,395	0.06668095%
Greene Charter School	155,878	12,651	168,530	(5,393)	163,137	0.06132164%
Trinity Academy Charter School	171,206	18,528	189,734	(7,897)	181,836	0.06835053%
RI Nurses Charter School	210,993	32,524	243,517	(13,863)	229,654	0.08632470%
Village Green Charter School	171,896	36,816	208,712	(15,693)	193,019	0.07255416%
Sheila Nowell Charter School	108,759		108,759	-	108,759	0.04088161%
South Side Charter School	74,275	20,896	95,171	(8,907)	86,264	0.03242595%
Charette Charter School	65,377	4,612	69,990	(1,966)	68,024	0.02556941%
	\$ 146,206,877	\$ 11,192,045	\$ 157,398,923	\$ (4,770,604)	\$ 152,628,319	57.37154026%
<i>See notes to schedules.</i>			\$ 266,034,899		\$ 266,034,899	100.00000000%

Employees' Retirement System Cost-Sharing Plan
State Employees - Schedule of Pension Amounts by Employer
June 30, 2020 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	\$ 2,031,988,996	\$ 2,044,887,738	\$ 217,825,251	\$ 3,945,739	\$ 221,770,990
University of Rhode Island	118,982,224	115,631,541	12,317,287	(2,519,969)	9,797,318
Rhode Island College	41,591,090	40,247,628	4,287,252	(953,524)	3,333,728
Community College of RI	31,791,077	31,745,813	3,381,623	(272,471)	3,109,152
Lottery	20,850,027	21,652,204	2,306,433	791,388	3,097,821
Division of Higher Education Assistance	385,165	277,186	29,526	(533,436)	(503,910)
Narragansett Bay Commission	18,732,009	17,701,248	1,885,570	(312,357)	1,573,213
RI Commerce Corporation	302,413	305,307	32,522	(961)	31,561
RI Airport Corporation	1,799,009	1,696,882	180,755	(144,409)	36,346
	\$ 2,266,422,010	\$ 2,274,145,547	\$ 242,246,219	\$ -	\$ 242,246,219

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
 State Employees - Schedule of Pension Amounts by Employer
 June 30, 2020 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
\$ 17,578,588	\$ 48,251,617	\$ 65,784,799	\$ 10,744,647	\$ 142,359,651
University of Rhode Island 994,010	2,728,467	3,719,910	-	7,442,387
Rhode Island College 345,983	949,692	1,294,781	-	2,590,456
Community College of RI 272,898	749,081	1,021,275	45,110	2,088,364
Lottery 186,130	510,910	696,559	2,689,730	4,083,329
Division of Higher Education Assistance 2,383	6,541	8,917	-	17,841
Narragansett Bay Commission 152,166	417,682	569,456	-	1,139,304
RI Commerce Corporation 2,625	7,204	9,822	2,895	22,546
RI Airport Corporation 14,587	40,040	54,589	37,681	146,897
\$ 19,549,370	\$ 53,661,234	\$ 73,160,108	\$ 13,520,063	\$ 159,890,775

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
 State Employees - Schedule of Pension Amounts by Employer
 June 30, 2020 Measurement Date

Schedule C

Participating Employer

Deferred Inflows of Resources					
Difference Between Expected and Actual Experience			Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows
State of Rhode Island	\$ 1,411,845	\$ 40,229,622	\$ 24,899,787	\$ -	\$ 66,541,254
University of Rhode Island	79,835	2,274,850	1,407,999	8,032,624	11,795,308
Rhode Island College	27,788	791,802	490,079	2,613,581	3,923,250
Community College of RI	21,918	624,544	386,556	525,359	1,558,377
Lottery	14,949	425,970	263,650	83,731	788,300
Division of Higher Education Assistance	191	5,453	3,375	863,579	872,598
Narragansett Bay Commission	12,221	348,241	215,541	1,153,170	1,729,173
RI Commerce Corporation	211	6,006	3,718	6,262	16,197
RI Airport Corporation	1,172	33,383	20,662	241,757	296,974
	\$ 1,570,130	\$ 44,739,871	\$ 27,691,367	\$ 13,520,063	\$ 87,521,431

