

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, 2021 Measurement Date
(for Fiscal 2022 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 27, 2022

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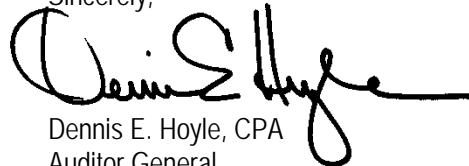
We have completed our audit of the Schedules of Employer Allocations and Schedules of Pension Amounts by Employer for the Employees' Retirement System (ERS) Cost-Sharing Plan of the State of Rhode Island for the fiscal year ended June 30, 2021.

These Schedules will be used by employers participating in the ERS cost-sharing defined benefit plan to meet their fiscal 2022 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, 2021 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

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June 30, 2021 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, 2021 – the information included herein is intended for use in Fiscal 2022 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 the Audit of the Schedules

Opinions

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, 2021, 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 and other nonemployer entity) as of and for the year ended June 30, 2021, and the related notes.

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, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the 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 Responsibilities for the Audit of the Schedules

Our objectives are to obtain reasonable assurance about whether the schedules are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting

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

a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedules.

In performing an audit in accordance with GAAS, we:

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

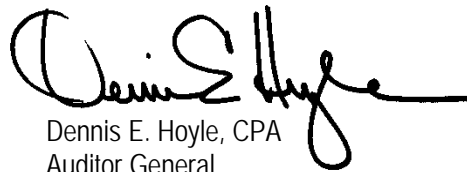
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

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, 2021, and our report thereon, dated December 22, 2021 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 26, 2022

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 2021 employer contribution	
	Amount	%
State of Rhode Island	\$ 184,109,034	90.21839569%
University of Rhode Island	10,144,594	4.97112468%
Rhode Island College	3,257,544	1.59628452%
Community College of RI	2,785,811	1.36512262%
Lottery	1,899,851	0.93097814%
Division of Higher Education Assistance	25,503	0.01249723%
Narragansett Bay Commission	1,678,804	0.82265941%
RI Commerce Corporation	28,135	0.01378714%
RI Airport Corporation	141,116	0.06915057%
Total	\$ 204,070,392	100.00000000%

See notes to schedules.

EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

EMPLOYEES' RETIREMENT SYSTEM COST SHARING PLAN

Schedule of Employer and Other Nonemployer Entity Allocations - Teachers - Fiscal 2021

Employer Unit	Employer Contributions at shared rate	Federally Funded - 100% local contributions	Fiscal 2021 total actual contributions	Adjustment - if all contributions at shared rate	Adjusted total - equivalent contributions all at shared rate	Percent
State of Rhode Island			\$ 112,622,731	\$ 4,806,999	\$ 117,429,730	42.58119272%
School District or Charter School						
Barrington	\$ 3,874,674	\$ 83,231	\$ 3,957,905	\$ (35,435)	\$ 3,922,470	1.42232679%
Bristol/Warren	3,584,410	281,748	3,866,158	(119,952)	3,746,206	1.35841153%
Burrillville	2,187,060	154,272	2,341,332	(65,680)	2,275,652	0.82517416%
Central Falls	2,754,039	304,023	3,058,062	(129,435)	2,928,627	1.06194925%
Chariho	3,855,109	198,363	4,053,473	(84,452)	3,969,021	1.43920670%
Coventry	5,228,294	319,809	5,548,102	(136,156)	5,411,946	1.96242578%
Cranston	12,210,068	895,398	13,105,466	(381,209)	12,724,257	4.61394262%
Cumberland	4,833,646	298,816	5,132,462	(127,219)	5,005,243	1.81495117%
East Greenwich	2,824,167	104,312	2,928,478	(44,410)	2,884,068	1.04579198%
East Providence	5,529,672	582,944	6,112,617	(248,184)	5,864,432	2.12650178%
Exeter-West Greenwich	1,969,320	95,503	2,064,822	(40,660)	2,024,163	0.73398165%
Foster	234,793	13,061	247,854	(5,561)	242,293	0.08785804%
Foster-Glocester	1,596,641	31,080	1,627,721	(13,232)	1,614,489	0.58542979%
Glocester	604,563	41,228	645,791	(17,553)	628,239	0.22780562%
Jamestown	604,735	55,635	660,370	(23,686)	636,684	0.23086790%
Johnston	3,577,433	89,503	3,666,935	(38,105)	3,628,830	1.31585009%
Lincoln	3,852,089	215,097	4,067,186	(91,576)	3,975,610	1.44159585%
Little Compton	405,230		405,230	-	405,230	0.14694049%
Middletown	2,590,712	228,342	2,819,054	(97,215)	2,721,839	0.98696591%
Narragansett	1,771,424	101,942	1,873,366	(43,401)	1,829,965	0.66356363%
New Shoreham	344,201		344,201	-	344,201	0.12481077%
Newport	2,678,086	267,259	2,945,344	(113,783)	2,831,561	1.02675221%
North Kingstown	4,720,939	324,809	5,045,748	(138,285)	4,907,463	1.77949520%
North Providence	3,679,285	333,967	4,013,252	(142,184)	3,871,068	1.40368776%
North Smithfield	1,843,185	53,981	1,897,166	(22,982)	1,874,184	0.67959791%
Northern RI Collaborative	316,831		316,831	-	316,831	0.11488621%
Pawtucket	8,340,134	1,304,475	9,644,609	(555,370)	9,089,238	3.29584851%
Portsmouth	2,679,427	64,042	2,743,469	(27,265)	2,716,204	0.98492263%
Providence	23,537,246	1,984,836	25,522,082	(845,029)	24,677,053	8.94814590%
Scituate	1,658,990	125,801	1,784,790	(53,559)	1,731,231	0.62776183%
Smithfield	2,725,023	136,763	2,861,786	(58,226)	2,803,561	1.01659908%
South Kingstown	3,976,350	134,497	4,110,847	(57,261)	4,053,586	1.46987077%
Tiverton	1,992,949	34,184	2,027,133	(14,554)	2,012,579	0.72978136%
Urban Collaborative	102,726		102,726	-	102,726	0.03724959%
Warwick	11,560,087	659,150	12,219,237	(280,628)	11,938,609	4.32905882%
West Bay Collaborative	214,775		214,775	-	214,775	0.07787948%
West Warwick	3,957,311	402,061	4,359,372	(171,175)	4,188,198	1.51868226%
Westerly	3,515,166	108,815	3,623,981	(46,327)	3,577,654	1.29729303%
Woonsocket	5,617,017	841,768	6,458,784	(358,376)	6,100,408	2.21206892%
Highlander Charter School	500,191	30,777	530,968	(13,103)	517,865	0.18778294%
Paul Cuffee Charter School	759,675	148,509	908,183	(63,227)	844,957	0.30638981%
Kingston Hill Charter School	206,375	3,085	209,460	(1,313)	208,146	0.07547593%
International Charter School	304,828	16,244	321,073	(6,916)	314,157	0.11391639%
Compass School Charter School	194,193		194,193	-	194,193	0.07041628%
Blackstone Academy Charter School	275,410	37,004	312,413	(15,754)	296,659	0.10757165%
Beacon Charter School	363,791		363,791	-	363,791	0.13191443%
Learning Community Charter School	488,170	42,464	530,635	(18,079)	512,556	0.18585779%
Segue Institute Charter School	195,876		195,876	-	195,876	0.07102667%
Greene Charter School	164,880	7,641	172,521	(3,253)	169,268	0.06137825%
Trinity Academy Charter School	166,969	18,741	185,710	(7,979)	177,731	0.06444716%
RI Nurses Charter School	222,715	28,031	250,746	(11,934)	238,812	0.08659565%
Village Green Charter School	168,205	51,160	219,364	(21,781)	197,583	0.07164573%
Sheila Nowell Charter School	139,301		139,301	-	139,301	0.05051185%
South Side Charter School	93,182	22,046	115,228	(9,386)	105,842	0.03837945%
Charette Charter School	73,237	14,445	87,682	(6,150)	81,532	0.02956434%
	\$ 151,864,806	\$ 11,290,857	\$ 163,155,663	\$ (4,806,999)	\$ 158,348,665	57.41880728%
See notes to schedules.			\$ 275,778,394		\$ 275,778,394	100.00000000%

Employees' Retirement System Cost-Sharing Plan
 State Employees - Schedule of Pension Amounts by Employer
 June 30, 2021 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	\$ 2,044,887,738	\$ 1,604,575,665	\$ 107,766,509	\$ 5,330,669	\$ 113,097,178
University of Rhode Island	115,631,541	88,413,739	5,938,043	(3,402,618)	2,535,425
Rhode Island College	40,247,628	28,390,654	1,906,773	(1,690,767)	216,006
Community College of RI	31,745,813	24,279,334	1,630,649	(353,563)	1,277,086
Lottery	21,652,204	16,557,874	1,112,060	673,552	1,785,612
Division of Higher Education Assistance	277,186	222,269	14,928	(325,508)	(310,580)
Narragansett Bay Commission	17,701,248	14,631,376	982,672	(157,691)	824,981
RI Commerce Corporation	305,307	245,211	16,469	(147)	16,322
RI Airport Corporation	1,696,882	1,229,875	82,601	(73,927)	8,674
	\$ 2,274,145,547	\$ 1,778,545,997	\$ 119,450,704	\$ -	\$ 119,450,704

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
 State Employees - Schedule of Pension Amounts by Employer
 June 30, 2021 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
\$ 11,109,189	\$ 7,395,358	\$ 48,910,632	\$ 12,028,159	\$ 79,443,338
University of Rhode Island 612,128	407,492	2,695,025	-	3,714,645
Rhode Island College 196,561	130,850	865,403	-	1,192,814
Community College of RI 168,097	111,901	740,082	30,623	1,050,703
Lottery 114,638	76,314	504,717	1,854,532	2,550,201
Division of Higher Education Assistance 1,539	1,024	6,775	5,456	14,794
Narragansett Bay Commission 101,300	67,435	445,993	784,395	1,399,123
RI Commerce Corporation 1,698	1,130	7,475	8,252	18,555
RI Airport Corporation 8,515	5,668	37,489	5,752	57,424
\$ 12,313,665	\$ 8,197,172	\$ 54,213,591	\$ 14,717,169	\$ 89,441,597

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
 State Employees - Schedule of Pension Amounts by Employer
 June 30, 2021 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
<i>Participating Employer</i>					
State of Rhode Island	\$ 1,204,760	\$ 30,680,358	\$ 340,825,312	\$ -	\$ 372,710,430
University of Rhode Island	66,384	1,690,519	18,779,819	7,139,477	27,676,199
Rhode Island College	21,316	542,845	6,030,413	4,746,470	11,341,044
Community College of RI	18,230	464,234	5,157,134	838,872	6,478,470
Lottery	12,432	316,596	3,517,031	389,204	4,235,263
Division of Higher Education Assistance	167	4,250	47,212	536,756	588,385
Narragansett Bay Commission	10,986	279,760	3,107,827	806,468	4,205,041
RI Commerce Corporation	184	4,689	52,085	3,531	60,489
RI Airport Corporation	923	23,516	261,236	256,391	542,066
	\$ 1,335,382	\$ 34,006,767	\$ 377,778,069	\$ 14,717,169	\$ 427,837,387

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
 State Employees - Schedule of Pension Amounts by Employer
 June 30, 2021 Measurement Date

Schedule C

Participating Employer

Collective Deferred Inflows for Plan as a Whole						
	2023	2024	2025	2026	2027	Thereafter
State of Rhode Island	\$ (62,955,136)	\$ (69,941,206)	\$ (76,052,759)	\$ (84,474,906)	\$ 156,911	\$ -
University of Rhode Island	(6,609,610)	(6,312,615)	(5,624,474)	(5,339,795)	(75,060)	-
Rhode Island College	(2,704,268)	(2,588,195)	(2,434,461)	(2,309,307)	(111,998)	-
Community College of RI	(1,342,917)	(1,278,387)	(1,348,339)	(1,437,734)	(20,389)	-
Lottery	35,577	(58,004)	(693,576)	(955,087)	(13,973)	-
Division of Higher Education Assistance	(271,743)	(235,291)	(52,779)	(13,968)	191	-
Narragansett Bay Commission	(764,616)	(710,344)	(730,336)	(628,647)	28,025	-
RI Commerce Corporation	(9,505)	(10,812)	(10,303)	(11,539)	226	-
RI Airport Corporation	(151,811)	(130,180)	(106,488)	(92,630)	(3,532)	-
	\$ (74,774,029)	\$ (81,265,034)	\$ (87,053,515)	\$ (95,263,613)	\$ (39,599)	\$ -

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
 State Employees - Schedule of Pension Amounts by Employer
 June 30, 2021 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	\$ 1,989,527,063	\$ 1,604,575,665	\$ 1,113,284,988
University of Rhode Island	109,624,950	88,413,739	61,343,127
Rhode Island College	35,201,815	28,390,654	19,697,974
Community College of RI	30,104,153	24,279,334	16,845,462
Lottery	20,530,250	16,557,874	11,488,167
Division of Higher Education Assistance	275,593	222,269	154,214
Narragansett Bay Commission	18,141,568	14,631,376	10,151,526
RI Commerce Corporation	304,039	245,211	170,132
RI Airport Corporation	1,524,932	1,229,875	853,310
	\$ 2,205,234,363	\$ 1,778,545,997	\$ 1,233,988,900

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer and Nonemployer Entity
June 30, 2021 Measurement Date

