

**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, 2017 Measurement Date
(for Fiscal 2018 Employer Reporting)



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



Office of the Auditor General

State of Rhode Island and Providence Plantations - General Assembly

Dennis E. Hoyle, CPA - Auditor General

oag.ri.gov

33 Broad Street • Suite 201 • Providence, RI • 02903-4177
tel: 401.222.2435 • fax: 401.222.2111

September 26, 2018

JOINT COMMITTEE ON LEGISLATIVE SERVICES:

SPEAKER Nicholas A. Mattiello, Chairman

Senator Dominick J. Ruggerio

Senator Dennis L. Algieri

Representative K. Joseph Shekarchi

Representative Patricia L. Morgan

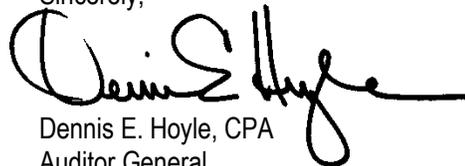
We have completed our audit of the Schedules of Employer Allocations and Schedules of Pension Amounts by Employer for the Employees' Retirement System (ERS) Cost-Sharing Plan of the State of Rhode Island for the fiscal year ended June 30, 2017.

These Schedules will be used by employers participating in the ERS cost-sharing defined benefit plan to meet their fiscal 2018 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 Benefits 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, 2017 Measurement Date

TABLE OF CONTENTS

	<u>PAGE</u>
I. INTRODUCTION	1
II. INDEPENDENT AUDITOR'S REPORT	2
III. Schedule A - SCHEDULE OF EMPLOYER ALLOCATIONS – STATE EMPLOYEES	4
IV. Schedule B - SCHEDULE OF EMPLOYER AND OTHER NONEMPLOYER ENTITY ALLOCATIONS – TEACHERS	5
V. Schedule C - SCHEDULE OF PENSION AMOUNTS BY EMPLOYER - STATE EMPLOYEES	6
VI. Schedule D - SCHEDULE OF PENSION AMOUNTS BY EMPLOYER – TEACHERS	11
VII. NOTES TO SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS BY EMPLOYER	21

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, 2017 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 employer 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, 2017 – the information included herein is intended for use in Fiscal 2018 financial reporting by employers participating in the ERS cost-sharing plan. These include the State of Rhode Island, certain component units of the State of Rhode Island and municipalities, regional school districts, and collaboratives that have teachers participating in the plan.

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



Office of the Auditor General

State of Rhode Island and Providence Plantations - General Assembly
Dennis E. Hoyle, CPA - Auditor General

oag.ri.gov

33 Broad Street • Suite 201 • Providence, RI • 02903-4177
tel: 401.222.2435 • fax: 401.222.2111

INDEPENDENT AUDITOR'S REPORT

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

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

Report on Schedules

We have audited the accompanying Schedules of Employer Allocations (state employees and teachers and other nonemployer entity) of the Employees' Retirement System Plan (the Plan) as of and for the year ended June 30, 2017, and the related notes. We have also audited the total for all entities of the columns titled ending net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense (specified column totals) included in the accompanying Schedules of Pension Amounts by Employer of the Plan (state employees and teachers) as of and for the year ended June 30, 2017, and the related notes.

Management's Responsibility for the Schedules

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

Auditor's Responsibility

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

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

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

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

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

Opinions

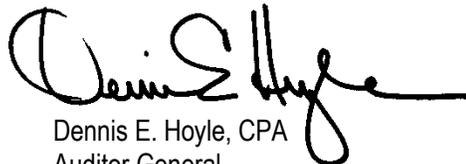
In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations for state employees and teachers and other nonemployer entity, ending net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the total of all participating state employee and teacher entities for the Employees' Retirement System Plan as of and for the year ended June 30, 2017, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Employees' Retirement System Plan within the Employees' Retirement System of the State of Rhode Island as of and for the year ended June 30, 2017, and our report thereon, dated December 20, 2017 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 24, 2018

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 2017 employer contribution	
	Amount	%
State of Rhode Island	\$ 156,655,705	89.18728281%
University of Rhode Island	9,903,769	5.63841717%
Rhode Island College	3,417,207	1.94548549%
Community College of RI	2,529,226	1.43993986%
Lottery	1,314,116	0.74815308%
Division of Higher Education Assistance	128,356	0.07307560%
Narragansett Bay Commission	1,509,489	0.85938292%
RI Commerce Corporation	23,785	0.01354117%
RI Airport Corporation	166,377	0.09472189%
Total	\$ 175,648,030	100.00000000%

See notes to schedules.