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
 State Employees - Schedule of Pension Amounts by Employer
 June 30, 2020 Measurement Date

Schedule C

Participating Employer

Collective Deferred Outflows for Plan as a Whole						
	2022	2023	2024	2025	2026	Thereafter
State of Rhode Island	\$ 36,885,502	\$ 20,104,696	\$ 13,138,066	\$ 7,043,847	\$ (1,353,711)	\$ -
University of Rhode Island	(1,058,399)	(1,450,478)	(1,160,850)	(479,278)	(203,917)	-
Rhode Island College	(301,967)	(435,888)	(331,077)	(187,386)	(76,478)	-
Community College of RI	288,591	72,302	134,831	63,095	(28,831)	-
Lottery	1,111,971	1,001,188	906,236	269,440	6,195	-
Division of Higher Education Assistance	(322,372)	(261,424)	(224,952)	(42,423)	(3,587)	-
Narragansett Bay Commission	(62,435)	(192,335)	(135,189)	(152,617)	(47,292)	-
RI Commerce Corporation	3,214	1,783	499	1,029	(177)	-
RI Airport Corporation	(23,280)	(62,696)	(41,421)	(18,045)	(4,636)	-
	\$ 36,520,825	\$ 18,777,148	\$ 12,286,143	\$ 6,497,662	\$ (1,712,434)	\$ -

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
 State Employees - Schedule of Pension Amounts by Employer
 June 30, 2020 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	\$ 2,439,069,527	\$ 2,044,887,738	\$ 1,569,190,557
University of Rhode Island	137,921,199	115,631,541	88,732,461
Rhode Island College	48,005,942	40,247,628	30,884,921
Community College of RI	37,865,280	31,745,813	24,360,863
Lottery	25,825,981	21,652,204	16,615,305
Division of Higher Education Assistance	330,618	277,186	212,705
Narragansett Bay Commission	21,113,420	17,701,248	13,583,450
RI Commerce Corporation	364,159	305,307	234,284
RI Airport Corporation	2,023,981	1,696,882	1,302,141
	\$ 2,712,520,107	\$ 2,274,145,547	\$ 1,745,116,687

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2020 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	\$ 1,366,537,851	\$ 1,361,981,764	\$ 132,636,319	\$ 5,197,833	\$ 137,834,152
Barrington	44,477,132	44,133,614	4,297,943	(12,220)	4,285,723
Bristol/Warren	43,288,154	42,411,649	4,130,250	(151,904)	3,978,346
Burrillville	27,459,530	27,414,138	2,669,720	(198,717)	2,471,003
Central Falls	34,388,660	34,368,563	3,346,976	68,483	3,415,459
Chariho	45,389,783	45,862,835	4,466,343	(386,391)	4,079,952
Coventry	63,275,914	63,492,522	6,183,207	(857,498)	5,325,709
Cranston	143,724,256	146,198,218	14,237,484	449,251	14,686,735
Cumberland	57,287,981	58,588,479	5,705,627	717,441	6,423,068
East Greenwich	33,401,289	33,221,108	3,235,231	267,902	3,503,133
East Providence	68,581,003	68,056,449	6,627,664	924,473	7,552,137
Exeter-West Greenwich	23,869,927	23,670,369	2,305,134	(859,927)	1,445,207
Foster	3,176,240	3,415,870	332,654	(62,727)	269,927
Foster-Glocester	16,869,451	17,705,173	1,724,215	110,418	1,834,633
Glocester	7,103,837	7,117,849	693,170	(19,675)	673,495
Jamestown	7,597,721	7,738,269	753,590	(124,860)	628,730
Johnston	44,624,312	43,614,392	4,247,379	277,325	4,524,704
Lincoln	45,265,715	45,190,805	4,400,897	(812,756)	3,588,141
Little Compton	4,580,280	4,541,783	442,301	(164,168)	278,133
Middletown	31,583,455	31,653,605	3,082,580	(344,535)	2,738,045
Narragansett	21,128,849	21,792,591	2,122,267	(139,084)	1,983,183
New Shoreham	3,867,025	3,869,499	376,830	3,921	380,751
Newport	32,212,837	31,964,173	3,112,825	(75,808)	3,037,017
North Kingstown	53,382,581	53,920,460	5,251,033	(75,974)	5,175,059
North Providence	44,771,547	45,256,278	4,407,273	779,774	5,187,047
North Smithfield	22,266,927	21,927,691	2,135,424	(50,738)	2,084,686
Northern RI Collaborative	3,751,410	3,007,445	292,879	(273,760)	19,119
Pawtucket	104,239,992	105,497,806	10,273,883	153,296	10,427,179

