

**EMPLOYEES' RETIREMENT SYSTEM OF  
THE STATE OF RHODE ISLAND**

**Teachers' Survivors Benefit Cost-Sharing Plan**

**Schedule of Employer Allocations**

**Schedule of Pension Amounts by Employer**

**June 30, 2024 Measurement Date**

**(for Fiscal 2025 Employer Reporting)**



**David A. Bergantino, CPA, CFE, Auditor General**

**Office of the Auditor General**

**General Assembly**

**State of Rhode Island**



# Office of the Auditor General

State of Rhode Island - General Assembly

**David A. Bergantino, CPA, CFE – Auditor General**

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June 27, 2025

JOINT COMMITTEE ON LEGISLATIVE SERVICES:

SPEAKER K. Joseph Shekarchi, Chairman

Senator Valarie J. Lawson

Senator Jessica de la Cruz

Representative Christopher R. Blazejewski

Representative Michael W. Chippendale

We have completed our audit of the Schedule of Employer Allocations and Schedule of Pension Amounts by Employer for the Teachers' Survivors Benefit plan, a cost-sharing defined benefit plan administered by the Employees' Retirement System of the State of Rhode Island for the fiscal year ended June 30, 2024.

**These schedules are required for employers participating in the Teachers' Survivors Benefit plan to meet their 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*.**

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

Sincerely,

David A. Bergantino, CPA, CFE  
Auditor General

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***Teachers' Survivors Benefit Cost-Sharing Plan***

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**June 30, 2024 Measurement Date**

**INTRODUCTION**

The Teachers' Survivors Benefit (TSB) Plan covers certain teachers employed by local educational agencies. As a cost-sharing plan, separate valuations are not made for individual employers participating in the plan. The net pension asset is apportioned based on proportionate contributions – see Schedule A.

**The measurement date is June 30, 2024 – the information included herein is intended for use in Fiscal 2025 financial reporting by employers participating in the TSB plan.**

The net pension asset and other measures included herein have been developed consistent with the requirements of GASB 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 Schedule of Employer Allocations of the Teachers' Survivors Benefit (TSB) cost-sharing plan as of and for the year ended June 30, 2024, and the related notes. We have also audited the total for all entities of the columns titled ending net pension liability (asset), total deferred outflows of resources, total deferred inflows of resources, and total pension expense (specified column totals) included in the accompanying Schedule of Pension Amounts by Employer of the Teachers' Survivors Benefit plan as of and for the year ended June 30, 2024, and the related notes.

In our opinion, the accompanying schedules referred to above present fairly, in all material respects, the employer allocations and ending net pension liability (asset), total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the total of all participating entities for the Teachers' Survivors Benefit cost-sharing plan as of and for the year ended June 30, 2024, 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 Teachers' Survivors Benefit cost-sharing 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, and for 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 Schedule of Employer Allocations and specified column totals included in the Schedule of Pension Amounts by Employer 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

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

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 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 Schedule of Employer Allocations and specified column totals included in the Schedule of Pension Amounts by Employer.

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 Schedule of Employer Allocations and specified column totals included in the Schedule of Pension Amounts by Employer, 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 in the Schedule of Employer Allocations and specified column totals included in the Schedule of Pension Amounts by Employer and the related disclosures.
- 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 Teachers' Survivors Benefit cost-sharing 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 Schedule of Employer Allocations and specified column totals included in the Schedule of Pension Amounts by Employer.

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 GAAS and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Teachers' Survivors Benefit cost-sharing plan within the Employees' Retirement System of the State of Rhode Island as of and for the year ended June 30, 2024, and our report thereon, dated December 30, 2024 expressed an unmodified opinion on those financial statements.

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

***Restriction on Use***

Our report is intended solely for the information and use of the Joint Committee on Legislative Services, 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 Teachers' Survivors Benefit cost sharing plan employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "David A. Bergantino". The signature is written in a cursive, flowing style.