EMPLOYEES' RETIREMENT SYSTEM COST SHARING PLAN

Schedules of Employer and Other Nonemployer Entity Allocations - Teachers

Employer Unit	Employer Contributions at shared rate	Federally Funded 100% local contributions	Fiscal 2017 total actual contributions	Adjustment - if all contributions at shared rate	Adjusted total - equivalent contributions all at shared rate	Percent
State of Rhode Island			\$ 96,542,150	\$ 4,116,926	\$ 100,659,076	43.04824581%
School District or Charter School						
Barrington	\$ 3,209,758	\$ 56,465	\$ 3,266,223	\$ (24,290)	\$ 3,241,933	1.38645754%
Bristol/Warren	2,952,571	195,069	3,147,640	(83,914)	3,063,726	1.31024464%
Burrillville	1,832,193	129,040	1,961,232	(55,731)	1,905,501	0.81491404%
Central Falls	2,377,762	221,127	2,598,889	(95,124)	2,503,765	1.07076965%
Chariho	3,296,058	170,064	3,466,122	(73,158)	3,392,964	1.45104799%
Coventry	4,723,007	225,784	4,948,791	(97,127)	4,851,664	2.07488106%
Cranston	10,119,695	732,465	10,852,160	(315,090)	10,537,070	4.50632384%
Cumberland	4,006,625	185,890	4,192,515	(79,966)	4,112,549	1.75878849%
East Greenwich	2,192,607	55,674	2,248,280	(24,045)	2,224,235	0.95122501%
East Providence	4,515,281	543,264	5,058,545	(233,700)	4,824,845	2.06341165%
Exeter-West Greenwich	1,809,888	80,303	1,890,191	(34,545)	1,855,646	0.79359275%
Foster	221,873	17,897	239,770	(7,699)	232,071	0.09924856%
Foster-Glocester	1,169,271	26,392	1,195,663	(11,353)	1,184,309	0.50648631%
Glocester	537,150	16,861	554,011	(7,253)	546,758	0.23382855%
Jamestown	510,048	44,459	554,507	(19,125)	535,382	0.22896342%
Johnston	3,060,760	187,106	3,247,865	(80,489)	3,167,376	1.35457235%
Lincoln	3,226,075	200,580	3,426,655	(86,285)	3,340,370	1.42855533%
Little Compton	299,704	-	299,704	-	299,704	0.12817260%
Middletown	2,303,210	119,842	2,423,051	(51,553)	2,371,498	1.01420390%
Narragansett	1,580,398	61,882	1,642,280	(26,620)	1,615,659	0.69095908%
New Shoreham	251,125	-	251,125	-	251,125	0.10739696%
Newport	2,291,803	254,796	2,546,600	(109,608)	2,436,992	1.04221341%
North Kingstown	3,794,399	184,775	3,979,174	(79,486)	3,899,688	1.66775558%
North Providence	3,122,089	285,201	3,407,290	(122,687)	3,284,603	1.40470594%
North Smithfield	1,490,727	24,426	1,515,153	(10,549)	1,504,603	0.64346444%
Northern RI Collaborative	326,155	-	326,155	-	326,155	0.13948457%
Pawtucket	7,153,857	1,047,921	8,201,778	(450,792)	7,750,986	3.31481655%
Portsmouth	2,273,897	79,545	2,353,442	(34,219)	2,319,223	0.99184793%
Providence	19,777,435	2,110,512	21,887,947	(907,894)	20,980,053	8.97240977%
Scituate	1,449,267	42,624	1,491,891	(18,336)	1,473,555	0.63018617%
Smithfield	2,368,132	126,825	2,494,957	(54,557)	2,440,400	1.04367064%
South Kingstown	3,554,090	143,998	3,698,089	(61,945)	3,636,144	1.55504725%
Tiverton	1,637,866	40,573	1,678,439	(17,454)	1,660,985	0.71034337%
Urban Collaborative	132,402	-	132,402	-	132,402	0.05662343%
Warwick	9,597,702	655,357	10,253,059	(281,920)	9,971,139	4.26429554%
West Bay Collaborative	158,980	-	158,980	-	158,980	0.06799006%
West Warwick	3,660,872	308,758	3,969,629	(132,821)	3,836,809	1.64086440%
Westerly	3,215,128	74,995	3,290,123	(32,261)	3,257,862	1.39326970%
Woonsocket	4,349,784	619,757	4,969,541	(266,606)	4,702,936	2.01127554%
Highlander Charter School	341,607	12,365	353,972	(5,319)	348,653	0.14910627%
Paul Cuffee Charter School	612,583	99,730	712,314	(42,902)	669,412	0.28628326%
Kingston Hill Charter School	116,046	-	116,046	-	116,046	0.04962860%
International Charter School	301,873	23,005	324,878	(9,896)	314,981	0.13470618%
Compass School Charter School	133,675	-	133,675	-	133,675	0.05716798%
Blackstone Academy Charter School	178,384	19,760	198,144	(8,500)	189,644	0.08110382%
Beacon Charter School	252,459	-	252,459	-	252,459	0.10796738%
Learning Community Charter School	364,938	61,166	426,104	(26,312)	399,792	0.17097642%
Segue Institute Charter School	149,512	-	149,512	-	149,512	0.06394102%
Greene Charter School	134,521	5,788	140,309	(2,490)	137,819	0.05894014%
Trinity Academy Charter School	139,550	18,877	158,426	(8,120)	150,306	0.06428039%
RI Nurses Charter School	183,541	21,490	205,031	(9,244)	195,786	0.08373065%
Village Green Charter School	131,773	27,550	159,323	(11,851)	147,472	0.06306840%
Sheila Nowell Charter School	88,715	9,509	98,224	(4,091)	94,133	0.04025748%
South Side Charter School	38,086	-	38,086	-	38,086	0.01628819%
	\$ 127,716,902	\$ 9,569,468.08	\$ 137,286,370	\$ (4,116,926)	\$ 133,169,444	56.95175419%
			\$ 233,828,520		\$ 233,828,520	100.00000000%

See notes to schedules.