Schedule D

<i>Participating Employer or Nonemployer Entity</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	\$ 1,361,981,764	\$ 1,002,105,020	\$ 39,776,651	\$ 4,339,468	\$ 44,116,119
Barrington	44,133,614	33,473,013	1,328,648	178,517	1,507,165
Bristol/Warren	42,411,649	31,968,832	1,268,942	5,638	1,274,580
Burrillville	27,414,138	19,419,634	770,825	(339,993)	430,832
Central Falls	34,368,563	24,991,894	992,006	23,586	1,015,592
Chariho	45,862,835	33,870,264	1,344,416	(358,470)	985,946
Coventry	63,492,522	46,183,693	1,833,174	(952,992)	880,182
Cranston	146,198,218	108,584,442	4,310,053	674,115	4,984,168
Cumberland	58,588,479	42,713,028	1,695,412	648,267	2,343,679
East Greenwich	33,221,108	24,611,650	976,913	300,675	1,277,588
East Providence	68,056,449	50,045,054	1,986,443	942,252	2,928,695
Exeter-West Greenwich	23,670,369	17,273,511	685,639	(886,164)	(200,525)
Foster	3,415,870	2,067,650	82,071	(149,004)	(66,933)
Foster-Glocester	17,705,173	13,777,494	546,871	254,490	801,361
Glocester	7,117,849	5,361,173	212,802	5,593	218,395
Jamestown	7,738,269	5,433,241	215,662	(173,365)	42,297
Johnston	43,614,392	30,967,192	1,229,184	56,654	1,285,838
Lincoln	45,190,805	33,926,491	1,346,647	(676,849)	669,798
Little Compton	4,541,783	3,458,095	137,262	(142,480)	(5,218)
Middletown	31,653,605	23,227,238	921,961	(348,483)	573,478
Narragansett	21,792,591	15,616,295	619,859	(218,003)	401,856
New Shoreham	3,869,499	2,937,294	116,590	20,668	137,258
Newport	31,964,173	24,163,568	959,127	59,910	1,019,037
North Kingstown	53,920,460	41,878,608	1,662,292	361,690	2,023,982
North Providence	45,256,278	33,034,362	1,311,236	740,769	2,052,005
North Smithfield	21,927,691	15,993,645	634,837	(78,790)	556,047
Northern RI Collaborative	3,007,445	2,703,730	107,319	(179,129)	(71,810)
Pawtucket	105,497,806	77,564,439	3,078,773	203,527	3,282,300

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer and Nonemployer Entity
June 30, 2021 Measurement Date

Schedule D

<i>Participating Employer or Nonemployer Entity</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	31,517,114	23,179,151	920,052	(709,204)	210,848
Providence	292,895,365	210,585,503	8,358,791	(1,657,079)	6,701,712
Scituate	19,967,375	14,773,735	586,415	(443,636)	142,779
Smithfield	33,442,616	23,924,624	949,642	262,078	1,211,720
South Kingstown	45,952,223	34,591,912	1,373,060	(659,121)	713,939
Tiverton	24,427,983	17,174,661	681,715	170,735	852,450
Urban Collaborative	1,673,140	876,631	34,796	(100,459)	(65,663)
Warwick	138,142,866	101,879,992	4,043,932	(2,434,286)	1,609,646
West Bay Collaborative	2,272,085	1,832,814	72,750	117,575	190,325
West Warwick	47,032,959	35,740,641	1,418,657	381,328	1,799,985
Westerly	41,298,948	30,530,471	1,211,849	(1,175,957)	35,892
Woonsocket	67,745,757	52,058,790	2,066,375	460,934	2,527,309
Highlander Charter School	5,522,101	4,419,280	175,415	269,052	444,467
Paul Cuffee Charter School	9,633,286	7,210,572	286,210	(73,201)	213,009
Kingston Hill Charter School	2,251,496	1,776,249	70,505	101,603	172,108
International Charter School	3,630,528	2,680,906	106,413	(40,930)	65,483
Compass School Charter School	2,072,767	1,657,175	65,778	67,179	132,957
Blackstone Academy Charter School	3,291,632	2,531,589	100,487	274,226	374,713
Beacon Charter School	4,052,106	3,104,472	123,226	288,594	411,820
Learning Community Charter School	6,061,261	4,373,974	173,617	(44,619)	128,998
Segue Institute Charter School	2,130,460	1,671,540	66,349	(14,109)	52,240
Greene Charter School	1,959,230	1,444,475	57,336	16,298	73,634
Trinity Academy Charter School	2,183,803	1,516,698	60,202	46,823	107,025
RI Nurses Charter School	2,758,079	2,037,940	80,892	97,950	178,842
Village Green Charter School	2,318,109	1,686,109	66,927	149,424	216,351
Sheila Nowell Charter School	1,306,170	1,188,745	47,185	45,849	93,034
South Side Charter School	1,036,011	903,221	35,852	160,256	196,108
Charette Charter School	816,944	695,767	27,617	130,600	158,217
	\$ 3,195,005,811	\$ 2,353,398,187	\$ 93,413,660	-	\$ 93,413,660

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer and Nonemployer Entity
June 30, 2021 Measurement Date

Schedule D

<i>Participating Employer or Nonemployer Entity</i>	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
State of Rhode Island	\$ 10,058,465	\$ 41,963,770	\$ 33,625,447	\$ 20,999,547	\$ 106,647,229
Barrington	335,980	1,401,703	1,123,181	1,453,618	4,314,482
Bristol/Warren	320,882	1,338,715	1,072,708	1,658,641	4,390,946
Burrillville	194,921	813,209	651,622	706,451	2,366,203
Central Falls	250,852	1,046,551	838,598	903,800	3,039,801
Chariho	339,967	1,418,338	1,136,510	734,673	3,629,488
Coventry	463,561	1,933,971	1,549,685	202,283	4,149,500
Cranston	1,089,899	4,547,041	3,643,530	3,801,882	13,082,352
Cumberland	428,725	1,788,635	1,433,228	2,215,814	5,866,402
East Greenwich	247,035	1,030,628	825,839	1,757,411	3,860,913
East Providence	502,319	2,095,668	1,679,252	2,127,944	6,405,183
Exeter-West Greenwich	173,380	723,339	579,609	-	1,476,328
Foster	20,754	86,584	69,380	245,488	422,206
Foster-Glocester	138,289	576,941	462,301	1,713,857	2,891,388
Glocester	53,812	224,502	179,893	186,859	645,066
Jamestown	54,535	227,520	182,311	231,692	696,058
Johnston	310,828	1,296,770	1,039,098	961,155	3,607,851
Lincoln	340,532	1,420,693	1,138,397	784,818	3,684,440
Little Compton	34,710	144,810	116,036	382,936	678,492
Middletown	233,140	972,655	779,386	212,139	2,197,320
Narragansett	156,746	653,942	524,002	508,285	1,842,975
New Shoreham	29,483	123,001	98,560	279,822	530,866
Newport	242,538	1,011,864	810,804	1,656,507	3,721,713
North Kingstown	420,350	1,753,693	1,405,229	3,273,713	6,852,985
North Providence	331,577	1,383,334	1,108,462	1,102,125	3,925,498
North Smithfield	160,534	669,744	536,664	752,809	2,119,751
Northern RI Collaborative	27,138	113,220	90,723	791,194	1,022,275
Pawtucket	778,541	3,248,059	2,602,660	2,397,970	9,027,230

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer and Nonemployer Entity
June 30, 2021 Measurement Date

Schedule D

<i>Participating Employer or Nonemployer Entity</i>	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
Portsmouth	232,657	970,641	777,772	79,054	2,060,124
Providence	2,113,718	8,818,399	7,066,157	4,899,371	22,897,645
Scituate	148,289	618,659	495,730	363,975	1,626,653
Smithfield	240,140	1,001,858	802,786	641,527	2,686,311
South Kingstown	347,211	1,448,558	1,160,725	1,841,708	4,798,202
Tiverton	172,388	719,200	576,293	1,215,104	2,682,985
Urban Collaborative	8,799	36,709	29,415	10,875	85,798
Warwick	1,022,604	4,266,288	3,418,564	2,310,432	11,017,888
West Bay Collaborative	18,397	76,750	61,500	610,559	767,206
West Warwick	358,741	1,496,662	1,199,270	5,657,912	8,712,585
Westerly	306,445	1,278,482	1,024,444	154,227	2,763,598
Woonsocket	522,532	2,179,994	1,746,823	5,290,579	9,739,928
Highlander Charter School	44,358	185,060	148,288	904,349	1,282,055
Paul Cuffee Charter School	72,375	301,947	241,949	563,436	1,179,707
Kingston Hill Charter School	17,829	74,382	59,602	576,370	728,183
International Charter School	26,909	112,265	89,957	308,003	537,134
Compass School Charter School	16,634	69,395	55,606	435,055	576,690
Blackstone Academy Charter School	25,410	106,012	84,947	703,229	919,598
Beacon Charter School	31,161	130,002	104,170	631,342	896,675
Learning Community Charter School	43,903	183,163	146,768	547,607	921,441
Segue Institute Charter School	16,778	69,997	56,088	219,934	362,797
Greene Charter School	14,499	60,488	48,469	174,791	298,247
Trinity Academy Charter School	15,224	63,513	50,893	248,177	377,807
RI Nurses Charter School	20,455	85,340	68,383	302,401	476,579
Village Green Charter School	16,924	70,607	56,577	290,088	434,196
Sheila Nowell Charter School	11,932	49,779	39,888	373,169	474,768
South Side Charter School	9,066	37,823	30,307	474,701	551,897
Charette Charter School	6,984	29,136	23,346	610,174	669,640
	\$ 23,621,855	\$ 98,550,009	\$ 78,967,832	\$ 82,481,581	\$ 283,621,277

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer and Nonemployer Entity
June 30, 2021 Measurement Date

Schedule D

<i>Participating Employer or Nonemployer Entity</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
State of Rhode Island	\$ 32,368,588	\$ 22,037,351	\$ 268,180,016	\$ 20,325,490	\$ 342,911,445
Barrington	1,081,198	736,107	8,957,936	1,081,029	11,856,270
Bristol/Warren	1,032,612	703,029	8,555,393	1,181,285	11,472,319
Burrillville	627,266	427,058	5,197,018	1,221,369	7,472,711
Central Falls	807,253	549,598	6,688,248	1,307,211	9,352,310
Chariho	1,094,030	744,843	9,064,248	1,881,950	12,785,071
Coventry	1,491,761	1,015,628	12,359,526	2,993,221	17,860,136
Cranston	3,507,342	2,387,887	29,059,007	933,390	35,887,626
Cumberland	1,379,656	939,305	11,430,719	1,017,467	14,767,147
East Greenwich	794,971	541,236	6,586,488	848,984	8,771,679
East Providence	1,616,485	1,100,544	13,392,891	272,538	16,382,458
Exeter-West Greenwich	557,945	379,863	4,622,680	1,503,048	7,063,536
Foster	66,786	45,470	553,337	638,091	1,303,684
Foster-Glocester	445,021	302,982	3,687,087	197,563	4,632,653
Glocester	173,169	117,898	1,434,739	224,043	1,949,849
Jamestown	175,497	119,483	1,454,026	537,979	2,286,985
Johnston	1,000,259	681,001	8,287,337	2,415,272	12,383,869
Lincoln	1,095,846	746,079	9,079,295	1,157,518	12,078,738
Little Compton	111,699	76,047	925,444	200,552	1,313,742
Middletown	750,254	510,792	6,215,996	825,489	8,302,531
Narragansett	504,416	343,419	4,179,181	1,405,673	6,432,689
New Shoreham	94,876	64,594	786,069	74,873	1,020,412
Newport	780,498	531,382	6,466,574	888,834	8,667,288
North Kingstown	1,352,704	920,955	11,207,414	787,953	14,269,026
North Providence	1,067,030	726,461	8,840,546	951,184	11,585,221
North Smithfield	516,604	351,717	4,280,166	898,605	6,047,092
Northern RI Collaborative	87,332	59,458	723,563	1,224,169	2,094,522
Pawtucket	2,505,378	1,705,724	20,757,537	1,951,520	26,920,159

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer and Nonemployer Entity
June 30, 2021 Measurement Date

Schedule D

<i>Participating Employer or Nonemployer Entity</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	748,700	509,734	6,203,127	948,879	8,410,440
Providence	6,802,037	4,630,998	56,356,192	9,104,870	76,894,097
Scituate	477,200	324,890	3,953,698	892,104	5,647,892
Smithfield	772,780	526,128	6,402,628	1,556,470	9,258,006
South Kingstown	1,117,339	760,713	9,257,372	3,837,777	14,973,201
Tiverton	554,752	377,689	4,596,226	1,682,688	7,211,355
Urban Collaborative	28,316	19,278	234,601	547,217	829,412
Warwick	3,290,784	2,240,449	27,264,785	5,889,336	38,685,354
West Bay Collaborative	59,201	40,306	490,492	219,523	809,522
West Warwick	1,154,444	785,975	9,564,791	2,286,946	13,792,156
Westerly	986,152	671,397	8,170,463	3,024,535	12,852,547
Woonsocket	1,681,530	1,144,828	13,931,800	1,326,152	18,084,310
Highlander Charter School	142,745	97,185	1,182,673	33,206	1,455,809
Paul Cuffee Charter School	232,906	158,568	1,929,669	324,936	2,646,079
Kingston Hill Charter School	57,374	39,062	475,354	69,884	641,674
International Charter School	86,595	58,956	717,455	401,680	1,264,686
Compass School Charter School	53,528	36,443	443,488	77,377	610,836
Blackstone Academy Charter School	81,772	55,672	677,495	-	814,939
Beacon Charter School	100,276	68,271	830,808	-	999,355
Learning Community Charter School	141,282	96,188	1,170,548	382,241	1,790,259
Segue Institute Charter School	53,992	36,759	447,332	189,117	727,200
Greene Charter School	46,657	31,766	386,565	207,293	672,281
Trinity Academy Charter School	48,990	33,354	405,894	204,884	693,122
RI Nurses Charter School	65,827	44,816	545,387	176,183	832,213
Village Green Charter School	54,462	37,079	451,231	5,867	548,639
Sheila Nowell Charter School	38,397	26,142	318,128	146,116	528,783
South Side Charter School	29,175	19,863	241,717	-	290,755
Charette Charter School	22,474	15,301	186,199	-	223,974
\$	76,016,163	\$ 51,753,721	\$ 629,808,599	\$ 82,481,581	\$ 840,060,064

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer and Nonemployer Entity
June 30, 2021 Measurement Date