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2020 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	31,446,313	31,517,114	3,069,288	(705,109)	2,364,179
Providence	290,336,259	292,895,365	28,523,556	(770,880)	27,752,676
Scituate	19,618,280	19,967,375	1,944,519	(463,621)	1,480,898
Smithfield	34,062,291	33,442,616	3,256,802	392,166	3,648,968
South Kingstown	49,057,890	45,952,223	4,475,048	(810,216)	3,664,832
Tiverton	23,645,938	24,427,983	2,378,914	328,256	2,707,170
Urban Collaborative	1,754,126	1,673,140	162,938	(31,395)	131,543
Warwick	138,160,440	138,142,866	13,453,015	(2,495,067)	10,957,948
West Bay Collaborative	1,696,128	2,272,085	221,267	86,776	308,043
West Warwick	45,980,761	47,032,959	4,580,295	145,058	4,725,353
Westerly	42,514,093	41,298,948	4,021,890	(1,202,665)	2,819,225
Woonsocket	65,830,931	67,745,757	6,597,407	(8,063)	6,589,344
Highlander Charter School	5,249,315	5,522,101	537,769	199,093	736,862
Paul Cuffee Charter School	9,336,642	9,633,286	938,136	(104,452)	833,684
Kingston Hill Charter School	1,681,374	2,251,496	219,261	78,639	297,900
International Charter School	3,567,777	3,630,528	353,558	(43,120)	310,438
Compass School Charter School	1,861,965	2,072,767	201,856	41,963	243,819
Blackstone Academy Charter School	3,164,144	3,291,632	320,555	251,265	571,820
Beacon Charter School	3,861,623	4,052,106	394,614	265,517	660,131
Learning Community Charter School	5,267,008	6,061,261	590,275	(29,480)	560,795
Segue Institute Charter School	2,214,100	2,130,460	207,474	(33,867)	173,607
Greene Charter School	2,153,828	1,959,230	190,799	15,631	206,430
Trinity Academy Charter School	2,116,667	2,183,803	212,669	63,542	276,211
RI Nurses Charter School	3,009,755	2,758,079	268,595	95,052	363,647
Village Green Charter School	2,229,256	2,318,109	225,749	150,441	376,190
Sheila Nowell Charter School	1,465,725	1,306,170	127,201	1,940	129,141
South Side Charter School	1,008,690	1,036,011	100,892	131,734	232,626
Charette Charter School	373,770	816,944	79,558	111,487	191,045
	\$ 3,190,768,748	\$ 3,195,005,811	\$ 311,144,998	-	\$ 311,144,998