Employees' Retirement System Cost-Sharing Plan
 State Employees - Schedule of Pension Amounts by Employer
 June 30, 2017 Measurement Date

Schedule C

Participating Employer	Beginning Net Pension Liability	Pension Expense			Ending Net Pension Liability
		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	\$1,887,352,307	\$ 182,205,959	\$ 787,245	\$ 182,993,204	\$ 2,010,955,153
University of Rhode Island	123,019,953	11,519,055	54,344	11,573,399	127,132,520
Rhode Island College	42,473,879	3,974,547	(211,117)	3,763,430	43,865,941
Community College of RI	30,765,998	2,941,738	(127,335)	2,814,403	32,467,123
Lottery	16,260,566	1,528,446	4,488	1,532,934	16,869,023
Division of Higher Education Assistance	1,966,284	149,290	(382,136)	(232,846)	1,647,676
Narragansett Bay Commission	18,292,401	1,755,684	(50,045)	1,705,639	19,376,984
RI Commerce Corporation	293,614	27,664	(7,049)	20,615	305,320
RI Airport Corporation	1,837,969	193,513	(68,395)	125,118	2,135,747
	\$2,122,262,971	\$ 204,295,896	\$ -	\$ 204,295,896	\$ 2,254,755,487

Employees' Retirement System Cost-Sharing Plan
 State Employees - Schedule of Pension Amounts by Employer
 June 30, 2017 Measurement Date

Schedule C

Deferred Outflows of Resources					
Participating Employer	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	\$ -	\$ 169,503,480	\$ 141,424,198	\$ 4,211,744	\$ 315,139,422
University of Rhode Island	-	10,716,005	8,940,833	1,748,173	21,405,011
Rhode Island College	-	3,697,462	3,084,955	28,906	6,811,323
Community College of RI	-	2,736,655	2,283,311	-	5,019,966
Lottery	-	1,421,891	1,186,346	177,891	2,786,128
Division of Higher Education Assistance	-	138,883	115,876	-	254,759
Narragansett Bay Commission	-	1,633,287	1,362,723	111,557	3,107,567
RI Commerce Corporation	-	25,735	21,472	2,368	49,575
RI Airport Corporation	-	180,022	150,200	143,842	474,064
	\$ -	\$ 190,053,420	\$ 158,569,914	\$ 6,424,481	\$ 355,047,815

Employees' Retirement System Cost-Sharing Plan
 State Employees - Schedule of Pension Amounts by Employer
 June 30, 2017 Measurement Date

Schedule C

Deferred Inflows of Resources					
Participating Employer	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	\$ 41,021,456	\$ 5,466,383	\$ 96,235,553	\$ 540,927	\$ 143,264,319
University of Rhode Island	2,593,375	345,585	6,084,009	2,601,492	11,624,461
Rhode Island College	894,821	119,241	2,099,233	935,444	4,048,739
Community College of RI	662,297	88,255	1,553,735	389,364	2,693,651
Lottery	344,111	45,855	807,278	296,560	1,493,804
Division of Higher Education Assistance	33,611	4,479	78,851	1,138,580	1,255,521
Narragansett Bay Commission	395,271	52,672	927,298	198,957	1,574,198
RI Commerce Corporation	6,228	830	14,611	18,242	39,911
RI Airport Corporation	43,567	5,806	102,208	304,915	456,496
	\$ 45,994,737	\$ 6,129,106	\$ 107,902,776	\$ 6,424,481	\$ 166,451,100

Employees' Retirement System Cost-Sharing Plan
 State Employees - Schedule of Pension Amounts by Employer
 June 30, 2017 Measurement Date

Schedule C

Participating Employer	Collective Net Deferred Outflows (Inflows) for Plan as a Whole					
	2019	2020	2021	2022	2023	Thereafter
State of Rhode Island	\$ 29,878,043	\$ 62,763,491	\$ 48,025,455	\$ 23,929,547	\$ 7,278,565	\$ -
University of Rhode Island	1,893,463	3,971,932	2,751,884	826,807	336,463	-
Rhode Island College	423,455	1,140,761	802,885	280,289	115,194	-
Community College of RI	342,340	873,347	671,178	331,773	107,678	-
Lottery	248,518	524,273	351,447	121,340	46,745	-
Division of Higher Education Assistance	(358,300)	(331,188)	(244,997)	(58,210)	(8,066)	-
Narragansett Bay Commission	230,266	547,317	478,351	210,855	66,580	-
RI Commerce Corporation	(2,632)	2,374	6,726	2,324	873	-
RI Airport Corporation	(37,499)	(2,587)	(11,907)	56,273	13,289	-
	<u>\$ 32,617,654</u>	<u>\$ 69,489,720</u>	<u>\$ 52,831,022</u>	<u>\$ 25,700,998</u>	<u>\$ 7,957,321</u>	<u>\$ -</u>

Employees' Retirement System Cost-Sharing Plan
 State Employees - Schedule of Pension Amounts by Employer
 June 30, 2017 Measurement Date

Schedule C

Participating Employer	Net Pension Liability 1% Decrease (6.0% Discount Rate)	Net Pension Liability (7.0% Discount Rate)	Net Pension Liability 1% Increase (8.0% Discount Rate)
State of Rhode Island	\$ 2,504,147,422	\$ 2,010,955,153	\$ 1,643,601,512
University of Rhode Island	158,312,120	127,132,520	103,908,435
Rhode Island College	54,624,183	43,865,941	35,852,678
Community College of RI	40,429,774	32,467,123	26,536,152
Lottery	21,006,197	16,869,023	13,787,454
Division of Higher Education Assistance	2,051,773	1,647,676	1,346,685
Narragansett Bay Commission	24,129,242	19,376,984	15,837,270
RI Commerce Corporation	380,201	305,320	249,546
RI Airport Corporation	2,659,545	2,135,747	1,745,597
	\$ 2,807,740,457	\$ 2,254,755,487	\$ 1,842,865,329