Schedule D

<i>Participating Employer or Nonemployer Entity</i>	Collective Deferred Inflows for Plan as a Whole					
	2023	2024	2025	2026	2027	Thereafter
State of Rhode Island	(45,742,761)	(39,316,303)	(60,779,997)	(77,932,410)	(9,943,042)	(2,549,699)
Barrington	(1,636,142)	(1,638,927)	(1,861,528)	(2,374,949)	(115,045)	84,802
Bristol/Warren	(1,627,613)	(1,401,262)	(1,660,530)	(2,265,170)	(188,713)	61,916
Burrillville	(1,123,379)	(856,549)	(1,088,947)	(1,597,104)	(294,562)	(145,967)
Central Falls	(1,340,387)	(1,396,624)	(1,499,629)	(1,766,459)	(227,629)	(81,780)
Chariho	(2,335,502)	(2,015,129)	(2,090,511)	(2,494,420)	(177,942)	(42,078)
Coventry	(3,208,393)	(2,878,973)	(3,211,693)	(3,822,605)	(428,131)	(160,841)
Cranston	(4,756,325)	(4,455,756)	(5,757,820)	(7,502,458)	(302,887)	(30,029)
Cumberland	(1,541,192)	(1,787,866)	(2,260,022)	(2,938,725)	(239,018)	(133,922)
East Greenwich	(908,230)	(952,920)	(1,095,179)	(1,755,901)	(177,628)	(20,907)
East Providence	(1,662,271)	(1,712,708)	(2,522,065)	(3,583,710)	(416,163)	(80,357)
Exeter-West Greenwich	(1,496,204)	(1,129,225)	(1,274,804)	(1,447,716)	(186,452)	(52,807)
Foster	(224,933)	(152,821)	(171,209)	(188,977)	(72,816)	(70,723)
Foster-Glocester	(422,407)	(334,111)	(470,033)	(736,012)	135,602	85,696
Glocester	(299,593)	(273,677)	(334,466)	(391,525)	(15,009)	9,488
Jamestown	(402,032)	(313,623)	(322,494)	(432,018)	(72,967)	(47,792)
Johnston	(1,618,939)	(1,695,881)	(2,010,874)	(2,638,195)	(582,932)	(229,196)
Lincoln	(2,168,983)	(1,755,393)	(1,957,823)	(2,419,902)	(133,671)	41,474
Little Compton	(190,471)	(94,006)	(128,982)	(221,723)	(10,364)	10,296
Middletown	(1,391,285)	(1,202,968)	(1,456,797)	(1,835,311)	(172,113)	(46,738)
Narragansett	(1,069,335)	(1,000,150)	(1,060,662)	(1,246,733)	(122,331)	(90,503)
New Shoreham	(114,097)	(83,154)	(104,504)	(188,893)	(6,344)	7,445
Newport	(1,121,753)	(709,982)	(1,320,000)	(1,777,734)	(75,799)	59,693
North Kingstown	(1,678,949)	(1,584,242)	(1,966,664)	(2,622,325)	175,849	260,289
North Providence	(1,354,284)	(1,577,124)	(1,907,194)	(2,499,277)	(229,499)	(92,345)
North Smithfield	(846,839)	(740,662)	(829,244)	(1,263,545)	(195,242)	(51,810)
Northern RI Collaborative	(334,457)	(195,771)	(250,104)	(342,159)	(17,979)	68,223
Pawtucket	(3,700,124)	(3,474,497)	(4,406,372)	(5,842,413)	(362,552)	(106,971)

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer and Nonemployer Entity
June 30, 2021 Measurement Date

Schedule D

<i>Participating Employer or Nonemployer Entity</i>	Collective Deferred Inflows for Plan as a Whole					
	2023	2024	2025	2026	2027	Thereafter
Portsmouth	(1,638,548)	(1,314,792)	(1,433,923)	(1,738,718)	(177,568)	(46,768)
Providence	(12,134,607)	(10,652,032)	(12,342,790)	(15,656,636)	(2,127,782)	(1,082,606)
Scituate	(1,125,373)	(848,363)	(892,638)	(1,090,920)	(51,636)	(12,310)
Smithfield	(1,178,415)	(1,319,170)	(1,541,360)	(1,997,403)	(389,575)	(145,773)
South Kingstown	(2,360,577)	(2,229,024)	(2,446,726)	(2,702,173)	(488,490)	51,989
Tiverton	(903,811)	(1,016,121)	(1,002,891)	(1,252,209)	(199,007)	(154,331)
Urban Collaborative	(156,715)	(152,749)	(144,780)	(148,331)	(85,889)	(55,150)
Warwick	(7,227,856)	(5,830,070)	(5,929,943)	(7,809,925)	(725,142)	(144,531)
West Bay Collaborative	(1,443)	(29,994)	(58,198)	(57,699)	84,606	20,411
West Warwick	(1,724,782)	(28,501)	(1,308,744)	(2,225,241)	91,882	115,815
Westerly	(2,579,772)	(2,200,749)	(2,281,778)	(2,628,528)	(361,387)	(36,735)
Woonsocket	(2,079,772)	(1,779,030)	(2,106,774)	(2,968,196)	323,973	265,416
Highlander Charter School	22,853	(27,449)	(87,908)	(195,413)	68,284	45,879
Paul Cuffee Charter School	(386,130)	(322,953)	(333,783)	(450,606)	16,456	10,645
Kingston Hill Charter School	4,941	6,020	3,940	(19,944)	77,103	14,449
International Charter School	(170,074)	(95,203)	(211,267)	(236,342)	(11,316)	(3,349)
Compass School Charter School	(19,833)	14,438	(29,635)	(52,977)	37,444	16,417
Blackstone Academy Charter School	138,273	48,311	(20,689)	(94,813)	20,553	13,025
Beacon Charter School	94,928	(5,861)	(74,464)	(150,774)	21,457	12,033
Learning Community Charter School	(259,283)	(205,547)	(195,804)	(235,840)	47,604	(19,949)
Segue Institute Charter School	(99,983)	(72,534)	(73,927)	(126,310)	(3,807)	12,159
Greene Charter School	(52,131)	(70,155)	(79,270)	(136,658)	(33,618)	(2,201)
Trinity Academy Charter School	(55,181)	(61,333)	(83,228)	(80,538)	(19,235)	(15,802)
RI Nurses Charter School	(35,503)	(49,945)	(95,791)	(131,790)	(41,013)	(1,591)
Village Green Charter School	43,046	(3,136)	(48,752)	(99,855)	(1,792)	(3,953)
Sheila Nowell Charter School	(20,228)	(15,705)	(25,833)	(39,807)	15,783	31,775
South Side Charter School	97,670	72,974	48,603	(4,581)	26,085	20,393
Charette Charter School	95,705	100,202	90,242	78,454	67,569	13,493
	\$ (118,029,481)	\$ (102,818,775)	\$ (136,508,258)	\$ (176,382,142)	\$ (18,273,837)	\$ (4,426,294)

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer and Nonemployer Entity
June 30, 2021 Measurement Date

Schedule D

<i>Participating Employer or Nonemployer Entity</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	1,265,581,892	\$ 1,002,105,020	\$ 665,833,225
Barrington	42,273,852	33,473,013	22,240,627
Bristol/Warren	40,374,187	31,968,832	21,241,198
Burrillville	24,525,510	19,419,634	12,903,076
Central Falls	31,562,849	24,991,894	16,605,479
Chariho	42,775,550	33,870,264	22,504,575
Coventry	58,326,467	46,183,693	30,686,043
Cranston	137,133,834	108,584,442	72,147,258
Cumberland	53,943,283	42,713,028	28,380,013
East Greenwich	31,082,629	24,611,650	16,352,831
East Providence	63,203,071	50,045,054	33,251,665
Exeter-West Greenwich	21,815,121	17,273,511	11,477,118
Foster	2,611,283	2,067,650	1,373,818
Foster-Glocester	17,399,920	13,777,494	9,154,243
Glocester	6,770,751	5,361,173	3,562,149
Jamestown	6,861,767	5,433,241	3,610,033
Johnston	39,109,192	30,967,192	20,575,673
Lincoln	42,846,559	33,926,491	22,541,934
Little Compton	4,367,309	3,458,095	2,297,678
Middletown	29,334,223	23,227,238	15,432,980
Narragansett	19,722,184	15,616,295	10,376,006
New Shoreham	3,709,578	2,937,294	1,951,640
Newport	30,516,736	24,163,568	16,055,110
North Kingstown	52,889,475	41,878,608	27,825,595
North Providence	41,719,870	33,034,362	21,949,173
North Smithfield	20,198,749	15,993,645	10,626,731
Northern RI Collaborative	3,414,604	2,703,730	1,796,452
Pawtucket	97,957,947	77,564,439	51,536,496

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer and Nonemployer Entity
June 30, 2021 Measurement Date

Schedule D

<i>Participating Employer or Nonemployer Entity</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	29,273,493	23,179,151	15,401,030
Providence	265,953,364	210,585,503	139,920,291
Scituate	18,658,096	14,773,735	9,816,181
Smithfield	30,214,968	23,924,624	15,896,348
South Kingstown	43,686,936	34,591,912	22,984,063
Tiverton	21,690,282	17,174,661	11,411,439
Urban Collaborative	1,107,118	876,631	582,464
Warwick	128,666,628	101,879,992	67,692,590
West Bay Collaborative	2,314,704	1,832,814	1,217,785
West Warwick	45,137,692	35,740,641	23,747,318
Westerly	38,557,646	30,530,471	20,285,500
Woonsocket	65,746,265	52,058,790	34,589,660
Highlander Charter School	5,581,213	4,419,280	2,936,323
Paul Cuffee Charter School	9,106,401	7,210,572	4,790,954
Kingston Hill Charter School	2,243,267	1,776,249	1,180,201
International Charter School	3,385,779	2,680,906	1,781,287
Compass School Charter School	2,092,886	1,657,175	1,101,085
Blackstone Academy Charter School	3,197,203	2,531,589	1,682,075
Beacon Charter School	3,920,710	3,104,472	2,062,718
Learning Community Charter School	5,523,994	4,373,974	2,906,220
Segue Institute Charter School	2,111,027	1,671,540	1,110,629
Greene Charter School	1,824,261	1,444,475	959,759
Trinity Academy Charter School	1,915,474	1,516,698	1,007,747
RI Nurses Charter School	2,573,763	2,037,940	1,354,078
Village Green Charter School	2,129,427	1,686,109	1,120,309
Sheila Nowell Charter School	1,501,294	1,188,745	789,843
South Side Charter School	1,140,699	903,221	600,131
Charette Charter School	878,700	695,767	462,291
	\$ 2,972,161,682	\$ 2,353,398,187	\$ 1,563,679,138

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, 2021 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. Basis of Presentation

The Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer and Nonemployer (collectively, "the Schedules") present amounts that are elements of the financial statements of the Plan or of its participating employers and the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the Plan or its participating employers or the State. The accompanying Schedules were prepared in accordance with accounting principles generally accepted in the United States of America. Such preparation requires management of the System to make several estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

3. Schedules of Employer Allocations

The Schedules of Employer Allocations reflect employer contributions recognized for the fiscal year ended June 30, 2021 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

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, 2021 Measurement Date**

3. Schedules of Employer Allocations (continued)

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 and 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%.

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	\$ 204,070,392	\$ 158,348,665	\$ 117,429,730	\$ 479,848,787
Adjustment for equivalent contributions if all shared at same rate		4,806,999	(4,806,999)	\$ -
Other contribution related additions included in financial reporting amounts	214,728	790,400		\$ 1,005,128
Employer contributions reported on ERS Plan Fiscal 2021 financial statements	\$ 204,285,120	\$ 163,946,064	\$ 112,622,731	\$ 480,853,915
Per ERSRI fiscal 2021 financial statements:				
		Employer Contributions		\$ 368,034,575
		State Contributions for Teachers		112,622,731
		Supplemental Employer Contributions		196,609
		Total Employer Contributions		\$ 480,853,915

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

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, 2021 Measurement Date

4. 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 2021 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, 2020 rolled-forward to June 30, 2021. 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 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	\$ 2,205,234,363	\$ 1,778,545,997	\$ 1,233,988,900
ERS - Teachers	\$ 2,972,161,682	\$ 2,353,398,187	\$ 1,563,679,138

5. 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 3 which more fully describes how employer contribution amounts are utilized in the Schedules of Employer Allocations.

6. 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, 2021. 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.

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, 2021 Measurement Date

7. Net Pension Liability

The components of the net pension liability of the employers participating in the ERS Plan at June 30, 2021 were as follows:

	<u>State employees</u>	<u>Teachers</u>
Fiscal year ended June 30, 2021		
Total pension liability	\$ 4,835,772,488	\$ 7,025,039,500
Plan Fiduciary net position	3,057,226,491	4,671,641,313
Employers' Net Pension Liability	<u>\$ 1,778,545,997</u>	<u>\$ 2,353,398,187</u>
Plan Fiduciary Net Position as a percentage of total pension liability	63.2%	66.5%

8. Actuarial methods and assumptions

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

The actuarial assumptions used in the June 30, 2020 valuations and the calculation of the total pension liability at June 30, 2021 (**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 2.15%, 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, 2020, it is assumed that the COLAs will be suspended through 2027 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, 2021 Measurement Date**

9. 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.

10. 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, 2020 and June 30, 2021 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 2021 is 5.1500 years (5.1684 years as of the June 30, 2020 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 2021 is 6.7747 years (6.8586 years as of the June 30, 2020 measurement date).



A N G E L L

June 8, 2021

The ANGELL Pension Group, Inc.
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East Providence, Rhode Island 02914
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SENT VIA EMAIL ONLY
PERSONAL & CONFIDENTIAL

Ms. Karen Giebink
Chief Financial Officer
One Service Road
Providence, RI 02905

Re: Narragansett Bay Commission Non-Union Defined Benefit Plan

Dear Karen:

Enclosed is the following material pertaining to the annual administration of the above referenced plan reflecting the updated census data for the plan year beginning January 1, 2020 and ending December 31, 2020:

- Actuarial Valuation, which outlines the funding options for the plan year and summarizes the current funding status of the plan. You will notice that the Minimum Recommended Contribution is \$400,337.

Participant benefit statements will be forthcoming under a separate cover.

If you need additional information or if you have any questions regarding the enclosures, please call me at (401) 438-9250, extension 202.

Sincerely,

Matt Crawford
Defined Benefit Administrator
MCrawford@AngellPensionGroup.com

cc: James L. Worrell, President/Managing Director of GPS Investment Advisors
John Brosnan, Senior Plan Consultant of GPS Investment Advisors

Narragansett Bay Commission
Non-Union Defined Benefit Plan
Actuarial Valuation
as of December 31, 2020
For the Plan Year Beginning January 1, 2020 and
Ending December 31, 2020

Prepared By:

The Angell Pension Group, Inc.
88 Boyd Avenue
East Providence, RI 02914
401-438-9250

June 2021

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I. INTRODUCTION

This report presents the results of the actuarial valuation as of December 31, 2020 of the Narragansett Bay Commission Non-Union Defined Benefit Pension Plan. The report is prepared for the plan year beginning January 1, 2020 and ending December 31, 2020. The purpose of the report is to:


Illustrate the current actuarial position of the plan.