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2020 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	\$ 13,316,538	\$ 60,801,042	\$ 45,462,183	\$ 30,509,695	\$ 150,089,458
Barrington	431,509	1,970,195	1,473,155	755,359	4,630,218
Bristol/Warren	414,673	1,893,324	1,415,677	1,016,113	4,739,787
Burrillville	268,037	1,223,811	915,069	954,173	3,361,090
Central Falls	336,033	1,534,268	1,147,203	1,409,780	4,427,284
Chariho	448,416	2,047,390	1,530,876	1,165,376	5,192,058
Coventry	620,787	2,834,408	2,119,345	264,122	5,838,662
Cranston	1,429,428	6,526,522	4,880,014	3,393,002	16,228,966
Cumberland	572,839	2,615,483	1,955,650	3,209,684	8,353,656
East Greenwich	324,814	1,483,043	1,108,902	2,226,413	5,143,172
East Providence	665,410	3,038,149	2,271,686	3,005,848	8,981,093
Exeter-West Greenwich	231,433	1,056,683	790,104	-	2,078,220
Foster	33,398	152,490	114,020	299,481	599,389
Foster-Glocester	173,109	790,387	590,989	1,101,641	2,656,126
Glocester	69,594	317,752	237,590	111,199	736,135
Jamestown	75,660	345,449	258,299	294,691	974,099
Johnston	426,432	1,947,016	1,455,824	1,581,781	5,411,053
Lincoln	441,845	2,017,390	1,508,444	-	3,967,679
Little Compton	44,406	202,752	151,602	362,542	761,302
Middletown	309,488	1,413,068	1,056,580	322,428	3,101,564
Narragansett	213,073	972,856	727,424	728,902	2,642,255
New Shoreham	37,833	172,741	129,162	239,100	578,836
Newport	312,524	1,426,932	1,066,946	1,263,160	4,069,562
North Kingstown	527,198	2,407,096	1,799,835	1,111,684	5,845,813
North Providence	442,485	2,020,313	1,510,629	2,149,731	6,123,158
North Smithfield	214,394	978,887	731,934	1,015,528	2,940,743
Northern RI Collaborative	29,405	134,257	100,387	368,482	632,531
Pawtucket	1,031,486	4,709,591	3,521,457	2,873,596	12,136,130

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2020 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	308,153	1,406,974	1,052,024	123,841	2,890,992
Providence	2,863,733	13,075,317	9,776,682	6,063,801	31,779,533
Scituate	195,228	891,376	666,500	299,735	2,052,839
Smithfield	326,979	1,492,932	1,116,296	1,293,124	4,229,331
South Kingstown	449,290	2,051,381	1,533,859	1,310,995	5,345,525
Tiverton	238,840	1,090,504	815,392	1,889,140	4,033,876
Urban Collaborative	16,359	74,692	55,848	34,041	180,940
Warwick	1,350,668	6,166,918	4,611,131	2,584,711	14,713,428
West Bay Collaborative	22,215	101,430	75,841	582,393	781,879
West Warwick	459,857	2,099,626	1,569,934	6,449,424	10,578,841
Westerly	403,793	1,843,651	1,378,536	-	3,625,980
Woonsocket	662,372	3,024,279	2,261,315	3,271,881	9,219,847
Highlander Charter School	53,991	246,515	184,325	714,309	1,199,140
Paul Cuffee Charter School	94,188	430,045	321,554	496,373	1,342,160
Kingston Hill Charter School	22,014	100,510	75,154	553,660	751,338
International Charter School	35,497	162,073	121,185	416,610	735,365
Compass School Charter School	20,266	92,532	69,188	376,088	558,074
Blackstone Academy Charter School	32,183	146,944	109,873	821,903	1,110,903
Beacon Charter School	39,619	180,893	135,257	763,602	1,119,371
Learning Community Charter School	59,263	270,584	202,321	660,317	1,192,485
Segue Institute Charter School	20,830	95,107	71,114	143,235	330,286
Greene Charter School	19,156	87,463	65,398	248,646	420,663
Trinity Academy Charter School	21,352	97,488	72,894	351,765	543,499
RI Nurses Charter School	26,967	123,125	92,063	418,489	660,644
Village Green Charter School	22,665	103,484	77,377	440,529	644,055
Sheila Nowell Charter School	12,771	58,310	43,599	160,155	274,835
South Side Charter School	10,129	46,249	34,581	441,733	532,692
Charette Charter School	7,988	36,470	27,269	611,294	683,021
	\$ 31,238,613	\$ 142,630,167	\$ 106,647,496	\$ 93,255,306	\$ 373,771,582