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2017 Measurement Date

Schedule D

Participating Employer	Pension Expense				Ending Net Pension Liability
	Beginning Net Pension Liability	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	\$ 1,212,754,055	\$ 120,576,708	\$ 9,178,162	\$ 129,754,870	\$ 1,357,576,963
Barrington	44,142,844	3,883,999	14,763	3,898,762	43,730,070
Bristol/Warren	41,140,174	3,670,498	(247,217)	3,423,281	41,326,250
Burrillville	24,908,450	2,282,887	(392,797)	1,890,090	25,703,094
Central Falls	34,792,048	2,999,636	(10,531)	2,989,105	33,773,001
Chariho	46,970,949	4,064,942	(342,818)	3,722,124	45,767,309
Coventry	65,393,587	5,812,537	(522,505)	5,290,032	65,443,544
Cranston	138,136,783	12,623,941	36,557	12,660,498	142,133,353
Cumberland	54,740,242	4,927,041	365,579	5,292,620	55,473,711
East Greenwich	30,861,308	2,664,746	(106,958)	2,557,788	30,002,460
East Providence	61,441,400	5,780,407	576,727	6,357,134	65,081,789
Exeter-West Greenwich	24,718,508	2,223,158	(643,346)	1,579,812	25,030,602
Foster	3,034,934	278,033	(99,606)	178,427	3,130,385
Foster-Glocester	15,775,667	1,418,862	(94,150)	1,324,712	15,975,017
Glocester	7,120,328	655,043	25,249	680,292	7,375,155
Jamestown	7,521,134	641,414	(186,603)	454,811	7,221,704
Johnston	42,089,055	3,794,677	223,935	4,018,612	42,724,384
Lincoln	45,568,936	4,001,931	(773,847)	3,228,084	45,057,871
Little Compton	4,028,856	359,061	(220,263)	138,798	4,042,675
Middletown	31,249,839	2,841,174	(266,460)	2,574,714	31,988,869
Narragansett	22,245,559	1,935,641	(112,113)	1,823,528	21,793,447
New Shoreham	3,412,971	300,860	(51,547)	249,313	3,387,393
Newport	28,335,774	2,919,639	70,318	2,989,957	32,872,313
North Kingstown	52,412,244	4,672,023	(178,301)	4,493,722	52,602,454
North Providence	43,597,532	3,935,120	685,531	4,620,651	44,305,641
North Smithfield	20,668,314	1,802,591	(221,794)	1,580,797	20,295,425
Northern RI Collaborative	3,811,992	390,750	(74,638)	316,112	4,399,464
Pawtucket	101,708,548	9,286,072	43,586	9,329,658	104,552,182

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2017 Measurement Date

Schedule D

Participating Employer	Pension Expense			Total	Ending Net Pension Liability
	Beginning Net Pension Liability	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		
Portsmouth	31,826,498	2,778,546	(686,856)	2,091,690	31,283,742
Providence	282,125,630	25,135,160	(1,935,311)	23,199,849	282,997,567
Scituate	20,313,123	1,765,393	(453,550)	1,311,843	19,876,617
Smithfield	32,561,955	2,923,722	374,798	3,298,520	32,918,275
South Kingstown	49,461,027	4,356,284	(310,069)	4,046,215	49,047,536
Tiverton	23,853,486	1,989,944	95,920	2,085,864	22,404,844
Urban Collaborative	1,881,013	158,624	(12,423)	146,201	1,785,952
Warwick	140,460,773	11,945,927	(2,811,603)	9,134,324	134,499,571
West Bay Collaborative	2,037,400	190,466	69,311	259,777	2,144,465
West Warwick	33,324,429	4,011,182	(65,589)	3,945,593	45,162,030
Westerly	45,085,674	3,903,083	(771,693)	3,131,390	43,944,932
Woonsocket	64,654,823	5,634,354	(585,209)	5,049,145	63,437,371
Highlander Charter School	4,574,718	417,704	97,121	514,825	4,702,941
Paul Cuffee Charter School	9,550,853	801,989	(187,377)	614,612	9,029,622
Kingston Hill Charter School	1,718,670	139,029	(12,730)	126,299	1,565,329
International Charter School	3,195,323	377,364	41,229	418,593	4,248,749
Compass School Charter School	1,469,119	160,149	8,206	168,355	1,803,128
Blackstone Academy Charter School	2,256,052	227,203	153,627	380,830	2,558,085
Beacon Charter School	3,118,569	302,458	186,401	488,859	3,405,384
Learning Community Charter School	5,819,057	478,971	(123,852)	355,119	5,392,744
Segue Institute Charter School	2,105,955	179,123	(43,233)	135,890	2,016,755
Greene Charter School	1,923,835	165,114	6,795	171,909	1,859,023
Trinity Academy Charter School	1,918,031	180,074	42,450	222,524	2,027,459
RI Nurses Charter School	2,348,745	234,562	80,666	315,228	2,640,937
Village Green Charter School	1,742,099	176,679	105,250	281,929	1,989,232
Sheila Nowell Charter School	1,271,727	112,777	728	113,505	1,269,756
South Side Charter School	396,911	45,629	62,080	107,709	513,744
	\$ 2,983,577,526	\$ 279,534,901	\$ -	\$ 279,534,901	\$ 3,147,292,315