David A. Bergantino, CPA, CFE  
Auditor General  
June 27, 2025

**EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND****TEACHERS' SURVIVORS BENEFIT COST SHARING PLAN****Schedule of Employer Allocations**

Participating Employer Unit	Fiscal 2024 employer contribution	
	Amount	%
Barrington	\$ 37,583	4.95377771%
Bristol-Warren	32,748	4.31643842%
Burrillville	24,604	3.24299499%
Central Falls Collaborative	32,578	4.29406110%
Coventry	51,019	6.72482382%
Cranston	123,256	16.24630608%
Cumberland	52,086	6.86545551%
East Greenwich	29,785	3.92595096%
East Providence	61,605	8.12016492%
Foster	3,565	0.46990147%
Foster-Glocester	15,262	2.01170683%
Glocester	5,463	0.72013421%
Johnston	41,378	5.45396904%
Lincoln	36,685	4.83543767%
Little Compton	4,140	0.54569203%
Middletown	23,575	3.10741292%
Newport	29,601	3.90173885%
North Smithfield	18,975	2.50108845%
Northern RI Collaborative	-	0.00000000%
Portsmouth	28,256	3.72443243%
Scituate	16,867	2.22329167%
Smithfield	28,021	3.69342816%
Tiverton	22,770	3.00130614%
Urban Collaborative	-	0.00000000%
Westerly	33,443	4.40805537%
Providence Preparatory	3,335	0.43958524%
Sheila C Nowell Leadership Academy	2,070	0.27284601%
<b>Totals</b>	<b>\$ 758,670</b>	<b>100.00000000%</b>

See Notes to the Schedules of Employer Allocations and Pension Amounts by Employer



**Teachers' Survivors Benefit Cost-Sharing Plan**  
**Schedule of Pension Amounts by Employer**  
**June 30, 2024 Measurement Date**

**Schedule B**

<i>Participating Employer</i>	Beginning Net Pension Liability (Asset)	Ending Net Pension Liability (Asset)	Pension Expense (Credit)		
			Proportionate Share of Pension Plan Expense (Credit)	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total
Barrington	\$ (9,629,616)	\$ (10,951,052)	\$ (1,233,286)	\$ (46,280)	\$ (1,279,566)
Bristol-Warren	(8,669,820)	(9,542,120)	(1,074,614)	43,911	(1,030,703)
Burrillville	(6,533,864)	(7,169,116)	(807,371)	3,340	(804,031)
Central Falls Collaborative	(8,865,004)	(9,492,652)	(1,069,043)	(11,289)	(1,080,332)
Coventry	(13,962,169)	(14,866,209)	(1,674,203)	91,897	(1,582,306)
Cranston	(33,121,537)	(35,914,841)	(4,044,658)	(12,417)	(4,057,075)
Cumberland	(13,384,737)	(15,177,096)	(1,709,214)	(25,753)	(1,734,967)
East Greenwich	(7,666,196)	(8,678,890)	(977,399)	(45,228)	(1,022,627)
East Providence	(16,193,129)	(17,950,815)	(2,021,585)	(42,810)	(2,064,395)
Foster	(875,274)	(1,038,786)	(116,986)	(12,731)	(129,717)
Foster-Glocester	(4,195,281)	(4,447,173)	(500,832)	(12,740)	(513,572)
Glocester	(1,696,066)	(1,591,962)	(179,284)	28,829	(150,455)
Johnston	(10,816,837)	(12,056,798)	(1,357,812)	(91,162)	(1,448,974)
Lincoln	(9,377,645)	(10,689,444)	(1,203,824)	1,006	(1,202,818)
Little Compton	(1,026,184)	(1,206,332)	(135,855)	(21,616)	(157,471)
Middletown	(6,645,540)	(6,869,392)	(773,617)	104,807	(668,810)
Newport	(7,979,313)	(8,625,366)	(971,371)	(67,026)	(1,038,397)
North Smithfield	(5,111,075)	(5,529,023)	(622,667)	31,091	(591,576)
Northern RI Collaborative	(875,274)	-	-	109,349	109,349
Portsmouth	(7,605,832)	(8,233,404)	(927,229)	13,325	(913,904)
Scituate	(4,302,132)	(4,914,912)	(553,508)	(1,364)	(554,872)
Smithfield	(7,223,651)	(8,164,864)	(919,511)	2,474	(917,037)
Tiverton	(5,319,558)	(6,634,827)	(747,201)	(31,006)	(778,207)
Urban Collaborative	-	-	-	30,399	30,399
Westerly	(8,781,067)	(9,744,653)	(1,097,423)	98,790	(998,633)
Providence Preparatory	(664,001)	(971,768)	(109,439)	(84,292)	(193,731)
Sheila C Nowell Leadership Academy	(535,728)	(603,166)	(67,927)	(53,504)	(121,431)
	<b>\$ (201,056,530)</b>	<b>\$ (221,064,661)</b>	<b>\$ (24,895,859)</b>	<b>\$ -</b>	<b>\$ (24,895,859)</b>