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
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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	\$ 26,542,970	\$ 31,738,706	\$ 17,811,222	\$ 19,681,047	\$ 95,773,945
Barrington	860,098	1,028,460	577,154	1,496,433	3,962,145
Bristol/Warren	826,539	988,333	554,635	1,600,414	3,969,921
Burrillville	534,260	638,841	358,507	851,986	2,383,594
Central Falls	669,791	800,902	449,453	1,485,448	3,405,594
Chariho	893,797	1,068,757	599,768	2,860,275	5,422,597
Coventry	1,237,373	1,479,587	830,319	3,361,110	6,908,389
Cranston	2,849,183	3,406,905	1,911,897	1,373,777	9,541,762
Cumberland	1,141,801	1,365,306	766,187	894,439	4,167,733
East Greenwich	647,429	774,162	434,447	1,239,332	3,095,370
East Providence	1,326,317	1,585,942	890,004	328,632	4,130,895
Exeter-West Greenwich	461,300	551,598	309,548	2,211,471	3,533,917
Foster	66,570	79,601	44,671	256,592	447,434
Foster-Glocester	345,047	412,589	231,538	306,898	1,296,072
Glocester	138,716	165,870	93,083	313,969	711,638
Jamestown	150,807	180,327	101,197	445,740	878,071
Johnston	849,979	1,016,360	570,364	1,484,265	3,920,968
Lincoln	880,701	1,053,096	590,980	1,970,274	4,495,051
Little Compton	88,512	105,839	59,395	469,566	723,312
Middletown	616,881	737,634	413,948	1,257,521	3,025,984
Narragansett	424,705	507,840	284,991	1,309,647	2,527,183
New Shoreham	75,411	90,172	50,603	126,934	343,120
Newport	622,933	744,872	418,009	1,355,025	3,140,839
North Kingstown	1,050,828	1,256,526	705,141	1,229,273	4,241,768
North Providence	881,977	1,054,622	591,836	993,777	3,522,212
North Smithfield	427,338	510,988	286,758	1,050,073	2,275,157
Northern RI Collaborative	58,611	70,083	39,330	1,621,680	1,789,704
Pawtucket	2,055,993	2,458,450	1,379,640	2,563,918	8,458,001

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2020 Measurement Date

Schedule D

<i>Participating Employer</i>	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
Portsmouth	614,221	734,454	412,163	1,675,128	3,435,966
Providence	5,708,088	6,825,436	3,830,319	5,922,650	22,286,493
Scituate	389,134	465,306	261,122	1,406,887	2,522,449
Smithfield	651,746	779,324	437,344	1,064,686	2,933,100
South Kingstown	895,539	1,070,840	600,937	4,989,805	7,557,121
Tiverton	476,065	569,253	319,455	1,118,834	2,483,607
Urban Collaborative	32,607	38,990	21,880	202,957	296,434
Warwick	2,692,196	3,219,188	1,806,554	9,009,673	16,727,611
West Bay Collaborative	44,280	52,947	29,713	282,434	409,374
West Warwick	916,601	1,096,024	615,070	4,297,786	6,925,481
Westerly	804,854	962,403	540,084	4,227,200	6,534,541
Woonsocket	1,320,263	1,578,702	885,941	2,023,831	5,808,737
Highlander Charter School	107,617	128,683	72,215	48,059	356,574
Paul Cuffee Charter School	187,738	224,488	125,979	542,787	1,080,992
Kingston Hill Charter School	43,878	52,467	29,444	101,145	226,934
International Charter School	70,754	84,603	47,478	566,050	768,885
Compass School Charter School	40,395	48,302	27,106	122,061	237,864
Blackstone Academy Charter School	64,149	76,706	43,046	-	183,901
Beacon Charter School	78,969	94,428	52,991	-	226,388
Learning Community Charter School	118,125	141,248	79,266	437,014	775,653
Segue Institute Charter School	41,519	49,647	27,861	260,378	379,405
Greene Charter School	38,182	45,657	25,622	269,368	378,829
Trinity Academy Charter School	42,559	50,890	28,559	148,386	270,394
RI Nurses Charter School	53,751	64,272	36,069	213,951	368,043
Village Green Charter School	45,176	54,020	30,315	-	129,511
Sheila Nowell Charter School	25,455	30,438	17,081	184,718	257,692
South Side Charter School	20,190	24,142	13,548	-	57,880
Charette Charter School	15,921	19,038	10,684	-	45,643
\$	62,265,839	\$ 74,454,264	\$ 41,782,471	\$ 93,255,306	\$ 271,757,880