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2017 Measurement Date

Schedule D

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
State of Rhode Island	\$ -	\$ 118,564,788	\$ 105,042,235	\$ 59,040,146	\$ 282,647,169
Barrington	-	3,819,192	3,383,605	1,728,083	8,930,880
Bristol/Warren	-	3,609,253	3,197,610	252,090	7,058,953
Burrillville	-	2,244,795	1,988,772	160,874	4,394,441
Central Falls	-	2,949,585	2,613,179	1,638,793	7,201,557
Chariho	-	3,997,115	3,541,236	2,344,601	9,882,952
Coventry	-	5,715,551	5,063,681	135,071	10,914,303
Cranston	-	12,413,301	10,997,539	2,446,816	25,857,656
Cumberland	-	4,844,829	4,292,267	3,234,744	12,371,840
East Greenwich	-	2,620,283	2,321,434	1,334,586	6,276,303
East Providence	-	5,683,957	5,035,690	2,912,482	13,632,129
Exeter-West Greenwich	-	2,186,062	1,936,738	-	4,122,800
Foster	-	273,394	242,213	-	515,607
Foster-Glocester	-	1,395,188	1,236,064	77,895	2,709,147
Glocester	-	644,114	570,651	305,862	1,520,627
Jamestown	-	630,712	558,778	-	1,189,490
Johnston	-	3,731,359	3,305,790	2,027,020	9,064,169
Lincoln	-	3,935,156	3,486,343	-	7,421,499
Little Compton	-	353,069	312,801	217,420	883,290
Middletown	-	2,793,767	2,475,132	411,896	5,680,795
Narragansett	-	1,903,344	1,686,263	573,904	4,163,511
New Shoreham	-	295,840	262,099	-	557,939
Newport	-	2,870,923	2,543,488	2,434,309	7,848,720
North Kingstown	-	4,594,067	4,070,104	1,349,334	10,013,505
North Providence	-	3,869,459	3,428,140	3,978,552	11,276,151
North Smithfield	-	1,772,513	1,570,354	161,264	3,504,131
Northern RI Collaborative	-	384,230	340,408	462,987	1,187,625
Pawtucket	-	9,131,127	8,089,703	1,669,611	18,890,441

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2017 Measurement Date

Schedule D

Participating Employer	Deferred Outflows of Resources				Total Deferred Outflows
	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	
Portsmouth	-	2,732,184	2,420,573	190,638	5,343,395
Providence	-	24,715,760	21,896,878	-	46,612,638
Scituate	-	1,735,936	1,537,949	-	3,273,885
Smithfield	-	2,874,937	2,547,045	2,513,481	7,935,463
South Kingstown	-	4,283,596	3,795,043	717,160	8,795,799
Tiverton	-	1,956,740	1,733,570	2,000,507	5,690,817
Urban Collaborative	-	155,977	138,188	103,539	397,704
Warwick	-	11,746,600	10,406,876	-	22,153,476
West Bay Collaborative	-	187,288	165,928	325,131	678,347
West Warwick	-	3,944,253	3,494,403	11,040,760	18,479,416
Westerly	-	3,837,957	3,400,230	-	7,238,187
Woonsocket	-	5,540,340	4,908,453	576,990	11,025,783
Highlander Charter School	-	410,734	363,889	543,859	1,318,482
Paul Cuffee Charter School	-	788,607	698,665	156,332	1,643,604
Kingston Hill Charter School	-	136,709	121,117	85,628	343,454
International Charter School	-	371,067	328,746	698,349	1,398,162
Compass School Charter School	-	157,477	139,517	231,813	528,807
Blackstone Academy Charter School	-	223,412	197,931	803,020	1,224,363
Beacon Charter School	-	297,411	263,491	925,024	1,485,926
Learning Community Charter School	-	470,979	417,262	-	888,241
Segue Institute Charter School	-	176,134	156,046	17,188	349,368
Greene Charter School	-	162,359	143,842	182,312	488,513
Trinity Academy Charter School	-	177,069	156,874	228,508	562,451
RI Nurses Charter School	-	230,648	204,342	399,227	834,217
Village Green Charter School	-	173,731	153,916	535,666	863,313
Sheila Nowell Charter School	-	110,895	98,247	54,427	263,569
South Side Charter School	-	44,868	39,751	310,181	394,800
	\$ -	\$ 274,870,641	\$ 243,521,089	\$ 111,538,080	\$ 629,929,810

**Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2017 Measurement Date**

Schedule D

Participating Employer	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	\$ 32,184,938	\$ 21,393,289	\$ 70,748,932	\$ 1,483,783	\$ 125,810,942
Barrington	1,036,737	689,117	2,278,954	2,214,121	6,218,929
Bristol/Warren	979,748	651,237	2,153,681	1,834,547	5,619,213
Burrillville	609,360	405,041	1,339,494	2,010,544	4,364,439
Central Falls	800,678	532,210	1,760,050	2,224,964	5,317,902
Charlho	1,085,035	721,221	2,385,123	4,966,951	9,158,330
Coventry	1,551,512	1,031,288	3,410,533	3,219,833	9,213,166
Cranston	3,369,646	2,239,799	7,407,155	2,694,938	15,711,538
Cumberland	1,315,150	874,179	2,890,964	1,723,726	6,804,019
East Greenwich	711,287	472,792	1,563,552	2,204,449	4,952,080
East Providence	1,542,935	1,025,587	3,391,680	-	5,960,202
Exeter-West Greenwich	593,416	394,443	1,304,448	3,122,222	5,414,529
Foster	74,214	49,330	163,137	485,218	771,899
Foster-Glocester	378,730	251,741	832,524	634,903	2,097,898
Glocester	174,847	116,221	384,350	239,556	914,974
Jamestown	171,210	113,803	376,353	999,244	1,660,610
Johnston	1,012,894	673,269	2,226,544	1,252,864	5,165,571
Lincoln	1,068,216	710,042	2,348,151	4,116,936	8,243,345
Little Compton	95,842	63,706	210,680	1,220,179	1,590,407
Middletown	758,380	504,095	1,667,072	1,755,730	4,685,277
Narragansett	516,671	343,431	1,135,746	1,463,545	3,459,393
New Shoreham	80,307	53,380	176,531	278,568	588,786
Newport	779,325	518,016	1,713,112	1,604,373	4,614,826
North Kingstown	1,247,080	828,932	2,741,331	2,553,233	7,370,576
North Providence	1,050,382	698,188	2,308,950	1,224,574	5,282,094
North Smithfield	481,157	319,824	1,057,678	1,465,619	3,324,278
Northern RI Collaborative	104,301	69,329	229,274	817,835	1,220,739
Pawtucket	2,478,685	1,647,579	5,448,645	1,778,163	11,353,072