See Notes to the Schedules of Employer Allocations and Pension Amounts by Employer

(Continued)

**Teachers' Survivors Benefit Cost-Sharing Plan**  
**Schedule of Pension Amounts by Employer**  
**June 30, 2024 Measurement Date**

**Schedule B**

***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
Barrington	\$ 468,685	\$ 26,091	\$ 803,659	\$ 14,770	\$ 1,313,205
Bristol-Warren	408,386	22,734	700,263	405,549	1,536,932
Burrillville	306,825	17,081	526,116	80,421	930,443
Central Falls Collaborative	406,268	22,616	696,632	202,964	1,328,480
Coventry	636,247	35,419	1,090,979	561,072	2,323,717
Cranston	1,537,092	85,567	2,635,664	571,669	4,829,992
Cumberland	649,552	36,160	1,113,794	308,302	2,107,808
East Greenwich	371,441	20,678	636,913	152,694	1,181,726
East Providence	768,263	42,768	1,317,347	367,048	2,495,426
Foster	44,458	2,475	76,233	41,481	164,647
Foster-Glocester	190,331	10,595	326,362	179,536	706,824
Glocester	68,133	3,793	116,828	228,750	417,504
Johnston	516,009	28,726	884,806	234,504	1,664,045
Lincoln	457,489	25,468	784,461	205,192	1,472,610
Little Compton	51,629	2,874	88,528	57,608	200,639
Middletown	293,998	16,366	504,120	601,405	1,415,889
Newport	369,150	20,550	632,985	120,286	1,142,971
North Smithfield	236,632	13,173	405,755	125,973	781,533
Northern RI Collaborative	-	-	-	691,047	691,047
Portsmouth	352,375	19,616	604,220	223,261	1,199,472
Scituate	210,349	11,710	360,688	110,702	693,449
Smithfield	349,442	19,453	599,191	206,969	1,175,055
Tiverton	283,959	15,808	486,907	171,152	957,826
Urban Collaborative	-	-	-	90,293	90,293
Westerly	417,054	23,217	715,126	358,710	1,514,107
Providence Preparatory	41,590	2,315	71,315	-	115,220
Sheila C Nowell Leadership Academy	25,814	1,437	44,264	-	71,515
	<b>\$ 9,461,171</b>	<b>\$ 526,690</b>	<b>\$ 16,223,156</b>	<b>\$ 6,311,358</b>	<b>\$ 32,522,375</b>

See Notes to the Schedules of Employer Allocations and Pension Amounts by Employer

(Continued)

**Teachers' Survivors Benefit Cost-Sharing Plan**  
**Schedule of Pension Amounts by Employer**  
**June 30, 2024 Measurement Date**

**Schedule B**

***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
Barrington	\$ 564,688	\$ 431,275	\$ 1,510,886	\$ 356,452	\$ 2,863,301
Bristol-Warren	492,037	375,788	1,316,500	203,782	2,388,107
Burrillville	369,673	282,334	989,103	70,930	1,712,040
Central Falls Collaborative	489,486	373,840	1,309,675	386,916	2,559,917
Coventry	766,572	585,461	2,051,050	132,928	3,536,011
Cranston	1,851,939	1,414,399	4,955,072	190,122	8,411,532
Cumberland	782,603	597,705	2,093,942	483,876	3,958,126
East Greenwich	447,524	341,792	1,197,403	329,761	2,316,480
East Providence	925,629	706,939	2,476,624	259,366	4,368,558
Foster	53,565	40,909	143,318	131,629	369,421
Foster-Glocester	229,317	175,139	613,564	106,448	1,124,468
Glocester	82,089	62,695	219,639	25,779	390,202
Johnston	621,705	474,821	1,663,443	530,455	3,290,424
Lincoln	551,198	420,972	1,474,793	393,013	2,839,976
Little Compton	62,204	47,508	166,434	109,906	386,052
Middletown	354,218	270,531	947,751	38,173	1,610,673
Newport	444,764	339,684	1,190,018	375,232	2,349,698
North Smithfield	285,102	217,744	762,824	51,268	1,316,938
Northern RI Collaborative	-	-	-	7,576	7,576
Portsmouth	424,553	324,248	1,135,940	249,871	2,134,612
Scituate	253,436	193,559	678,097	148,934	1,274,026
Smithfield	421,019	321,549	1,126,484	178,130	2,047,182
Tiverton	342,123	261,293	915,389	581,229	2,100,034
Urban Collaborative	-	-	-	5,058	5,058
Westerly	502,480	383,764	1,344,443	165,325	2,396,012
Providence Preparatory	50,109	38,270	134,072	489,548	711,999
Sheila C Nowell Leadership Academy	31,102	23,754	83,217	309,651	447,724
	<b>\$ 11,399,135</b>	<b>\$ 8,705,973</b>	<b>\$ 30,499,681</b>	<b>\$ 6,311,358</b>	<b>\$ 56,916,147</b>