Provide a summary of participant census and benefit detail.

Present information which will assist the plan sponsor in determining the appropriate contribution for the plan year.

Outline the actuarial assumptions and methods used.

This valuation was prepared on the basis of information submitted to The Angell Pension Group, Inc. in the form of payroll and asset data, as well as ancillary material pertaining to the plan and the plan sponsor, and was prepared in accordance with current federal statutes and regulations. We have not independently verified, nor do we make any representations as to, the accuracy of such information.



Jeffrey C. Liter, Ph.D., E.A., M.A.A.A.
Enrolled Actuary

06/08/2021

Date

II. VALUATION RESULTS

Contributions for Plan Year Ending December 31, 2020

Minimum Recommended Contribution:	\$	400,337
Alternative Recommended Contribution:	\$	118,073

Plan Assets as of December 31, 2020

Market Value of Assets:	\$	26,679,806*
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* The Market Value of Assets illustrated is the amount used for funding calculations, which does not include the contribution made for the 2020 plan year. The Market Value of Assets as of December 31, 2020, including the 2020 contribution, is \$27,861,516.

Actuarial Present Value of Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits is a measurement of plan liabilities attributable to credited service and/or compensation as of a certain point in time. The information provided below can be used to satisfy Accounting Standard Codification 960 (ASC 960). It can also be used to gauge funding progress relative to plan assets.

The liability figures presented below are based upon actuarial assumptions which reflect the long term nature of an ongoing plan. The present values shown **do not** represent the liabilities that would be incurred to purchase annuity contracts or to pay single sums in the event of the termination of this Plan. The cost to purchase annuity contracts is dependent upon insurance company rates. The cost to pay single sums would necessitate a comparison with 30 year Treasury interest rates and will be higher than the figures shown below.

Present Values as of December 31, 2020

	<u>Number of Lives</u>	<u>Vested Benefits</u>	<u>Non-Vested Benefits</u>	<u>Total Present Value</u>
Active Lives:	119	\$ 9,032,329	\$ 224,961	\$ 9,257,290
Vested Terminations/Inactives:	42	1,431,757	0	1,431,757
Disabled Lives:	0	0	0	0
Retired Lives:	42	8,262,299	0	8,262,299
Total:	203	\$ 18,726,385	\$ 224,961	\$ 18,951,346

Basis of Determination

The actuarial assumptions used in calculating the Actuarial Present Value of Accumulated Plan Benefits are as follows:

<i>Investment Return:</i>	6.00% per annum
<i>Pre-Retirement Mortality:</i>	PubG-2010 Above Median Employee with Scale MP-2020 Generational Improvements (Male/Female)*
<i>Post-Retirement Mortality:</i>	PubG-2010 Above Median Healthy Retiree and Contingent Survivor with Scale MP-2020 Generational Improvements (Male/Female)*
<i>Withdrawal Rate:</i>	T-2
<i>Assumed Retirement Age:</i>	Normal Retirement Age under the Plan, or attained age if greater
*Previously:	
<i>Pre-Retirement Mortality:</i>	PubG-2010 Above Median Employee with Scale MP-2019 Generational Improvements (Male/Female)
<i>Post-Retirement Mortality:</i>	PubG-2010 Above Median Healthy Retiree with Scale MP-2019 Generational Improvements (Male/Female)

Statement of Change in Accumulated Plan Benefits

Actuarial present value of accumulated plan benefits as of the prior valuation date	\$ 18,166,496
Increase (decrease) during the year attributable to:	
Plan amendment	\$ 0
Change in actuarial assumptions	(93,406)
Benefits accumulated	525,882
Increase for interest due to the decrease in the discount period	1,066,772
Benefits paid	(714,398)
Net increase (decrease):	\$ 784,850
Actuarial present value of accumulated plan benefits as of the current valuation date	\$ 18,951,346

III. SUMMARY OF PLAN PROVISIONS

<i>Plan Effective Date:</i>	February 1, 2005.
<i>Eligibility:</i>	Any Eligible Employee who has completed one year of service and attained age 21.
<i>Plan Entry Date:</i>	An Eligible Employee shall become a Participant effective the first day of the plan year following satisfaction of the eligibility requirement.
<i>Normal Retirement Date:</i>	An Employee shall be fully vested in his accrued benefit and eligible to retire after he has attained age 65 or the 5 th anniversary of joining the plan, if later.
<i>Normal Form of Benefit:</i>	Single Life Annuity.
<i>Normal Retirement Benefit:</i>	1% of Participants Average Monthly Compensation multiplied by the Participant's Period of Participation up to a maximum of 30 years.
<i>Early Retirement:</i>	Upon attainment of age 62 and 5 years of plan participation and completion of 20 years of service.
<i>Death Benefit:</i>	If an active participant dies before reaching the annuity Starting Date, the Death Benefit is the greater of the Accumulated Employee Contribution Account or the Actuarial Equivalent of the participant's accrued benefit.
<i>Vesting:</i>	A participant shall become fully vested upon completion of a period of 7 years of service.

IV. ACTUARIAL METHODS

Actuarial Cost Method

The ultimate cost of a pension plan cannot be determined until the last participant is paid and all obligations are discharged. An Actuarial Cost Method, rather than determining the cost of a pension plan, assigns the cost to a period of time.

Costs have been computed in accordance with the Aggregate Entry Age Normal Cost Method with Frozen Initial Liability.

The normal cost is the sum of the Present Value of all Plan Benefits for all plan participants minus the value of Plan Assets, further reduced by the balance of the unfunded liability; and spread over the ratio of the present value of salaries for active participants less than Normal Retirement age divided by the actual salaries of such plan participants.

The accrued liability is the remainder of the initial accrued liability as of 12/31/2005 amortized over an initial period of 30 years.

Asset Valuation Method

The actuarial value of the plan assets used in determining plan costs is equal to the Market Value of Assets.

Changes In Actuarial Methods

No changes in actuarial methods have occurred since the prior plan year.

V. ACTUARIAL ASSUMPTIONS

Assumptions Used For The Current Plan Year

Actuarial assumptions are estimates as to the occurrence of future events affecting the costs of the plan such as mortality rates, withdrawal rates, changes in compensation level, retirement ages, rates of investment earnings, expenses, etc. The assumptions have been chosen to anticipate the long-range experience of the plan. The enrolled actuary has certified to the reasonableness of these assumptions.

<i>Investment Return:</i>	6.00% per annum
<i>Pre-Retirement Mortality:</i>	PubG-2010 Above Median Employee with Scale MP-2020 Generational Improvements (Male/Female)*
<i>Post-Retirement Mortality:</i>	PubG-2010 Above Median Healthy Retiree and Contingent Survivor with Scale MP-2020 Generational Improvements (Male/Female)*
<i>Withdrawal Rate:</i>	T-2
<i>Disability Rate:</i>	None
<i>Salary Scale:</i>	3.50% per annum
<i>Assumed Retirement Age:</i>	Age 65 for active participants and Normal Retirement Age for inactive participants

*Previously:

<i>Pre-Retirement Mortality:</i>	PubG-2010 Above Median Employee with Scale MP-2019 Generational Improvements (Male/Female)
<i>Post-Retirement Mortality:</i>	PubG-2010 Above Median Healthy Retiree with Scale MP-2019 Generational Improvements (Male/Female)

SELECTION OF ACTUARIAL ASSUMPTIONS

Assumption		Entity Who Selects Assumption	Basis for Assumption Selection	Change in Assumption
Discount Rate	6.00%	The Angell Pension Group, Inc.	The assumed long-term rate of return on assets is developed based on the allocation of the Plan's assets by investment class and the capital market outlook for each investment class. This information is provided by the Plan's investment advisor.	None
Salary Scale	3.50%	The Angell Pension Group, Inc.	Prior census experience.	None
Pre-Retirement Mortality	PubG-2010 Above Median Employee with Scale MP-2020 Generational Improvements (Male/Female)	The Angell Pension Group, Inc.	The Society of Actuaries published a study of retirement experience in January, 2019. The PubG-2010 Above Median tables presented in the study represent the most current and complete benchmarks of U.S. public pension plan mortality experience. The tables used in the valuation include Generational Improvements with Scale MP-2020.	The mortality tables changed from the PubG-2010 Above Median Employee with Scale MP-2019 Generational Improvements (Male/Female) as of the prior measurement date, December 31, 2019. The change was made to reflect the best estimate of future experience under the plan. This change, together with the change in post-retirement mortality, decreased the Actuarial Present Value of Accrued Benefits as of the current measurement date, December 31, 2020, by 0.49%.
Post-Retirement Mortality	PubG-2010 Above Median Healthy Retiree and Contingent Survivor with Scale MP-2020 Generational Improvements (Male/Female)	The Angell Pension Group, Inc.	The Society of Actuaries published a study of retirement experience in January, 2019. The PubG-2010 Above Median tables presented in the study represent the most current and complete benchmarks of U.S. public pension plan mortality experience. The tables used in the valuation include Generational Improvements with Scale MP-2020.	The mortality tables changed from the PubG-2010 Above Median Healthy Retiree with Scale MP-2019 Generational Improvements (Male/Female) as of the prior measurement date, December 31, 2019. The change was made to reflect the best estimate of future experience under the plan. This change, together with the change in pre-retirement mortality, decreased the Actuarial Present Value of Accrued Benefits as of the current measurement date, December 31, 2020, by 0.49%.
Disability Mortality	None	The Angell Pension Group, Inc.	The incidence of disability under the Plan is negligible.	None
Disability Rates	None	The Angell Pension Group, Inc.	The incidence of disability under the Plan is negligible.	None
Withdrawal Rates	Crocker-Sarason-Straight T-2	The Angell Pension Group, Inc.	Because of the relatively small number of Plan participants, the withdrawal experience under the Plan is not credible for establishing Plan-specific withdrawal rates. The Crocker-Sarason-Straight table was developed for such plans, and a review of experience under the Plan indicated that this table is a good estimate of future experience under the Plan.	None
Retirement Rates	Active and inactive participants are assumed to retire at age 65.	The Angell Pension Group, Inc.	This assumption was set based on a review of experience under the Plan.	None

SELECTION OF ACTUARIAL ASSUMPTIONS

Assumption		Entity Who Selects Assumption	Basis for Assumption Selection	Change in Assumption
Administrative Expenses	None	The Angell Pension Group, Inc.	Administrative expenses are paid by the Plan Sponsor and are not paid from Plan assets.	None
Percent Married	100% of males and 100% of females are assumed to be married.	The Angell Pension Group, Inc.	This assumption was set based on a review of experience under the Plan.	None
Age of Spouse	The female spouse is assumed to be the same age as the male spouse.	The Angell Pension Group, Inc.	This assumption was set based on a review of experience under the Plan and general experience from similarly situated plans.	None

Appendix A Development of Normal Cost

The Normal Cost is the portion of plan benefit costs which is allocated to the current plan year by the Actuarial Cost Method being used. The following represents the development of the Normal Cost under the chosen Actuarial Cost Method, unless the method determines the normal cost on an individual participant basis.

	<u>Minimum Recommended Contribution</u>	<u>Alternative Recommended Contribution</u>
1. Present Value of Benefits	\$ 27,875,745	\$ 27,875,745
2. Actuarial Value of Assets	26,679,806	26,679,806
3. Unamortized Balance of Amortization Bases (Minimum)/ Unfunded Liability (Alternative)	4,121,463	0
4. Present Value of Future Normal Cost [(1) - (2) - (3), not less than \$0]	0	1,195,939
5. Present Value of Future Compensation	91,702,874	91,702,874
6. Current Compensation	9,053,668	9,053,668
7. Normal Cost [(4) / (5) x (6)]	0	118,073
8. Expense Load / Term Cost	0	0
9. Total Normal Cost [(7) + (8)]	\$ 0	\$ 118,073

Appendix B

Development of Contributions

Minimum Recommended Contribution

1.	Normal Cost	\$	0
2.	Net Minimum Amortization of Unfunded Liability		400,337
3.	Minimum Recommended Contribution [(1) + (2)]	\$	400,337

Alternative Recommended Contribution

1.	Normal Cost	\$	118,073
2.	10 Year Amortization of Unfunded Liability		0
3.	Alternative Recommended Contribution [(1) + (2)]	\$	118,073

Appendix C

Contributions Credited for the Plan Year

Date Received	Contribution Amount	Date Received	Contribution Amount
1/10/2020	\$ 44,593	07/24/2020	\$ 43,865
1/24/2020	44,588	08/07/2020	46,610
2/7/2020	44,313	08/21/2020	46,452
2/21/2020	44,501	09/04/2020	46,641
3/6/2020	44,474	09/18/2020	46,638
3/20/2020	44,542	10/02/2020	46,730
4/3/2020	44,813	10/16/2020	46,564
4/17/2020	44,618	10/30/2020	46,454
5/1/2020	44,708	11/13/2020	46,511
5/15/2020	44,762	11/27/2020	46,331
5/29/2020	44,669	12/11/2020	46,354
6/12/2020	44,480	12/24/2020	46,294
6/26/2020	44,742		
7/10/2020	46,464		
		Total:	\$1,181,711

Appendix D Amortization Bases

Certain charges and credits are amortized over the future rather than being reflected currently in the Normal Cost. These charges and credits can include plan amendments, experience gains and losses, changes in actuarial assumptions or methods, or certain Full Funding Limitation credits. The charges or credits which are being amortized are as follows:

Amortization Bases

<u>Description</u>	<u>Date Established</u>	<u>Original</u>	<u>Remaining Amount</u>	<u>Remaining Years</u>	<u>Annual Payment</u>
Initial	12/31/2005	\$ 5,841,205	\$ 4,121,463	15	\$ 400,337

Appendix F Benefit Payments Stream

<u>For Plan Year Beginning in:</u>	<u>Benefit Payments</u>
2021	\$ 1,101,527
2022	1,006,430
2023	1,050,626
2024	1,098,081
2025	1,124,278
2026	1,268,641
2027	1,389,518
2028	1,539,879
2029	1,647,166
2030	1,759,090
2031	1,870,792
2032	1,907,279
2033	1,889,824
2034	1,908,515
2035	1,986,938
2036	1,968,282
2037	2,022,846
2038	2,070,702
2039	2,084,812
2040	2,021,112

Note: The amounts shown above are the present values at the valuation date, and its anniversaries, of the benefits expected to be paid during the plan year.