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2017 Measurement Date

Schedule D

Participating Employer	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	741,664	492,983	1,630,325	3,738,605	6,603,577
Providence	6,709,203	4,459,599	14,748,170	11,728,578	37,645,550
Scituate	471,228	313,224	1,035,852	2,466,959	4,287,263
Smithfield	780,414	518,741	1,715,507	1,082,199	4,096,861
South Kingstown	1,162,801	772,912	2,556,069	2,693,937	7,185,719
Tiverton	531,166	353,065	1,167,609	2,156,174	4,208,014
Urban Collaborative	42,341	28,144	93,073	210,253	373,811
Warwick	3,188,667	2,119,503	7,009,327	15,896,049	28,213,546
West Bay Collaborative	50,840	33,793	111,757	4,015	200,405
West Warwick	1,070,685	711,683	2,353,579	10,278,784	14,414,731
Westerly	1,041,830	692,503	2,290,151	4,300,309	8,324,793
Woonsocket	1,503,950	999,674	3,305,983	4,116,868	9,926,475
Highlander Charter School	111,496	74,111	245,090	92,618	523,315
Paul Cuffee Charter School	214,071	142,293	470,571	1,196,340	2,023,275
Kingston Hill Charter School	37,110	24,667	81,576	194,928	338,281
International Charter School	100,728	66,954	221,420	356,413	745,515
Compass School Charter School	42,748	28,414	93,968	159,292	324,422
Blackstone Academy Charter School	60,646	40,311	133,312	-	234,269
Beacon Charter School	80,734	53,664	177,469	-	311,867
Learning Community Charter School	127,849	84,981	281,038	729,566	1,223,434
Segue Institute Charter School	47,812	31,781	105,101	270,109	454,803
Greene Charter School	44,073	29,295	96,881	165,868	336,117
Trinity Academy Charter School	48,066	31,950	105,659	41,262	226,937
RI Nurses Charter School	62,610	41,617	137,630	199	242,056
Village Green Charter School	47,160	31,347	103,667	-	182,174
Sheila Nowell Charter School	30,103	20,009	66,172	68,136	184,420
South Side Charter School	12,180	8,096	26,773	-	47,049
	\$ 74,614,858	\$ 49,596,403	\$ 164,018,373	\$ 111,538,080	\$ 399,767,714

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2017 Measurement Date

Schedule D

Participating Employer	Collective Net Deferred Outflows (Inflows) for Plan as a Whole					
	2019	2020	2021	2022	2023	Thereafter
State of Rhode Island	\$ 22,832,630	\$ 45,434,540	\$ 28,707,076	\$ 4,844,640	\$ 22,625,373	\$ 32,391,978
Barrington	454,599	1,182,648	643,825	(124,828)	306,355	249,351
Bristol/Warren	168,441	856,470	347,266	(379,135)	126,845	319,852
Burrillville	(134,276)	293,647	(23,055)	(474,844)	49,028	319,501
Central Falls	329,157	891,434	475,298	(118,338)	209,059	97,045
Chariho	117,508	879,475	315,550	(488,912)	(173,761)	74,761
Coventry	135,724	1,225,275	418,908	(731,407)	178,083	474,555
Cranston	1,466,130	3,832,467	2,081,162	(417,147)	1,441,364	1,742,141
Cumberland	923,532	1,847,098	1,163,575	188,501	860,584	584,531
East Greenwich	194,806	694,308	324,631	(202,729)	211,771	101,436
East Providence	1,231,318	2,314,846	1,512,936	368,979	1,118,314	1,125,533
Exeter-West Greenwich	(391,589)	25,138	(283,278)	(723,246)	(142,383)	223,628
Foster	(68,121)	(16,004)	(54,575)	(109,599)	(41,236)	33,241
Foster-Glocester	66,526	332,490	135,653	(145,144)	76,098	145,626
Glocester	99,428	222,215	131,341	1,707	61,037	89,924
Jamestown	(113,967)	6,265	(82,718)	(209,655)	(72,182)	1,138
Johnston	653,656	1,364,962	838,530	87,554	519,088	434,809
Lincoln	(320,656)	429,499	(125,684)	(917,676)	(124,007)	236,679
Little Compton	(179,602)	(112,297)	(162,109)	(233,168)	(55,302)	35,359
Middletown	55,283	587,857	193,704	(368,572)	168,358	358,888
Narragansett	107,085	469,918	201,388	(181,680)	32,799	74,608
New Shoreham	(17,477)	38,919	(2,819)	(62,360)	(5,884)	18,774
Newport	400,947	948,228	543,190	(34,614)	421,870	954,273
North Kingstown	350,773	1,226,536	578,392	(346,213)	395,608	437,834
North Providence	1,131,156	1,868,788	1,322,873	544,103	680,356	446,783
North Smithfield	(17,663)	320,229	70,158	(286,579)	10,682	83,026
Northern RI Collaborative	(30,388)	42,857	(11,351)	(88,682)	(51,359)	105,808
Pawtucket	1,095,169	2,835,828	1,547,582	(290,155)	1,052,064	1,296,882