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2020 Measurement Date

Schedule D

<i>Participating Employer</i>	Collective Deferred Outflows for Plan as a Whole					
	2022	2023	2024	2025	2026	Thereafter
State of Rhode Island	6,301,278	23,875,375	30,309,020	8,829,405	(8,341,858)	(6,657,708)
Barrington	23,536	451,405	442,384	233,595	(263,480)	(219,367)
Bristol/Warren	(117,543)	394,299	615,938	367,106	(225,183)	(264,751)
Burrillville	(176,507)	364,245	636,072	392,605	(128,653)	(110,266)
Central Falls	96,328	424,792	370,646	263,009	(9,302)	(123,783)
Chariho	(349,234)	(41,726)	278,077	203,959	(198,453)	(123,162)
Coventry	(806,058)	65,836	399,031	57,950	(562,857)	(223,630)
Cranston	567,697	2,450,608	2,745,379	1,456,154	(273,289)	(259,345)
Cumberland	764,908	1,466,036	1,222,222	743,732	57,533	(68,507)
East Greenwich	294,817	744,622	699,018	558,783	(99,543)	(149,895)
East Providence	979,611	1,754,340	1,704,449	893,884	(169,192)	(312,894)
Exeter-West Greenwich	(840,750)	(282,109)	85,915	(61,979)	(237,632)	(119,141)
Foster	(59,960)	11,444	86,455	61,647	36,281	16,087
Foster-Glocester	124,762	365,011	448,550	323,165	69,658	28,907
Glocester	(13,908)	40,707	65,859	6,762	(48,293)	(26,630)
Jamestown	(118,591)	24,083	114,216	101,528	(12,514)	(12,695)
Johnston	312,660	747,289	677,835	346,257	(300,694)	(293,263)
Lincoln	(776,144)	10,498	419,955	226,680	(224,563)	(183,798)
Little Compton	(160,488)	22,970	118,707	85,344	(5,487)	(23,055)
Middletown	(318,890)	207,562	396,450	141,356	(238,655)	(112,245)
Narragansett	(121,428)	88,820	160,821	94,070	(99,385)	(7,824)
New Shoreham	7,056	69,034	99,414	79,310	(3,603)	(15,495)
Newport	(49,911)	388,606	796,375	195,222	(252,021)	(149,548)
North Kingstown	(32,289)	716,181	796,918	445,439	(173,599)	(148,606)
North Providence	816,440	956,256	735,361	400,984	(196,195)	(111,898)
North Smithfield	(32,973)	281,209	388,407	297,563	(139,415)	(129,204)
Northern RI Collaborative	(271,323)	(252,634)	(117,106)	(164,446)	(248,224)	(103,439)
Pawtucket	238,768	1,572,820	1,799,376	865,442	(573,036)	(225,240)

Employees' Retirement System Cost-Sharing Plan
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Schedule D