APPENDIX G
Annual Earnings by Age and Service Groups

SERVICE	0-1	2	3-4	5-6	7-9	10-14	15-19	20-24	25-29	30-34	35-40	Over	Totals
AGE													
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25-29	0	0	2	1	0	0	0	0	0	0	0	0	3
	\$0	\$0	\$113,749	\$61,778	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$175,527
	\$0	\$0	\$56,875	\$61,778	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$58,509
30-34	0	4	3	0	2	2	0	0	0	0	0	0	11
	\$0	\$213,683	\$149,303	\$0	\$100,231	\$139,120	\$0	\$0	\$0	\$0	\$0	\$0	\$602,336
	\$0	\$53,421	\$49,768	\$0	\$50,115	\$69,560	\$0	\$0	\$0	\$0	\$0	\$0	\$54,758
35-39	0	1	3	2	1	5	2	0	0	0	0	0	14
	\$0	\$56,677	\$169,056	\$132,718	\$44,583	\$263,581	\$116,075	\$0	\$0	\$0	\$0	\$0	\$782,690
	\$0	\$56,677	\$56,352	\$66,359	\$44,583	\$52,716	\$58,038	\$0	\$0	\$0	\$0	\$0	\$55,906
40-44	0	1	1	1	1	5	7	2	0	0	0	0	18
	\$0	\$52,855	\$96,968	89191	\$52,155	\$293,521	\$459,014	\$172,229	\$0	\$0	\$0	\$0	\$1,215,934
	\$0	\$52,855	\$96,968	89191	\$52,155	\$58,704	\$65,573	\$86,114	\$0	\$0	\$0	\$0	\$67,552
45-49	0	0	0	1	1	2	3	3	0	0	0	0	10
	\$0	\$0	\$0	\$89,321	\$76,533	\$125,996	\$265,069	\$239,370	\$0	\$0	\$0	\$0	\$796,288
	\$0	\$0	\$0	\$89,321	\$76,533	\$62,998	\$88,356	\$79,790	\$0	\$0	\$0	\$0	\$79,629
50-54	0	1	0	2	2	1	2	2	3	0	0	0	13
	\$0	\$38,067	\$0	\$115,818	\$132,267	\$66,038	\$121,825	\$168,913	\$207,551	\$0	\$0	\$0	\$850,480
	\$0	\$38,067	\$0	\$57,909	\$66,134	\$66,038	\$60,912	\$84,457	\$69,184	\$0	\$0	\$0	\$65,422
55-59	0	2	0	1	2	2	6	4	6	3	0	0	26
	\$0	\$294,328	\$0	\$56,843	\$128,160	\$157,981	\$438,088	\$383,526	\$677,684	\$239,025	\$0	\$0	\$2,375,635
	\$0	\$147,164	\$0	\$56,843	\$64,080	\$78,990	\$73,015	\$95,882	\$112,947	\$79,675	\$0	\$0	\$91,371
60-64	0	0	1	0	0	2	2	0	2	4	1	0	12
	\$0	\$0	\$77,056	\$0	\$0	\$123,705	\$156,457	0	\$222,557	\$407,722	\$110,567	\$0	\$1,098,065
	\$0	\$0	\$77,056	\$0	\$0	\$61,853	\$78,229	0	\$111,278	\$101,931	\$110,567	\$0	\$91,505
65+	0	2	1	0	0	0	1	1	1	4	2	0	12
	\$0	\$139,873	\$57,181	\$0	\$0	\$0	\$54,281	\$107,004	\$77,784	\$454,864	\$265,727	\$0	\$1,156,714
	\$0	\$69,937	\$57,181	\$0	\$0	\$0	\$54,281	\$107,004	\$77,784	\$113,716	\$132,863	\$0	\$96,393
TOTAL	0	11	11	8	9	19	23	12	12	11	3	0	119
	\$0	\$795,483	\$663,314	\$545,668	\$533,929	\$1,169,942	\$1,610,810	\$1,071,042	\$1,185,575	\$1,101,612	\$376,294	\$0	\$9,053,668
	\$0	\$72,317	\$60,301	\$68,208	\$59,325	\$61,576	\$70,035	\$89,254	\$98,798	\$100,147	\$125,431	\$0	\$76,081

Appendix H Reconciliation of Plan Participants

	Active	Inactive	Retired	Total
Participants included in the 12-31-2019 valuation	112	39	39	190
Data corrections	0	0	0	0
Terminated vested	-2	2	0	0
Retired	-2	0	2	0
Died with beneficiary	-1	0	1	0
Died without beneficiary	0	0	0	0
Transferred out	0	0	0	0
Lump sum	0	0	0	0
Terminated non-vested*	-2	1	0	-1
Rehired	0	0	0	0
Transferred in	8	0	0	8
New participants	6	0	0	6
Participants included in the 12-31-2020 valuation	119	42	42	203

* 1 participant joined the plan on 1/1/2020 then terminated non-vested during 2020. They are entitled to a return of their employee contributions.

APPENDIX I

ASSET RECONCILIATION AND NET RETURN

Beginning of Year

1. Actuarial value of assets	\$	22,256,963 ⁽¹⁾
2. Market value of assets		22,256,963 ⁽¹⁾

Income

3. Employer contributions including receivables	\$	1,044,609
4. Employee contributions including receivables		437,371
5. Other contributions including rollovers		0
6. Interest		58,158
7. Dividends		0
8. Rents		0
9. Realized gains and losses		3,611,174
10. Unrealized gains and losses		0
11. Other income		0
12. Transfers in		0
13. Total income (3 through 12)	\$	5,151,312

Expenses

14. Benefit payments	\$	714,398
15. Corrective distributions		0
16. Participant loans		0
17. Investment expenses		14,071
18. Administrative payments		0
19. Transfers out		0
20. Total expenses (14 through 19)	\$	728,469

End of Year

21. Actuarial value of assets	\$	26,679,806 ⁽²⁾
22. Market value of assets (2+13-20)		26,679,806 ⁽²⁾

Rates of Return

23. Rate of return on actuarial value of assets	15.33%
24. Rate of return on market value of assets	15.33%

⁽¹⁾ The Market Value of Assets illustrated is the amount used for funding calculations, which does not include the contribution made for the 2019 plan year. The Market Value of Assets as of December 31, 2019, including the 2019 contribution, is \$23,738,943.

⁽²⁾ The Market Value of Assets illustrated is the amount used for funding calculations, which does not include the contribution made for the 2020 plan year. The Market Value of Assets as of December 31, 2020, including the 2020 contribution, is \$27,861,516.

Note: The rates of return are computed taking into account the timing of contributions, benefit payments and other plan Payments (deposited during 2020).

Appendix K

Additional Actuarial Disclosures

Actuarial Standards of Practice require an actuary to identify risks that may be reasonably expected to impact the Plan's financial stability. The following risks have been identified by the Plan's actuary as potential risks that may have a material impact on the Plan's funding, including future contribution requirements and the ability to pay benefits when due, if experience varies from that expected in the valuation.

The identification of the risks below does not imply that the Plan *will* experience adverse consequences. Rather, the identification of the specific risks is intended to equip the Plan Sponsor with qualitative information regarding the environment in which the Plan is currently operating, and the potential risks inherent in the environment. Although the provision of quantitative analysis with respect to the risks below is outside of the scope of the annual valuation, we are available to provide additional analysis with respect to any or all of the risks identified below, including stochastic modeling, forecasting, and cash flow projections, at your request, to better assist your organization with understanding these risks. Please contact your plan administrator or actuary at The Angell Pension Group, Inc. ("Angell") for more information.

I. Identification and Measurement of Risk:

- **Investment Risk** – Pension plans are subject to the inherent risks associated with the various investment classes that comprise the asset portfolio. Plans with higher allocation toward equities may be subject to higher risk, both positive and negative. To the extent that the Plan's investments return a rate less than necessary to maintain certain asset levels, there is a risk that the Plan could become underfunded, and additional cash contributions would be required from the Plan sponsor to make benefit payments when they become due.
- **Asset/Liability Mismatch Risk** – Pension plan investments have a "duration" over which investments are expected to mature. Similarly, pension plan liabilities have a duration based on the length of time over which benefits are expected to be paid. To the extent that the duration of the assets is different from the liabilities, changes in asset values may not be matched by changes in plan liabilities. We recommend you consult with your financial advisor to discuss the Plan's asset duration. Additional information regarding the Plan's liability duration is presented below in the Plan Maturity Measures section.
- **Interest Rate Risk** – Pension plan liabilities are calculated using various assumptions, including a defined set of interest rates. As the interest rates for valuing pension liabilities decrease, the liability increases. As liabilities increase, the funded status of the Plan may decrease. Government plans are subject to an interest discount rate based on the allocation of the Plan's assets, and the capital market outlook for each investment class in the portfolio. If the actual investment returns are lower than the assumed return, the Plan may experience funding shortfall, and higher required contributions in future years.

- Mortality/Longevity Risk – Pension plans provide benefits payable for the lifetimes of Plan participants. To the extent participants live longer than expected, the Plan may become underfunded as a result of higher benefit payments than expected over the life of the Plan. For funding purposes, the mortality tables are selected by the Plan actuary and used to calculate the Plan liability for cash contribution purposes. We continue to monitor that the tables are appropriate based on the specific demographics of your Plan.
- Retirement/Demographic Risk – Pension plan participants may be assumed to retire at various ages. The assumption is based on prior experience of the Plan, and industry-wide retirement trends. To the extent actual retirements deviate from the expected retirements, the Plan may experience liability gains or losses. Plans with actively accruing benefit formulas may be subject to additional risk of underfunding as participants continue to age and earn benefit accruals, particularly if accruals continue after the Plan's Normal Retirement Age.
- Other Demographic Risk – To the extent that demographic experience varies from that assumed in the funding calculations, the Plan may experience funding shortfalls and higher contributions in future years. We monitor the demographic experience under the Plan each year, and recommend changes to the demographic assumptions as necessary. We are available to provide specific demographic analysis upon request.
- Contribution Risk – The continued funding of the Plan depends on the Plan Sponsor maintaining certain levels of funding that are sufficient to pay benefits as they become due. To the extent the Plan Sponsor does not make sufficient contributions, the Plan may be subject to underfunding. The continued funding of government pension plans depends on the ongoing required employee contributions. The enclosed funding results are based on the assumption that employee contributions will continue as required, in the amount required. To the extent employee contributions are not made as required, or not made in the amount required, the Plan Sponsor may be responsible for any resulting shortfall.

II. Plan Maturity Measures

As identified above, pension plans have inherent longevity risks. Plan maturity measures provide qualitative guidance on the longevity risks of a specific plan. We are including the following maturity measures and are available to consult with you regarding the impact that various decisions may have on your Plan's maturity and the ability of your Plan to meet future benefit obligations.

The duration of the actuarial present value of accumulated plan benefits as of the measurement date is 12 years.

The duration of the Plan's liabilities provides a measure of the sensitivity of the liability to changes in the interest rate. A higher duration value implies a higher sensitivity to interest rate changes. As outlined in the risk identification disclosures, your Plan is exposed to Interest Rate Risk, and with the duration measure of 12 years, the liability can be reasonably expected to change by approximately 1.2% for every 10 basis point shift in the effective interest rate.

The Plan's liability duration also provides numerical information with respect to the longevity of the Plan, by outlining the period over which the Plan may reasonably expect to make distributions. If participants live longer than expected, the Plan's exposure to longevity/mortality risk may increase, as a result of making payments longer than expected.

Finally, the duration is also relevant for measuring the balance of the Plan liabilities compared to the Plan assets. As outlined in the risk identification disclosures, your Plan may be exposed to asset/liability mismatch if the duration measures are not aligned. You may wish to discuss the Plan's asset duration with your investment advisor, to better assess this identified risk. We are available to provide you with additional information for mitigating the risks presented, as they relate to your Plan's duration. Please contact your consultant at Angell for more information.

III. Historical Plan Values

The following historical values are included to provide additional background regarding the Plan.

- Actual Asset Rate of Return/Discount Rate - The Plan's historical asset rate of return is shown below for the current and prior measurement dates, based on asset information provided by the Plan Sponsor.

The discount rate corresponds to the liability value as of the measurement date. The discount rate can be used as a benchmark for the growth in the Plan's liability from the beginning of the Plan year to the end of the Plan year. To the extent the actual rate of return on Plan assets does not keep pace with the discount rate, the Plan may experience a funding shortfall, which may increase the required minimum contributions in future years.

Valuation Year	2020	2019	2018	2017	2016
Actual Rate of Return on Assets	15.33%	20.04%	-3.59%	14.84%	6.23%
Assumed Rate of Return	6.00%	6.00%	6.00%	6.00%	6.00%

- Actual contributions compared to actuarially recommended contributions - The Plan's actual contributions compared to actuarially recommended contributions are shown below for the current and prior measurement dates, based on asset information provided by the Plan Sponsor.

Valuation Date	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Actual Contributions	TBD	\$1,181,711	\$1,481,980	\$1,541,158	\$2,268,634	\$2,354,902
Actuarially Recommended Contributions	\$400,337	\$413,385	\$701,143	\$666,524	\$1,080,177	\$1,109,672
Ratio of Actual to Recommended	TBD	285.86%	211.37%	231.22%	210.02%	212.22%



A N G E L L

June 15, 2022

The ANGELL Pension Group, Inc.
88 Boyd Avenue
East Providence, Rhode Island 02914
Tel: 401.438.9250 • Fax: 401.438.7278
info@angellpensiongroup.com
www.angellpensiongroup.com

SENT VIA EMAIL ONLY
PERSONAL & CONFIDENTIAL

Ms. Karen Giebink
Chief Financial Officer
One Service Road
Providence, RI 02905

Re: Narragansett Bay Commission Non-Union Defined Benefit Plan

Dear Karen:

Enclosed is the following material pertaining to the annual administration of the above referenced plan reflecting the updated census data for the plan year beginning January 1, 2021 and ending December 31, 2021:

- Actuarial Valuation, which outlines the funding options for the plan year and summarizes the current funding status of the plan. You will notice that the Minimum Recommended Contribution is \$400,337.

If you need additional information or if you have any questions regarding the enclosures, please call me at (401) 438-9250, extension 202.