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2017 Measurement Date

Schedule D

Participating Employer	Collective Net Deferred Outflows (Inflows) for Plan as a Whole					
	2019	2020	2021	2022	2023	Thereafter
Portsmouth	(372,205)	148,629	(236,836)	(786,717)	(147,885)	134,832
Providence	911,070	5,622,615	2,135,643	(2,838,668)	915,072	2,221,357
Scituate	(253,632)	77,289	(167,622)	(516,998)	(200,038)	47,623
Smithfield	705,889	1,253,936	848,331	269,720	455,987	304,739
South Kingstown	183,250	999,828	395,486	(466,634)	202,823	295,326
Tiverton	321,267	694,279	418,216	24,401	101,751	(77,112)
Urban Collaborative	5,540	35,274	13,268	(18,124)	(7,255)	(4,810)
Warwick	(1,458,810)	780,434	(876,811)	(3,240,939)	(1,180,798)	(83,146)
West Bay Collaborative	90,880	126,583	100,159	62,466	63,177	34,676
West Warwick	388,649	1,140,539	584,072	(209,751)	62,278	2,098,896
Westerly	(329,696)	401,930	(139,540)	(911,970)	(214,734)	107,401
Woonsocket	52,842	1,108,993	327,345	(787,708)	105,114	292,723
Highlander Charter School	144,423	222,721	164,773	82,109	118,535	62,607
Paul Cuffee Charter School	(96,557)	53,774	(57,485)	(216,200)	(50,406)	(12,795)
Kingston Hill Charter School	3,014	29,075	9,787	(17,727)	(5,006)	(13,971)
International Charter School	83,963	154,699	102,348	27,667	88,074	195,898
Compass School Charter School	26,342	56,362	34,144	2,450	21,933	63,154
Blackstone Academy Charter School	179,356	221,945	190,425	145,461	169,647	83,259
Beacon Charter School	220,652	277,348	235,388	175,531	181,723	83,420
Learning Community Charter School	(69,612)	20,170	(46,277)	(141,066)	(66,432)	(31,977)
Segue Institute Charter School	(22,949)	10,628	(14,222)	(49,671)	(25,560)	(3,662)
Greene Charter School	25,493	56,443	33,537	861	28,983	7,077
Trinity Academy Charter School	62,842	96,597	71,615	35,978	36,333	32,150
RI Nurses Charter School	107,228	151,197	118,656	72,236	75,238	67,605
Village Green Charter School	125,258	158,376	133,865	98,900	102,881	61,859
Sheila Nowell Charter School	13,499	34,639	18,994	(3,325)	6,683	8,659
South Side Charter School	67,247	75,800	69,470	60,440	49,815	24,978
	\$ 31,655,372	\$ 84,053,739	\$ 45,274,178	\$ (10,046,477)	\$ 30,766,555	\$ 48,458,729

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2017 Measurement Date

Schedule D

Participating Employer	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	\$ 1,706,149,877	\$ 1,357,576,963	\$ 1,097,945,608
Barrington	54,958,250	43,730,070	35,366,863
Bristol/Warren	51,937,222	41,326,250	33,422,764
Burrillville	32,302,648	25,703,094	20,787,476
Central Falls	42,444,593	33,773,001	27,314,045
Charlho	57,518,572	45,767,309	37,014,488
Coventry	82,246,898	65,443,544	52,927,719
Cranston	178,627,665	142,133,353	114,950,898
Cumberland	69,717,200	55,473,711	44,864,578
East Greenwich	37,705,924	30,002,460	24,264,605
East Providence	81,792,259	65,081,789	52,635,148
Exeter-West Greenwich	31,457,486	25,030,602	20,243,596
Foster	3,934,146	3,130,385	2,531,711
Foster-Glocester	20,076,779	15,975,017	12,919,856
Glocester	9,268,808	7,375,155	5,964,685
Jamestown	9,075,957	7,221,704	5,840,581
Johnston	53,694,343	42,724,384	34,553,510
Lincoln	56,626,979	45,057,871	36,440,727
Little Compton	5,080,676	4,042,675	3,269,529
Middletown	40,202,365	31,988,869	25,871,121
Narragansett	27,389,156	21,793,447	17,625,535
New Shoreham	4,257,144	3,387,393	2,739,567
Newport	41,312,643	32,872,313	26,585,610
North Kingstown	66,108,716	52,602,454	42,542,438
North Providence	55,681,605	44,305,641	35,832,358
North Smithfield	25,506,500	20,295,425	16,414,003
Northern RI Collaborative	5,529,075	4,399,464	3,558,083
Pawtucket	131,397,113	104,552,182	84,556,981

Employees' Retirement System Cost-Sharing Plan
Teachers - Schedule of Pension Amounts by Employer
June 30, 2017 Measurement Date

Schedule D

Participating Employer	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	39,316,189	31,283,742	25,300,847
Providence	355,660,326	282,997,567	228,875,374
Scituate	24,980,158	19,876,617	16,075,291
Smithfield	41,370,407	32,918,275	26,622,782
South Kingstown	61,641,034	49,047,536	39,667,384
Tiverton	28,157,536	22,404,844	18,120,004
Urban Collaborative	2,244,515	1,785,952	1,444,396
Warwick	169,033,825	134,499,571	108,777,047
West Bay Collaborative	2,695,080	2,144,465	1,734,344
West Warwick	56,757,881	45,162,030	36,524,966
Westerly	55,228,279	43,944,932	35,540,633
Woonsocket	79,725,618	63,437,371	51,305,218
Highlander Charter School	5,910,473	4,702,941	3,803,521
Paul Cuffee Charter School	11,348,077	9,029,622	7,302,741
Kingston Hill Charter School	1,967,245	1,565,329	1,265,966
International Charter School	5,339,663	4,248,749	3,436,193
Compass School Charter School	2,266,101	1,803,128	1,458,286
Blackstone Academy Charter School	3,214,901	2,558,085	2,068,861
Beacon Charter School	4,279,755	3,405,384	2,754,118
Learning Community Charter School	6,777,391	5,392,744	4,361,403
Segue Institute Charter School	2,534,579	2,016,755	1,631,058
Greene Charter School	2,336,348	1,859,023	1,503,492
Trinity Academy Charter School	2,548,032	2,027,459	1,639,715
RI Nurses Charter School	3,319,027	2,640,937	2,135,868
Village Green Charter School	2,499,989	1,989,232	1,608,799
Sheila Nowell Charter School	1,595,780	1,269,756	1,026,920
South Side Charter School	645,653	513,744	415,492
	\$ 3,955,394,461	\$ 3,147,292,315	\$ 2,545,384,802