Collective Deferred Outflows for Plan as a Whole						
<i>Participating Employer</i>	2022	2023	2024	2025	2026	Thereafter
Portsmouth	(679,575)	(43,820)	280,168	160,524	(144,880)	(117,391)
Providence	(533,583)	3,291,787	4,807,695	3,043,109	(358,117)	(757,849)
Scituate	(447,444)	(133,173)	143,410	100,080	(97,083)	(35,401)
Smithfield	419,260	605,851	469,676	237,340	(230,712)	(205,185)
South Kingstown	(772,987)	(152,568)	(25,824)	(232,874)	(475,713)	(551,631)
Tiverton	348,047	446,901	339,882	341,393	78,205	(4,159)
Urban Collaborative	(30,039)	(20,958)	(14,691)	(11,816)	(21,395)	(16,595)
Warwick	(2,383,147)	(302,513)	1,094,459	996,388	(881,462)	(537,908)
West Bay Collaborative	88,617	90,543	60,963	35,038	38,236	59,107
West Warwick	183,163	470,345	2,159,537	894,995	(2,919)	(51,763)
Westerly	(1,169,206)	(514,279)	(135,968)	(215,420)	(560,303)	(313,385)
Woonsocket	46,823	982,395	1,269,188	972,339	147,484	(7,118)
Highlander Charter School	203,567	249,546	196,971	141,547	40,003	10,931
Paul Cuffee Charter School	(96,647)	75,109	137,544	128,358	13,481	3,323
Kingston Hill Charter School	80,463	101,646	101,963	101,570	79,682	59,080
International Charter School	(40,179)	11,509	86,336	(29,632)	(54,593)	(6,961)
Compass School Charter School	43,642	66,220	99,648	57,442	36,309	16,947
Blackstone Academy Charter School	253,932	286,992	196,339	128,871	56,560	4,309
Beacon Charter School	268,800	282,594	181,031	114,142	39,860	6,556
Learning Community Charter School	(24,569)	57,560	111,883	120,327	78,755	72,878
Segue Institute Charter School	(32,141)	(6,968)	19,820	19,891	(30,760)	(18,961)
Greene Charter School	17,218	46,261	28,228	19,132	(38,233)	(30,771)
Trinity Academy Charter School	65,311	67,270	61,712	38,502	39,635	676
RI Nurses Charter School	97,287	101,273	86,791	41,036	5,144	(38,930)
Village Green Charter School	152,319	160,116	114,072	68,150	16,684	3,204
Sheila Nowell Charter School	2,998	13,225	16,284	9,400	(734)	(24,031)
South Side Charter School	132,573	128,520	102,919	80,553	29,743	503
Charette Charter School	112,149	122,585	126,474	117,860	107,664	50,647
	\$ 2,588,516	\$ 43,401,548	\$ 58,612,254	\$ 24,922,771	\$ (14,951,113)	\$ (12,560,274)

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
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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	\$ 1,634,162,682	\$ 1,361,981,764	\$ 1,033,504,105
Barrington	52,953,356	44,133,614	33,489,634
Bristol/Warren	50,887,270	42,411,649	32,182,966
Burrillville	32,892,630	27,414,138	20,802,499
Central Falls	41,236,840	34,368,563	26,079,682
Chariho	55,028,148	45,862,835	34,801,808
Coventry	76,180,984	63,492,522	48,179,634
Cranston	175,414,736	146,198,218	110,938,679
Cumberland	70,296,907	58,588,479	44,458,329
East Greenwich	39,860,075	33,221,108	25,208,966
East Providence	81,656,973	68,056,449	51,642,849
Exeter-West Greenwich	28,400,698	23,670,369	17,961,638
Foster	4,098,504	3,415,870	2,592,044
Foster-Glocester	21,243,407	17,705,173	13,435,106
Glocester	8,540,293	7,117,849	5,401,193
Jamestown	9,284,698	7,738,269	5,871,982
Johnston	52,330,371	43,614,392	33,095,636
Lincoln	54,221,818	45,190,805	34,291,856
Little Compton	5,449,421	4,541,783	3,446,413
Middletown	37,979,319	31,653,605	24,019,507
Narragansett	26,147,662	21,792,591	16,536,735
New Shoreham	4,642,786	3,869,499	2,936,268
Newport	38,351,951	31,964,173	24,255,173
North Kingstown	64,696,023	53,920,460	40,916,126
North Providence	54,300,375	45,256,278	34,341,538
North Smithfield	26,309,761	21,927,691	16,639,253
Northern RI Collaborative	3,608,458	3,007,445	2,282,120
Pawtucket	126,580,679	105,497,806	80,054,240