Sincerely,

Matt Crawford
Defined Benefit Administrator
MCrawford@AngellPensionGroup.com

cc: James L. Worrell, President/Managing Director of Strategic Retirement Partners
John Brosnan, Senior Plan Consultant of Strategic Retirement Partners

Narragansett Bay Commission
Non-Union Defined Benefit Plan
Actuarial Valuation
as of December 31, 2021
For the Plan Year Beginning January 1, 2021 and
Ending December 31, 2021

Prepared By:

The Angell Pension Group, Inc.
88 Boyd Avenue
East Providence, RI 02914
401-438-9250

June 2022

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I. INTRODUCTION

This report presents the results of the actuarial valuation as of December 31, 2021 of the Narragansett Bay Commission Non-Union Defined Benefit Pension Plan. The report is prepared for the plan year beginning January 1, 2021 and ending December 31, 2021. The purpose of the report is to:


Illustrate the current actuarial position of the plan.

Provide a summary of participant census and benefit detail.

Present information which will assist the plan sponsor in determining the appropriate contribution for the plan year.

Outline the actuarial assumptions and methods used.

This valuation was prepared on the basis of information submitted to The Angell Pension Group, Inc. in the form of payroll and asset data, as well as ancillary material pertaining to the plan and the plan sponsor, and was prepared in accordance with current federal statutes and regulations. We have not independently verified, nor do we make any representations as to, the accuracy of such information.



Jeffrey C. Litter, Ph.D., E.A., M.A.A.A.
Director of Actuarial Services

06/15/2022

Date

II. VALUATION RESULTS

Contributions for Plan Year Ending December 31, 2021

Minimum Recommended Contribution:	\$	400,337
Alternative Recommended Contribution:	\$	0

Plan Assets as of December 31, 2021

Market Value of Assets:	\$	30,157,261*
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* The Market Value of Assets illustrated is the amount used for funding calculations, which does not include the contribution made for the 2021 plan year. The Market Value of Assets as of December 31, 2021, including the 2021 contribution, is \$31,421,234.

Actuarial Present Value of Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits is a measurement of plan liabilities attributable to credited service and/or compensation as of a certain point in time. The information provided below can be used to satisfy Accounting Standard Codification 960 (ASC 960). It can also be used to gauge funding progress relative to plan assets.

The liability figures presented below are based upon actuarial assumptions which reflect the long term nature of an ongoing plan. The present values shown **do not** represent the liabilities that would be incurred to purchase annuity contracts or to pay single sums in the event of the termination of this Plan. The cost to purchase annuity contracts is dependent upon insurance company rates. The cost to pay single sums would necessitate a comparison with 30 year Treasury interest rates and will be higher than the figures shown below.

Present Values as of December 31, 2021

	<u>Number of Lives</u>	<u>Vested Benefits</u>	<u>Non-Vested Benefits</u>	<u>Total Present Value</u>
Active Lives:	124	\$ 9,313,451	\$ 266,864	\$ 9,580,315
Vested Terminations/Inactives:	49	1,703,566	0	1,703,566
Disabled Lives:	0	0	0	0
Retired Lives:	44	8,632,954	0	8,632,954
Total:	217	\$ 19,649,971	\$ 266,864	\$ 19,916,835

Basis of Determination

The actuarial assumptions used in calculating the Actuarial Present Value of Accumulated Plan Benefits are as follows:

<i>Investment Return:</i>	6.00% per annum
<i>Pre-Retirement Mortality:</i>	PubG-2010 Above Median Employee with Scale MP-2021 Generational Improvements (Male/Female)*
<i>Post-Retirement Mortality:</i>	PubG-2010 Above Median Healthy Retiree and Contingent Survivor with Scale MP-2021 Generational Improvements (Male/Female)*
<i>Withdrawal Rate:</i>	T-2
<i>Assumed Retirement Age:</i>	Normal Retirement Age under the Plan, or attained age if greater
*Previously:	
<i>Pre-Retirement Mortality:</i>	PubG-2010 Above Median Employee with Scale MP-2020 Generational Improvements (Male/Female)
<i>Post-Retirement Mortality:</i>	PubG-2010 Above Median Healthy Retiree with Scale MP-2020 Generational Improvements (Male/Female)

Statement of Change in Accumulated Plan Benefits

Actuarial present value of accumulated plan benefits as of the prior valuation date	\$ 18,951,346
Increase (decrease) during the year attributable to:	
Plan amendment	\$ 0
Change in actuarial assumptions	69,233
Benefits accumulated	532,602
Increase for interest due to the decrease in the discount period	1,112,736
Benefits paid	(749,082)
Net increase (decrease):	\$ 965,489
Actuarial present value of accumulated plan benefits as of the current valuation date	\$ 19,916,835

III. SUMMARY OF PLAN PROVISIONS

<i>Plan Effective Date:</i>	February 1, 2005.
<i>Eligibility:</i>	Any Eligible Employee who has completed one year of service and attained age 21.
<i>Plan Entry Date:</i>	An Eligible Employee shall become a Participant effective the first day of the plan year following satisfaction of the eligibility requirement.
<i>Normal Retirement Date:</i>	An Employee shall be fully vested in his accrued benefit and eligible to retire after he has attained age 65 or the 5 th anniversary of joining the plan, if later.
<i>Normal Form of Benefit:</i>	Single Life Annuity.
<i>Normal Retirement Benefit:</i>	1% of Participants Average Monthly Compensation multiplied by the Participant's Period of Participation up to a maximum of 30 years.
<i>Early Retirement:</i>	Upon attainment of age 62 and 5 years of plan participation and completion of 20 years of service.
<i>Death Benefit:</i>	If an active participant dies before reaching the annuity Starting Date, the Death Benefit is the greater of the Accumulated Employee Contribution Account or the Actuarial Equivalent of the participant's accrued benefit.
<i>Vesting:</i>	A participant shall become fully vested upon completion of a period of 7 years of service.

IV. ACTUARIAL METHODS

Actuarial Cost Method

The ultimate cost of a pension plan cannot be determined until the last participant is paid and all obligations are discharged. An Actuarial Cost Method, rather than determining the cost of a pension plan, assigns the cost to a period of time.

Costs have been computed in accordance with the Aggregate Entry Age Normal Cost Method with Frozen Initial Liability.

The normal cost is the sum of the Present Value of all Plan Benefits for all plan participants minus the value of Plan Assets, further reduced by the balance of the unfunded liability; and spread over the ratio of the present value of salaries for active participants less than Normal Retirement age divided by the actual salaries of such plan participants.

The accrued liability is the remainder of the initial accrued liability as of 12/31/2005 amortized over an initial period of 30 years.

Asset Valuation Method

The actuarial value of the plan assets used in determining plan costs is equal to the Market Value of Assets.

Changes In Actuarial Methods

No changes in actuarial methods have occurred since the prior plan year.

V. ACTUARIAL ASSUMPTIONS

Assumptions Used For The Current Plan Year

Actuarial assumptions are estimates as to the occurrence of future events affecting the costs of the plan such as mortality rates, withdrawal rates, changes in compensation level, retirement ages, rates of investment earnings, expenses, etc. The assumptions have been chosen to anticipate the long-range experience of the plan. The enrolled actuary has certified to the reasonableness of these assumptions.

<i>Investment Return:</i>	6.00% per annum
<i>Pre-Retirement Mortality:</i>	PubG-2010 Above Median Employee with Scale MP-2021 Generational Improvements (Male/Female)*
<i>Post-Retirement Mortality:</i>	PubG-2010 Above Median Healthy Retiree with Scale MP-2021 Generational Improvements (Male/Female)*
<i>Withdrawal Rate:</i>	T-2
<i>Disability Rate:</i>	None
<i>Salary Scale:</i>	3.50% per annum
<i>Assumed Retirement Age:</i>	Age 65 for active participants and Normal Retirement Age for inactive participants

*Previously:

<i>Pre-Retirement Mortality:</i>	PubG-2010 Above Median Employee with Scale MP-2020 Generational Improvements (Male/Female)
<i>Post-Retirement Mortality:</i>	PubG-2010 Above Median Healthy Retiree with Scale MP-2020 Generational Improvements (Male/Female)

SELECTION OF ACTUARIAL ASSUMPTIONS

Assumption		Entity Who Selects Assumption	Basis for Assumption Selection	Change in Assumption
Discount Rate	6.00%	The Angell Pension Group, Inc.	The assumed long-term rate of return on assets is developed based on the allocation of the Plan's assets by investment class and the capital market outlook for each investment class. This information is provided by the Plan's investment advisor.	None
Salary Scale	3.50%	The Angell Pension Group, Inc.	Prior census experience.	None
Pre-Retirement Mortality	PubG-2010 Above Median Employee with Scale MP-2021 Generational Improvements (Male/Female)	The Angell Pension Group, Inc.	The Society of Actuaries published a study of retirement experience in January, 2019. The PubG-2010 Above Median tables presented in the study represent the most current and complete benchmarks of U.S. public pension plan mortality experience. The tables used in the valuation include Generational Improvements with Scale MP-2021.	The mortality tables changed from the PubG-2010 Above Median Employee with Scale MP-2020 Generational Improvements (Male/Female) as of the prior measurement date, December 31, 2020. The change was made to reflect the best estimate of future experience under the plan. This change, together with the change in post-retirement mortality, increased the Actuarial Present Value of Accrued Benefits as of the current measurement date, December 31, 2021, by 0.35%.
Post-Retirement Mortality	PubG-2010 Above Median Healthy Retiree with Scale MP-2021 Generational Improvements (Male/Female)	The Angell Pension Group, Inc.	The Society of Actuaries published a study of retirement experience in January, 2019. The PubG-2010 Above Median tables presented in the study represent the most current and complete benchmarks of U.S. public pension plan mortality experience. The tables used in the valuation include Generational Improvements with Scale MP-2021.	The mortality tables changed from the PubG-2010 Above Median Healthy Retiree with Scale MP-2020 Generational Improvements (Male/Female) as of the prior measurement date, December 31, 2020. The change was made to reflect the best estimate of future experience under the plan. This change, together with the change in pre-retirement mortality, increased the Actuarial Present Value of Accrued Benefits as of the current measurement date, December 31, 2021, by 0.35%.
Disability Mortality	None	The Angell Pension Group, Inc.	The incidence of disability under the Plan is negligible.	None
Disability Rates	None	The Angell Pension Group, Inc.	The incidence of disability under the Plan is negligible.	None
Withdrawal Rates	Crocker-Sarason-Straight T-2	The Angell Pension Group, Inc.	Because of the relatively small number of Plan participants, the withdrawal experience under the Plan is not credible for establishing Plan-specific withdrawal rates. The Crocker-Sarason-Straight table was developed for such plans, and a review of experience under the Plan indicated that this table is a good estimate of future experience under the Plan.	None
Retirement Rates	Active and inactive participants are assumed to retire at age 65.	The Angell Pension Group, Inc.	This assumption was set based on a review of experience under the Plan.	None

SELECTION OF ACTUARIAL ASSUMPTIONS

Assumption		Entity Who Selects Assumption	Basis for Assumption Selection	Change in Assumption
Administrative Expenses	None	The Angell Pension Group, Inc.	Administrative expenses are paid by the Plan Sponsor and are not paid from Plan assets.	None
Percent Married	100% of males and 100% of females are assumed to be married.	The Angell Pension Group, Inc.	This assumption was set based on a review of experience under the Plan.	None
Age of Spouse	The female spouse is assumed to be the same age as the male spouse.	The Angell Pension Group, Inc.	This assumption was set based on a review of experience under the Plan and general experience from similarly situated plans.	None

Appendix A Development of Normal Cost

The Normal Cost is the portion of plan benefit costs which is allocated to the current plan year by the Actuarial Cost Method being used. The following represents the development of the Normal Cost under the chosen Actuarial Cost Method, unless the method determines the normal cost on an individual participant basis.

	<u>Minimum Recommended Contribution</u>	<u>Alternative Recommended Contribution</u>
1. Present Value of Benefits	\$ 29,602,405	\$ 29,602,405
2. Actuarial Value of Assets	30,157,261	30,157,261
3. Unamortized Balance of Amortization Bases (Minimum)/ Unfunded Liability (Alternative)	3,944,394	0
4. Present Value of Future Normal Cost [(1) - (2) - (3), not less than \$0]	0	0
5. Present Value of Future Compensation	96,144,248	96,144,248
6. Current Compensation	9,559,372	9,559,372
7. Normal Cost [(4) / (5) x (6)]	0	0
8. Expense Load / Term Cost	0	0
9. Total Normal Cost [(7) + (8)]	\$ 0	\$ 0

Appendix B

Development of Contributions

Minimum Recommended Contribution

1.	Normal Cost	\$	0
2.	Net Minimum Amortization of Unfunded Liability		400,337
3.	Minimum Recommended Contribution [(1) + (2)]	\$	400,337

Alternative Recommended Contribution

1.	Normal Cost	\$	0
2.	10 Year Amortization of Unfunded Liability		0
3.	Alternative Recommended Contribution [(1) + (2)]	\$	0

Appendix C

Contributions Credited for the Plan Year

Date Received	Contribution Amount	Date Received	Contribution Amount
01/08/2021	\$ 48,244	07/23/2021	\$ 48,804
01/22/2021	48,427	08/06/2021	48,818
02/05/2021	48,233	08/20/2021	48,850
02/19/2021	48,342	09/03/2021	48,921
03/05/2021	48,345	09/17/2021	48,734
03/19/2021	48,492	10/01/2021	48,586
04/02/2021	48,474	10/15/2021	48,891
04/16/2021	48,492	10/29/2021	48,751
04/30/2021	48,521	11/12/2021	48,842
05/14/2021	48,576	11/26/2021	48,645
05/28/2021	48,419	12/10/2021	48,701
06/11/2021	48,460	12/24/2021	48,738
06/25/2021	48,582		
07/09/2021	49,085		
		Total:	\$ 1,263,973

Appendix D Amortization Bases

Certain charges and credits are amortized over the future rather than being reflected currently in the Normal Cost. These charges and credits can include plan amendments, experience gains and losses, changes in actuarial assumptions or methods, or certain Full Funding Limitation credits. The charges or credits which are being amortized are as follows:

Amortization Bases

<u>Description</u>	<u>Date Established</u>	<u>Original</u>	<u>Remaining Amount</u>	<u>Remaining Years</u>	<u>Annual Payment</u>
Initial	12/31/2005	\$ 5,841,205	\$ 3,944,394	14	\$ 400,337

Appendix E Participant Administrative Analysis

The following employees are new entrants as of 01/01/2021:

ANDRADE, SOPHIA CONCETTA
 ASHTON, JOEL
 BAGLINI, ROBERT MICHAEL
 BLAIS, BRIAN
 COPPIE, CRYSTAL M
 CROCENZI, ANTHONY G
 CRUZ, LUIS
 DICICCO, ANDREA
 DUQUE, STEVE
 MCLAUGHLIN, BELINDA A
 MEDINA, JEREMY D
 PICKERING, JACKLYN
 PLUMMER, MARINA
 STARNINO, MICHAEL A
 STENOVITCH, EDWARD
 STOECKEL, BRUCE ROBERT
 TAVERAS, KARINA
 TIFT, ERIC D
 WESTFIELD, JACOB ALLAN

The following participants are eligible to begin receiving retirement benefits in 2022:

Participants	Estimated Monthly Benefit
MEDINA, JOSE M	\$ 622.75

The following participants have deferred their retirement benefits and are also eligible to begin receiving their retirement benefits in 2022:

Participants	Estimated Monthly Benefit
BERNIER, RICHARD	\$ 4,941.30
CELONE, SAMUEL R	3,374.39
CHIELLINI, PATRICIA A	645.45
DESROSIERS, PAUL A	3,576.08
FASCITELLI, JOHN A	1,929.87
UVA, THOMAS P	4,841.30

The following participants may be eligible for early retirement benefits:

Participants	Estimated Monthly Benefit
BROUILLARD, DAVID E	\$ 1,121.34
COOK, MICHAEL	192.16
GIEBINK, KAREN L	4,628.75
GOODINSON JR., RONALD P	858.76
MCCAUGHEY, JAMES C	3,191.49
SHERIDAN JR., ARTHUR T	2,811.83
SMITH, BRENDA J	1,858.06

The following participants are receiving retirement benefits as of 12/31/2021:

Participants	Monthly Benefit	Benefit Form
ALBERT, PHILIP H	\$ 1,946.97	J&75%S
ANTONELLI, CECILLE M	2,413.98	LA
ARUSSO, DENNIS P	400.52	LA
AUTERI, ROBERT	765.62	LA
BILSBOROUGH, BARBARA E	1,307.22	LA
BROWN, FRANCES	737.91	J&50%S
BRUECKNER, THOMAS G	3,798.06	J&100%S
BUERGER, DIANE M.	1,659.02	J&100%S
CARVALHO, DAVID	712.16	LA
CASIMIRO, CLARA	2,485.07	LA
CHMURA, STEPHEN F.	633.27	J&50%S
COTE, THERESA	1,184.23	J&100%S
DEMAYO, JOSEPH	511.77	J&100%S
DUCKWORTH, JOAN M	1,710.58	LA
ELLIS, JOHN	287.19	J&100%S
ENOS, MANUEL P.	980.85	J&100%S
FISETTE, MAUREEN	784.29	LA
FLEMING, GAEL	217.84	LA
GIROUX, JACQUELINE C	529.01	J&50%S
GONECONTE, CHERYL	1,009.41	LA
HORRIDGE, ANTOINETTE	470.86	LA
LAPLANTE, JOSEPH A	2,178.48	J&100%S
MACERONI, JOANNE R	2,837.70	LA
MARSHALL, RAYMOND J	4,915.91	J&75%S
MCGEHEARTY, MARTHA	958.14	LA
NEGRIS, DAVID R (BENE OF)	602.82	LA
NORDSTROM, PAUL E	4,035.26	J&100%S
PINAULT, PAUL	2,625.41	J&100%S
RATHBUN, ANN MARIE	511.24	LA
REALL, DENNIS	591.26	LA
ROBERTS, CHRISTINE M	1,132.67	LA
ROBERTSON, PAUL	482.78	LA
RUGGIANO, RALPH	609.16	LA
SALVATORE, MICHAEL L	1,872.61	J&75%S
SANTOS, THOMAS	488.21	LA
SMITH, KATHLEEN J	1,169.14	J&50%S
TATRO JR, JOHN E	1,303.63	LA
THOMAS, MARK R.	1,743.67	J&50%S
TROMBETTI, PETER M	1,756.43	LA
VERNON, LORI J	1,554.12	LA
WALTERS, CYNTHIA	1,873.90	LA
WILLIAMS, RICHARD H	2,215.03	J&50%S
ZANNELLI, RICHARD	1,885.82	J&50%S
ZUBA, JOHN H	2,348.84	J&100%S

Appendix F Benefit Payments Stream

<u>For Plan Year Beginning in:</u>	<u>Benefit Payments</u>
2022	\$ 1,141,421
2023	1,063,555
2024	1,111,256
2025	1,142,072
2026	1,295,958
2027	1,418,979
2028	1,591,687
2029	1,699,187
2030	1,802,011
2031	1,914,182
2032	1,953,110
2033	1,937,014
2034	1,946,661
2035	2,038,977
2036	2,028,295
2037	2,104,336
2038	2,158,348
2039	2,172,563
2040	2,108,550
2041	2,092,600

Note: The amounts shown above are the present values at the valuation date, and its anniversaries, of the benefits expected to be paid during the plan year.

APPENDIX G
Annual Earnings by Age and Service Groups

AGE	SERVICE	0-1	2	3-4	5-6	7-9	10-14	15-19	20-24	25-29	30-34	35-40	Over	Totals
0-19		0	0	0	0	0	0	0	0	0	0	0	0	0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20-24		0	1	0	0	0	0	0	0	0	0	0	0	1
		\$0	\$42,247	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$42,247
		\$0	\$42,247	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$42,247
25-29		0	2	1	1	0	0	0	0	0	0	0	0	4
		\$0	\$109,721	\$51,436	\$62,238	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$223,395
		\$0	\$54,861	\$51,436	\$62,238	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$55,849
30-34		0	2	5	1	1	2	0	0	0	0	0	0	11
		\$0	\$80,861	\$295,325	\$47,105	\$45,232	\$148,274	\$0	\$0	\$0	\$0	\$0	\$0	\$616,797
		\$0	\$40,431	\$59,065	\$47,105	\$45,232	\$74,137	\$0	\$0	\$0	\$0	\$0	\$0	\$56,072
35-39		0	3	4	0	1	5	1	0	0	0	0	0	14
		\$0	\$149,950	\$244,419	\$0	\$69,044	\$265,678	\$63,575	\$0	\$0	\$0	\$0	\$0	\$792,665
		\$0	\$49,983	\$61,105	\$0	\$69,044	\$53,136	\$63,575	\$0	\$0	\$0	\$0	\$0	\$56,619
40-44		0	3	1	0	3	2	7	1	0	0	0	0	17
		\$0	\$234,825	\$62,232	0	\$213,240	\$130,215	\$421,586	\$82,851	\$0	\$0	\$0	\$0	\$1,144,949
		\$0	\$78,275	\$62,232	0	\$71,080	\$65,107	\$60,227	\$82,851	\$0	\$0	\$0	\$0	\$67,350
45-49		0	0	0	0	0	1	5	2	1	0	0	0	9
		\$0	\$0	\$0	\$0	\$0	\$62,786	\$455,548	\$176,764	\$73,345	\$0	\$0	\$0	\$768,443
		\$0	\$0	\$0	\$0	\$0	\$62,786	\$91,110	\$88,382	\$73,345	\$0	\$0	\$0	\$85,383
50-54		0	3	1	1	2	3	1	3	2	1	0	0	17
		\$0	\$137,401	\$41,575	\$45,123	\$178,949	\$185,482	\$56,588	\$267,816	\$135,796	\$77,507	\$0	\$0	\$1,126,235
		\$0	\$45,800	\$41,575	\$45,123	\$89,474	\$61,827	\$56,588	\$89,272	\$67,898	\$77,507	\$0	\$0	\$66,249
55-59		0	0	1	2	1	1	5	4	6	2	0	0	22
		\$0	\$0	\$151,039	\$131,003	\$69,287	\$86,232	\$362,582	\$347,407	\$718,366	\$183,183	\$0	\$0	\$2,049,099
		\$0	\$0	\$151,039	\$65,502	\$69,287	\$86,232	\$72,516	\$86,852	\$119,728	\$91,592	\$0	\$0	\$93,141
60-64		0	2	2	0	0	1	5	1	2	4	2	0	19
		\$0	\$149,606	\$230,124	\$0	\$0	\$62,247	\$418,805	110274	\$228,416	\$405,178	\$188,797	\$0	\$1,793,448
		\$0	\$74,803	\$115,062	\$0	\$0	\$62,247	\$83,761	110274	\$114,208	\$101,295	\$94,399	\$0	\$94,392
65+		0	0	2	1	0	0	1	0	0	3	3	0	10
		\$0	\$0	\$143,555	\$58,686	\$0	\$0	\$60,289	\$0	\$0	\$288,981	\$450,582	\$0	\$1,002,094
		\$0	\$0	\$71,778	\$58,686	\$0	\$0	\$60,289	\$0	\$0	\$96,327	\$150,194	\$0	\$100,209
TOTAL		0	16	17	6	8	15	25	11	11	10	5	0	124
		\$0	\$904,611	\$1,219,705	\$344,155	\$575,750	\$940,914	\$1,838,973	\$985,112	\$1,155,924	\$954,849	\$639,379	\$0	\$9,559,372
		\$0	\$56,538	\$71,747	\$57,359	\$71,969	\$62,728	\$73,559	\$89,556	\$105,084	\$95,485	\$127,876	\$0	\$77,092

Appendix H Reconciliation of Plan Participants

	Active	Inactive	Retired	Total
Participants included in the 12-31-2020 valuation	119	42	42	203
Data corrections	0	0	0	0
Terminated vested	-6	6	0	0
Retired	-2	-1	3	0
Died with beneficiary	0	0	0	0
Died without beneficiary	0	0	-1	-1
Transferred out	0	0	0	0
Lump sum	0	-1	0	-1
Terminated non-vested*	-6	3	0	-3
Rehired	0	0	0	0
Transferred in	4	0	0	4
New participants	15	0	0	15
Participants included in the 12-31-2021 valuation	124	49	44	217

* 6 participants terminated non-vested during 2021, 3 of them are still entitled to a return of their employee contributions as of December 31, 2021.

APPENDIX I

ASSET RECONCILIATION AND NET RETURN

Beginning of Year

1. Actuarial value of assets	\$	26,679,806 ⁽¹⁾
2. Market value of assets		26,679,806 ⁽¹⁾

Income

3. Employer contributions including receivables	\$	711,093
4. Employee contributions including receivables		470,618
5. Other contributions including rollovers		0
6. Interest		58,370
7. Dividends		0
8. Rents		0
9. Realized gains and losses		3,003,905
10. Unrealized gains and losses		0
11. Other income		0
12. Transfers in		0
13. Total income (3 through 12)	\$	4,243,986

Expenses

14. Benefit payments	\$	749,082
15. Corrective distributions		0
16. Participant loans		0
17. Investment expenses		17,449
18. Administrative payments		0
19. Transfers out		0
20. Total expenses (14 through 19)	\$	766,531

End of Year

21. Actuarial value of assets	\$	30,157,261 ⁽²⁾
22. Market value of assets (2+13-20)		30,157,261 ⁽²⁾

Rates of Return

23. Rate of return on actuarial value of assets	10.91%
24. Rate of return on market value of assets	10.91%

⁽¹⁾ The Market Value of Assets illustrated is the amount used for funding calculations, which does not include the contribution made for the 2020 plan year. The Market Value of Assets as of December 31, 2020, including the 2020 contribution, is \$27,861,516.

⁽²⁾ The Market Value of Assets illustrated is the amount used for funding calculations, which does not include the contribution made for the 2021 plan year. The Market Value of Assets as of December 31, 2021, including the 2021 contribution, is \$31,421,234.

Note: The rates of return are computed taking into account the timing of contributions, benefit payments and other plan Payments (deposited during 2021).

State Employees' and Electing Teachers OPEB System

State Employees' OPEB Cost-Sharing Plan

Schedules of Employer Allocations

Schedules of OPEB Amounts by Employer

June 30, 2020 Measurement Date

For Fiscal 2021 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
Dennis E. Hoyle, CPA - Auditor General

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August XX, 2021

JOINT COMMITTEE ON LEGISLATIVE SERVICES:

SPEAKER K. Joseph Shekarchi, Chairman

Senator Dominick J. Ruggerio

Senator Dennis L. Algieri

Representative Christopher R. Blazejewski

Representative Blake A. Filippi

We have completed our audit of the Schedules of Employer Allocations and Schedules of OPEB Amounts by Employer for the **State Employees' OPEB Cost-Sharing Plan** administered by the State Employees' and Electing Teachers OPEB System of the State of Rhode Island for the fiscal year ended June 30, 2020.

These Schedules will be used by employers participating in the State Employees' OPEB Cost-Sharing Plan to meet their fiscal 2021 financial reporting responsibilities under generally accepted accounting principles – specifically the requirements of Governmental Accounting Standards Board Statement No. 75 – *Accounting and Financial Reporting for OPEB.*

Other reports containing similar information for the Board of Education OPEB Cost-Sharing 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

State Employees' and Electing Teachers OPEB System
State Employees' OPEB Cost-Sharing Plan
Schedules of Employer Allocations
Schedules of OPEB Amounts by Employer
June 30, 2020 Measurement Date

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State Employees' and Electing Teachers OPEB System

State Employees' OPEB Cost-Sharing Plan

Schedule of Employer Allocations

Schedule of OPEB Amounts by Employer

June 30, 2020 Measurement Date

INTRODUCTION

The **State Employees' OPEB Cost-sharing Plan** covers state employees and certain employees of quasi-public agencies. As a cost-sharing plan, separate valuations are not made for individual employers participating in the plan.

As a cost-sharing plan – the net OPEB liability is apportioned based on proportionate contributions – see Schedule A.

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 **State Employees' OPEB Cost-sharing Plan**. These include the State of Rhode Island and certain component units of the State of Rhode Island.