See Notes to the Schedules of Employer Allocations and Pension Amounts by Employer

(Continued)

**Teachers' Survivors Benefit Cost-Sharing Plan**  
**Schedule of Pension Amounts by Employer**  
**June 30, 2024 Measurement Date**

**Schedule B**

	Allocation of Net Deferred Outflows (Inflows)					
<i>Participating Employer</i>	2026	2027	2028	2029	2030	Thereafter
Barrington	\$ (749,807)	\$ (82,726)	\$ (408,065)	\$ (255,038)	\$ (67,526)	\$ 13,066
Bristol-Warren	(579,474)	8,704	(268,524)	(143,213)	43,581	87,751
Burrillville	(437,701)	(5,232)	(224,872)	(136,654)	(28,674)	51,536
Central Falls Collaborative	(629,507)	(59,083)	(343,477)	(216,252)	(70,787)	87,669
Coventry	(847,937)	54,563	(412,749)	(210,770)	8,905	195,694
Cranston	(2,215,640)	(20,144)	(1,087,818)	(576,287)	(7,374)	325,723
Cumberland	(978,197)	(70,072)	(511,723)	(277,630)	(63,516)	50,820
East Greenwich	(584,919)	(45,726)	(305,234)	(173,592)	(52,712)	27,429
East Providence	(1,107,331)	(15,168)	(534,420)	(304,651)	(38,656)	127,094
Foster	(73,130)	(14,506)	(45,223)	(36,047)	(24,031)	(11,837)
Foster-Glocester	(294,366)	(9,158)	(135,551)	(62,850)	17,301	66,980
Glocester	(58,296)	25,806	(22,308)	(845)	23,267	59,678
Johnston	(829,065)	(82,925)	(428,838)	(227,802)	(93,876)	36,127
Lincoln	(698,078)	(49,013)	(371,245)	(229,521)	(32,489)	12,980
Little Compton	(97,157)	(10,447)	(43,328)	(27,904)	(7,140)	563
Middletown	(341,999)	78,479	(122,283)	(29,663)	65,757	154,925
Newport	(610,212)	(64,941)	(322,079)	(205,743)	(63,839)	60,087
North Smithfield	(334,498)	7,154	(156,629)	(93,105)	(7,412)	49,085
Northern RI Collaborative	107,287	106,472	104,944	103,006	98,374	163,388
Portsmouth	(523,308)	(33,068)	(268,279)	(154,002)	(14,160)	57,677
Scituate	(316,115)	(11,952)	(159,390)	(92,026)	(13,031)	11,937
Smithfield	(513,932)	(1,956)	(240,921)	(138,751)	(11,438)	34,871
Tiverton	(466,723)	(69,727)	(264,074)	(167,060)	(83,496)	(91,128)
Urban Collaborative	29,459	26,467	27,305	2,004	-	-
Westerly	(549,675)	29,113	(272,766)	(157,015)	16,693	51,745
Providence Preparatory	(145,559)	(86,271)	(115,086)	(101,777)	(86,701)	(61,385)
Sheila C Nowell Leadership Academy	(91,532)	(54,732)	(72,618)	(64,357)	(54,999)	(37,971)
	<b>\$ (13,937,412)</b>	<b>\$ (450,089)</b>	<b>\$ (7,005,251)</b>	<b>\$ (3,977,545)</b>	<b>\$ (547,979)</b>	<b>\$ 1,524,504</b>

See Notes to the Schedules of Employer Allocations and Pension Amounts by Employer

(Continued)

**Teachers' Survivors Benefit Cost-Sharing Plan**  
**Schedule of Pension Amounts by Employer**  
**June 30, 2024 Measurement Date**