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2020 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	37,815,551	31,517,114	23,915,934
Providence	351,428,109	292,895,365	222,255,958
Scituate	23,957,692	19,967,375	15,151,718
Smithfield	40,125,849	33,442,616	25,377,051
South Kingstown	55,135,399	45,952,223	34,869,638
Tiverton	29,309,715	24,427,983	18,536,533
Urban Collaborative	2,007,503	1,673,140	1,269,618
Warwick	165,749,588	138,142,866	104,826,087
West Bay Collaborative	2,726,143	2,272,085	1,724,112
West Warwick	56,432,111	47,032,959	35,689,726
Westerly	49,552,205	41,298,948	31,338,622
Woonsocket	81,284,193	67,745,757	51,407,089
Highlander Charter School	6,625,648	5,522,101	4,190,301
Paul Cuffee Charter School	11,558,420	9,633,286	7,309,966
Kingston Hill Charter School	2,701,439	2,251,496	1,708,488
International Charter School	4,356,059	3,630,528	2,754,931
Compass School Charter School	2,486,992	2,072,767	1,572,865
Blackstone Academy Charter School	3,949,438	3,291,632	2,497,768
Beacon Charter School	4,861,887	4,052,106	3,074,835
Learning Community Charter School	7,272,555	6,061,261	4,599,429
Segue Institute Charter School	2,556,215	2,130,460	1,616,644
Greene Charter School	2,350,766	1,959,230	1,486,710
Trinity Academy Charter School	2,620,219	2,183,803	1,657,122
RI Nurses Charter School	3,309,259	2,758,079	2,092,896
Village Green Charter School	2,781,365	2,318,109	1,759,037
Sheila Nowell Charter School	1,567,197	1,306,170	991,153
South Side Charter School	1,243,049	1,036,011	786,150
Charette Charter School	980,204	816,944	619,917
	\$ 3,833,501,595	\$ 3,195,005,811	\$ 2,424,446,277

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, 2020 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, 2020 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, 2020 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.

	State Employees	Teachers Local Share	Teachers State Share	Total ERS Plan
Employer Contributions included in the Schedules of Employer Allocations	\$ 199,534,061	\$ 152,628,319	\$ 113,406,580	\$ 465,568,960
Adjustment for equivalent contributions if all shared at same rate		4,770,604	(4,770,604)	-
Other contribution related additions included in financial reporting amounts	23,726	810,421		834,147
	<u>\$ 199,557,787</u>	<u>\$ 158,209,344</u>	<u>\$ 108,635,976</u>	<u>\$ 466,403,107</u>

Per ERSRI 2020 Financial Statements	Employer Contributions	357,767,131
	State Contributions for Teachers	108,635,976
	Total Employer Contributions	<u>\$ 466,403,107</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 2020 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, 2019 rolled-forward to June 30, 2020. 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, 2020 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	\$ 2,712,520,107	\$ 2,274,145,547	\$ 1,745,116,687
ERS - Teachers	\$ 3,833,501,595	\$ 3,195,005,811	\$ 2,424,446,277

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, 2020. 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, 2020 were as follows:

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, 2020 Measurement Date**

	<u>State employees</u>	<u>Teachers</u>
Fiscal year ended June 30, 2020		
Total pension liability	\$ 4,794,937,592	\$ 6,993,761,712
Plan Fiduciary net position	2,520,792,045	3,798,755,901
Employers' Net Pension Liability	<u>\$ 2,274,145,547</u>	<u>\$ 3,195,005,811</u>
Plan Fiduciary Net Position as a percentage of total pension liability	52.6%	54.3%

7. Actuarial methods and assumptions

The total pension liability was determined by actuarial valuations performed as of June 30, 2019 and rolled forward to June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement.

The actuarial assumptions used in the June 30, 2019 valuations and the calculation of the total pension liability at June 30, 2020 (**measurement date**) were consistent with the results of an actuarial experience study performed as of June 30, 2019.

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

Amortization Method - Level Percent of Payroll – Closed

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 and teachers: Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.

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%.

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

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, 2020 Measurement Date**

7. 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.

8. 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, 2019 and June 30, 2020 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 2020 is 5.1684 years (5.1140 years as of the June 30, 2019 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 2020 is 6.8586 years (7.0154 years as of the June 30, 2019 measurement date).