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, 2017 Measurement Date

1. Plan Description and Governance

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

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

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

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

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

2. Schedules of Employer Allocations

The Schedules of Employer Allocations reflect employer contributions recognized for the fiscal year ended June 30, 2017 consistent with contributions reflected within the Plan's financial statements. Contribution classification and presentation differences are reconciled on the next page.

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

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

EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

Employees' Retirement System Cost-Sharing Plan

**NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS BY EMPLOYER
June 30, 2017 Measurement Date**

2. Schedules of Employer Allocations (continued)

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

	State employees	Teachers Local Share	Teachers State share	Total ERS Plan
Employer Contributions included in the Schedules of Employer Allocations	\$ 175,648,030	\$ 133,169,444	\$ 100,659,076	\$ 409,476,550
Adjustment for equivalent contributions if all shared at same rate	-	4,116,926	(4,116,926)	-
Other contribution related additions included in financial reporting amounts	38,429	872,848	-	911,277
Employer contributions reported on ERS Plan Fiscal 2017 financial statements	\$ 175,686,459	\$ 138,159,218	\$ 96,542,150	\$ 410,387,827

Per ERSRI fiscal 2017 financial statements	Employer contributions	\$ 313,845,677
	State contributions for teachers	96,542,150
	Total employer contributions	\$ 410,387,827

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

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

EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

Employees' Retirement System Cost-Sharing Plan

NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS BY EMPLOYER
June 30, 2017 Measurement Date

3. Schedules of Pension Amounts by Employer

The Schedules of Pension Amounts by Employer were prepared by the Plan's actuary using amounts from (1) the Plan's fiscal 2017 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, 2016 rolled-forward to June 30, 2017. 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

	1.00% Decrease (6.0%)	Discount Rate (7.0%)	1.00% Increase (8.0%)
ERS - State employees	\$ 2,807,740,457	\$ 2,254,755,487	\$ 1,842,865,329
ERS - Teachers	\$ 3,955,394,461	\$ 3,147,292,315	\$ 2,545,384,802

4. Relationship to the Plan Financial Statements

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

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

5. Summary of Significant Accounting Policies

Basis of Accounting – The underlying information to prepare the allocation schedules is based on the System's financial statements as of and for the year ended June 30, 2017. 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, 2017 Measurement Date**

6. Net Pension Liability

The components of the net pension liability of the employers participating in the ERS Plan at June 30, 2017 were as follows:

	ERS	
	State Employees	Teachers
<i>Fiscal year ended June 30, 2017</i>		
Total pension liability	\$ 4,680,841,285	\$ 6,843,692,866
Plan Fiduciary net position	2,426,085,798	3,696,400,551
Employers' Net Pension Liability	\$ 2,254,755,487	\$ 3,147,292,315
Plan Fiduciary Net Position as a percentage of total pension liability	51.8%	54.0%

7. Actuarial methods and assumptions

The total pension liability was determined by actuarial valuations performed as of June 30, 2016 and rolled forward to June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement.

The actuarial assumptions used in the June 30, 2017 valuations and the calculation of the total pension liability at June 30, 2017 (**measurement date**) were consistent with the results of an actuarial experience study performed as of June 30, 2016.

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

Amortization Method - Level Percent of Payroll – Closed

State Employees - Equivalent Single Remaining Amortization Period - 18 years at June 30, 2017

Teachers - Equivalent Single Remaining Amortization Period – 20 years at June 30, 2017

Investment Rate of Return – 7.00%

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

Projected Salary Increases – teachers – 3.00% to 13.00%

Mortality – state employees:

- Male Employees, RP-2014 Combined Healthy for Males with Blue Collar adjustments, projected with Scale Ultimate MP16.
- Female Employees: RP-2014 Combined Healthy for Females, projected with Scale Ultimate MP16.

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, 2017 Measurement Date

7. Actuarial methods and assumptions (continued)

Mortality – teachers:

- Male Employees, RP-2014 Combined Healthy for Males with White Collar adjustments, projected with Scale Ultimate MP16.
- Female Employees, RP-2014 Combined Healthy for Females with White Collar adjustments, projected with Scale Ultimate MP16.

Inflation – 2.50%

Post-retirement Benefit Increase: Post-retirement benefit increases are assumed to be 2.1%, per annum, while the plan has a funding level that exceeds 80%; however, an interim COLA will be granted in four-year intervals while the COLA is suspended. The first such COLA will be applicable in Calendar Year 2017. As of June 30, 2017, it is assumed that the COLAs will be suspended for 10 years due to the current funding level of the plans. The actual amount of the COLA is determined based on 50% of the plan's five-year average investment rate of return minus 5.0% which will range from zero to 4.0%, and 50% of the lesser of 3% or last year's CPI-U increase for a total maximum increase of 3.0%.

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

8. Discount rate

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

9. Deferred Outflows and Inflows of Resources

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

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, 2017 Measurement Date

9. Deferred Outflows and Inflows of Resources (continued)

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, 2016 and June 30, 2017 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 2017 is 5.1803 years (4.8897 years as of the June 30, 2016 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 2016 is 7.2357 years (7.1302 years as of the June 30, 2016 measurement date).