The net OPEB liability and other measures included herein have been developed consistent with the requirements of GASB Statement No. 75 – *Accounting and Financial Reporting for OPEB*. 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

State of Rhode Island - General Assembly

Dennis E. Hoyle, CPA - Auditor General

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INDEPENDENT AUDITOR'S REPORT

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

TRUSTEES OF THE STATE EMPLOYEES' AND ELECTING TEACHERS OPEB SYSTEM:

Report on Schedules

We have audited the accompanying Schedule of Employer Allocations of the STATE EMPLOYEES' OPEB COST-SHARING 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 OPEB liability, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense (specified column totals) included in the accompanying Schedule of OPEB Amounts by Employer 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 Schedule of Employer Allocations and the specified column totals included in the Schedules of OPEB 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 Schedule of OPEB 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 Schedule of OPEB 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 OPEB 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 Schedule of OPEB 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
Trustees of the State Employees' and Electing Teachers OPEB System:

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 Schedule of OPEB 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 ending net OPEB liability, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense for the total of all participating State employee entities for the State Employees' Cost-Sharing 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 State Employees' OPEB Plan within the State Employees' and Electing Teachers OPEB System of the State of Rhode Island as of and for the year ended June 30, 2020, and our report thereon, **dated August XX, 2021** expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of the State Employees' and Electing Teachers OPEB System's management, the trustees of State Employees' and Electing Teachers OPEB System, the System's 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

August XX, 2021

STATE EMPLOYEES' AND ELECTING TEACHERS OPEB SYSTEM
STATE EMPLOYEES' OPEB COST SHARING PLAN
Schedule of Employer Allocations

State, proprietary fund, or component unit	Fiscal 2020 employer contribution	
	Amount	%
State of Rhode Island	45,323,322	89.91363780%
University of Rhode Island	2,567,074	5.09263161%
Rhode Island College	894,889	1.77530598%
Community College of Rhode Island	704,757	1.39811642%
Lottery	477,616	0.94750704%
Division of Higher Education Assistance	4,911	0.00974271%
Narragansett Bay Commission	391,357	0.77638524%
Rhode Island Commerce Corporation	6,755	0.01340135%
Rhode Island Airport Corporation	36,935	0.07327184%
	\$ 50,407,617	100.00000000%

See notes to schedules.

State Employees' and Electing Teachers OPEB System
 State Employees - Schedule of OPEB Amounts by Employer
 June 30, 2020 Measurement Date

Schedule B

<i>Participating Employer</i>	FY 2020 Contributions	Proportionate Share	Net OPEB Liability Beginning of Year	OPEB Expense			Ending Net OPEB Liability
				Proportionate Share of OPEB Plan Expense	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total OPEB Expense	
State of Rhode Island	\$ 45,323,322	89.91363781%	\$ 391,135,384	\$ 15,736,873	\$ 451,640	\$ 16,188,513	\$ 324,502,113
University of Rhode Island	2,567,074	5.09263162%	23,020,969	891,323	(367,626)	523,697	18,379,522
Rhode Island College	894,889	1.77530598%	8,080,002	310,718	(119,794)	190,924	6,407,154
Community College of Rhode Island	704,757	1.39811642%	6,164,690	244,701	(26,847)	217,854	5,045,861
Lottery	477,616	0.94750704%	3,990,381	165,835	140,738	306,573	3,419,593
Division of Higher Education Assistance	4,911	0.00974270%	70,746	1,705	(42,306)	(40,601)	35,162
Narragansett Bay Commission	391,357	0.77638524%	3,608,513	135,885	(28,807)	107,078	2,802,007
Rhode Island Commerce Corporation	6,755	0.01340135%	58,256	2,346	252	2,598	48,366
Rhode Island Airport Corporation	36,935	0.07327184%	347,662	12,824	(7,250)	5,574	264,441
	\$ 50,407,617	100.00000000%	\$ 436,476,603	\$ 17,502,210	\$ -	\$ 17,502,210	\$ 360,904,219

See notes to schedules.

State Employees' and Electing Teachers OPEB System
State Employees - Schedule of OPEB Amounts by Employer
June 30, 2020 Measurement Date

Schedule B

Collective Deferred Outflows for Plan as a Whole Unrecognized Current Year Deferred Outflow of Resources					
<i>Participating Employer</i>	Differences Between Expected and Actual Experience	Changes of Assumptions	Net Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources
State of Rhode Island	\$ -	\$ 14,817,815	\$ -	\$ 2,527,106	\$ 17,344,921
University of Rhode Island	-	839,268	-	-	839,268
Rhode Island College	-	292,571	-	-	292,571
Community College of Rhode Island	-	230,410	-	76,913	307,323
Lottery	-	156,150	-	774,022	930,172
Division of Higher Education Assistance	-	1,606	-	206,494	208,100
Narragansett Bay Commission	-	127,949	-	30,747	158,696
Rhode Island Commerce Corporation	-	2,209	-	1,707	3,916
Rhode Island Airport Corporation	-	12,075	-	3,238	15,313
	\$ -	\$ 16,480,053	\$ -	\$ 3,620,227	\$ 20,100,280

See notes to schedules.

State Employees' and Electing Teachers OPEB System
 State Employees - Schedule of OPEB Amounts by Employer
 June 30, 2020 Measurement Date

Schedule B

Collective Deferred Inflows for Plan as a Whole Unrecognized Current Year Deferred Inflow of Resources						
<i>Participating Employer</i>	Differences Between Expected and Actual Experience	Changes of Assumptions	Net Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Total Deferred (Inflows) and Outflows of Resources
State of Rhode Island	\$ 65,996,739	\$ 19,626,594	\$ 13,855,031	\$ -	\$ 99,478,364	\$ (82,133,443)
University of Rhode Island	3,737,999	1,111,634	784,737	2,000,768	7,635,138	(6,795,870)
Rhode Island College	1,303,077	387,519	273,562	659,220	2,623,378	(2,330,807)
Community College of Rhode Island	1,026,219	305,185	215,439	198,010	1,744,853	(1,437,530)
Lottery	695,472	206,824	146,004	-	1,048,300	(118,128)
Division of Higher Education Assistance	7,151	2,127	1,501	492,785	503,564	(295,464)
Narragansett Bay Commission	569,868	169,471	119,635	220,842	1,079,816	(921,120)
Rhode Island Commerce Corporation	9,837	2,925	2,065	673	15,500	(11,584)
Rhode Island Airport Corporation	53,782	15,994	11,291	47,929	128,996	(113,683)
	\$ 73,400,144	\$ 21,828,273	\$ 15,409,265	\$ 3,620,227	\$ 114,257,909	\$ (94,157,629)

See notes to schedules.

State Employees' and Electing Teachers OPEB System
State Employees - Schedule of OPEB Amounts by Employer
June 30, 2020 Measurement Date

Schedule B

<i>Participating Employer</i>	Collective Deferred Outflows for Plan as a Whole Recognition of Existing Deferred Outflows (Inflows) of Resources for Future Years Ending June 30					
	2021	2022	2023	2024	2025	Thereafter
State of Rhode Island	\$ (16,620,305)	\$ (15,189,286)	\$ (14,145,755)	\$ (12,886,475)	\$ (11,544,583)	\$ (11,747,041)
University of Rhode Island	(1,334,566)	(1,253,515)	(1,194,410)	(1,123,085)	(967,185)	(923,108)
Rhode Island College	(456,872)	(428,617)	(408,013)	(383,149)	(327,717)	(326,437)
Community College of Rhode Island	(292,308)	(270,056)	(253,830)	(234,249)	(190,925)	(196,163)
Lottery	(39,166)	(24,086)	(13,089)	181	7,023	(48,992)
Division of Higher Education Assistance	(44,156)	(44,001)	(43,888)	(43,751)	(75,318)	(44,351)
Narragansett Bay Commission	(176,220)	(163,863)	(154,852)	(143,979)	(130,464)	(151,743)
Rhode Island Commerce Corporation	(2,293)	(2,079)	(1,924)	(1,736)	(1,750)	(1,802)
Rhode Island Airport Corporation	(21,162)	(19,996)	(19,146)	(18,119)	(17,454)	(17,805)
	\$ (18,987,047)	\$ (17,395,499)	\$ (16,234,906)	\$ (14,834,362)	\$ (13,248,374)	\$ (13,457,441)

See notes to schedules.

State Employees' and Electing Teachers OPEB System
 State Employees - Schedule of OPEB Amounts by Employer
 June 30, 2020 Measurement Date

Schedule B

<i>Participating Employer</i>	Discount Rate Sensitivity			Health Care Trend Rate Sensitivity		
	Ending Net OPEB Liability			Ending Net OPEB Liability		
	1% Lower 4.00%	5.00%	1% Higher 6.00%	1% Lower	Baseline	1% Higher
State of Rhode Island	\$ 400,728,624	\$ 324,502,113	\$ 261,370,483	\$ 246,863,374	\$ 324,502,113	\$ 421,941,430
University of Rhode Island	22,696,927	18,379,522	14,803,801	13,982,131	18,379,522	23,898,402
Rhode Island College	7,912,214	6,407,154	5,160,647	4,874,211	6,407,154	8,331,052
Community College of Rhode Island	6,231,149	5,045,861	4,064,193	3,838,614	5,045,861	6,560,999
Lottery	4,222,865	3,419,593	2,754,314	2,601,438	3,419,593	4,446,405
Division of Higher Education Assistance	43,421	35,162	28,321	26,749	35,162	45,720
Narragansett Bay Commission	3,460,207	2,802,007	2,256,879	2,131,613	2,802,007	3,643,375
Rhode Island Commerce Corporation	59,727	48,366	38,956	36,794	48,366	62,889
Rhode Island Airport Corporation	326,559	264,441	212,994	201,172	264,441	343,846
	\$ 445,681,693	\$ 360,904,219	\$ 290,690,588	\$ 274,556,096	\$ 360,904,219	\$ 469,274,118

See notes to schedules.

State Employees' OPEB Cost-Sharing Plan

NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS AND OPEB AMOUNTS BY EMPLOYER

June 30, 2020 Measurement Date

1. Plan Description and Governance

The State Employees' and Electing Teachers OPEB System of Rhode Island (the System) acts as a common investment and administrative agent for OPEB benefits to be provided through various defined benefit OPEB plans. The System is administered by the trustees of the System which was authorized, created and established as an independent OPEB board to hold and administer, in trust, the funds of the OPEB 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 State Employees' Plan (the Plan) was established and placed under the management of the System for the purpose of providing OPEB benefits for employees of the State of Rhode Island under the provisions of chapters 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). Membership in the plan is mandatory for all covered State employees.

Certain employees of the 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. These employer contribution amounts are the basis for allocating the OPEB amounts to each employer.

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

3. Schedules of OPEB Amounts by Employer

The Schedules of OPEB 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. 74, 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 Schedule of Employer Allocations to apportion each employer's amounts for the cost-sharing plan. The allocation of OPEB expense also includes any changes in proportion between years which are reflected as deferred outflows/inflows and recognized over the remaining service lives of the members.

The Schedules of OPEB Amounts by Employer include the sensitivity of the net OPEB liability to changes in the discount rate as well as the sensitivity of the net OPEB obligation to changes in the healthcare cost trend rate. The following presents the net OPEB liability of the employers calculated using the discount rate of 5.0 percent, as well as what the employers' net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate. Additionally, the following presents the net OPEB liability of the employers calculated using the baseline health care trend rate, as well as what the employers' net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the baseline rate.

State Employees' OPEB Cost-Sharing Plan

NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS AND OPEB AMOUNTS BY EMPLOYER June 30, 2020 Measurement Date

3. Schedules of OPEB Amounts by Employer (continued)

Net OPEB Liability – Sensitivity Analyses

Discount Rate Sensitivity

	Current Discount		
	1.00% Decrease	Rate	1.00% Increase
	4.00%	5.00%	6.00%
State Employees' Plan	\$ 445,681,693	\$ 360,904,219	\$ 290,690,588

Healthcare Rate Sensitivity

	1.00% Lower	Baseline	1.00% Higher
		4.00%	5.00%
State Employees' Plan	\$ 274,556,096	\$ 360,904,219	\$ 469,274,118

4. Relationship to the Plan Financial Statements

The components associated with OPEB expense and deferred outflows and inflows of resources have been determined based on the net increase in fiduciary net position as reflected for the State Employees Plan in the System's financial statements and consistent with the requirements of GASB Statements No. 74 and 75.

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. Employer 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 OPEB Liability

The components of the net OPEB liability of the employers participating in the State Employees' OPEB Plan at June 30, 2020 were as follows:

Fiscal Year Ended June 30, 2020	<u>State Employees Plan</u>
Total OPEB Liability	\$ 627,809,371
Plan Fiduciary Net Position	266,905,152
Employers' Net OPEB Liability	\$ 360,904,219
Plan Fiduciary Net Position as a percentage of the total OPEB liability	42.51%

State Employees' OPEB Cost-Sharing Plan

NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS AND OPEB AMOUNTS BY EMPLOYER *June 30, 2020 Measurement Date*

7. Actuarial methods and assumptions

The total OPEB 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.

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

Amortization Method - Level Percent of Payroll – Closed

State Employees - Equivalent Single Remaining Amortization Period - 17 years at June 30, 2019

Investment Rate of Return - 5.00%

Projected Salary Increases – state employees - 3.00% to 6.00%

Mortality – state employees:

Male Employees: RP-2014 Combined Healthy for Males with Blue Collar adjustment, projected with MP 2016 ultimate rates.

Female Employees: RP-2014 Combined Healthy for Females, projected with MP 2016 ultimate rates.

Inflation - 2.5%

Rates of separation from service range from 16% in the first year of employment to 0% after 25 years.

State employee rates of retirement are based on pension eligibility.

The health care trend rates used in the valuation ranged from 8.25% in fiscal 2020 and then decreasing annually to 3.5% in fiscal year 2033 and later.

7. Actuarial methods and assumptions (continued)

The long-term expected rate of return best-estimate on OPEB 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 OPEB plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 39 nationally recognized investment consulting firms. 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 OPEB liability of the State Employees' OPEB Plan was 5.0 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 OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

State Employees' OPEB Cost-Sharing Plan

NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS AND OPEB AMOUNTS BY EMPLOYER *June 30, 2020 Measurement Date*

9. Deferred Outflows and Inflows of Resources

Consistent with the requirements of GASB Statement No. 75, differences between expected and actual experience and changes in assumptions are recognized in OPEB 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 OPEB benefits through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

Differences between projected and actual earnings on OPEB plan investments are to be recognized in OPEB 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 5.0%.

Changes in proportion between the June 30, 2019 and June 30, 2020 measurement dates are also recognized in OPEB expense using the expected remaining service lives of plan members.

The average of the expected remaining service lives for purposes of recognizing the applicable deferred inflows/outflows of resources established in fiscal 2020 is 7.5208 years.

DRAFT - 08.11.2021