**Schedule B**

<i>Participating Employer</i>	Net Pension Liability (Asset) 1% Decrease (6.0% Discount Rate)	Net Pension Liability (Asset) (7.0% Discount Rate)	Net Pension Liability (Asset) 1% Increase (8.0% Discount Rate)
Barrington	\$ (9,835,954)	\$ (10,951,052)	\$ (11,964,223)
Bristol-Warren	(8,570,488)	(9,542,120)	(10,424,940)
Burrillville	(6,439,116)	(7,169,116)	(7,832,390)
Central Falls Collaborative	(8,526,057)	(9,492,652)	(10,370,895)
Coventry	(13,352,448)	(14,866,209)	(16,241,604)
Cranston	(32,257,790)	(35,914,841)	(39,237,617)
Cumberland	(13,631,679)	(15,177,096)	(16,581,253)
East Greenwich	(7,795,157)	(8,678,890)	(9,481,845)
East Providence	(16,122,963)	(17,950,815)	(19,611,592)
Foster	(933,011)	(1,038,786)	(1,134,893)
Foster-Glocester	(3,994,337)	(4,447,173)	(4,858,617)
Glocester	(1,429,860)	(1,591,962)	(1,739,248)
Johnston	(10,829,107)	(12,056,798)	(13,172,271)
Lincoln	(9,600,985)	(10,689,444)	(11,678,412)
Little Compton	(1,083,497)	(1,206,332)	(1,317,940)
Middletown	(6,169,912)	(6,869,392)	(7,504,936)
Newport	(7,747,083)	(8,625,366)	(9,423,369)
North Smithfield	(4,966,027)	(5,529,023)	(6,040,558)
Northern RI Collaborative	-	-	-
Portsmouth	(7,395,033)	(8,233,404)	(8,995,144)
Scituate	(4,414,448)	(4,914,912)	(5,369,631)
Smithfield	(7,333,472)	(8,164,864)	(8,920,263)
Tiverton	(5,959,232)	(6,634,827)	(7,248,669)
Urban Collaborative	-	-	-
Westerly	(8,752,398)	(9,744,653)	(10,646,210)
Providence Preparatory	(872,817)	(971,768)	(1,061,674)
Sheila C Nowell Leadership Academy	(541,748)	(603,166)	(658,970)
	<b>\$ (198,554,619)</b>	<b>\$ (221,064,661)</b>	<b>\$ (241,517,164)</b>

*See Notes to the Schedules of Employer Allocations and Pension Amounts by Employer*

**Teachers' Survivors Benefit Cost-Sharing Plan****NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS BY EMPLOYER****June 30, 2024 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 in the Office of the General Treasurer as an independent retirement board to hold and administer, in trust, the funds of the retirement system.

Each plan's assets, including those of the Teachers' Survivors Benefit cost-sharing plan (a multiple employer defined benefit pension plan), 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 Teachers' Survivors Benefit Cost-Sharing Plan was established and placed under the management of the Retirement Board for the purpose of providing monthly benefits to certain survivors of deceased teachers previously employed in school districts that do not participate in social security. Specific eligibility criteria and the amount of the benefit is subject to the provisions of Chapter 16-16 of the Rhode Island General Laws.

**2. Basis of Presentation**

The Schedule of Employer Allocations and Schedule of Pension Amounts by Employer (collectively, "the Schedules") present amounts that are elements of the financial statements of the Plan or of its participating employers. 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. 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. Schedule of Employer Allocations**

The Schedule of Employer Allocations reflects employer contributions recognized for the fiscal year ended June 30, 2024 consistent with contributions reflected within the Plan's financial statements. The percentages included in the Schedules of Employer Allocations have been rounded to 8 decimal places. Within the schedules included in this report, certain columns and rows may not add due to the use of rounded numbers.

The Schedule of Employer Allocations (Schedule A) reflects 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.

The following table shows a reconciliation of employer contributions to the TSB Plan fiscal 2024 financial statements:

Employer Contributions included in the Schedule of Employer Allocations	\$ 758,670
Less: Contributions recognized for GASB 68 allocation consistency that were omitted from the financial statements due to timing issues	<u>( 5,405)</u>
Employer Contributions reported on the TSB Plan Fiscal 2024 financial statements	<u>\$ 753,265</u>

**Teachers' Survivors Benefit Cost-Sharing Plan****NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS BY EMPLOYER****June 30, 2024 Measurement Date****4. Schedule of Pension Amounts by Employer**

The Schedule of Pension Amounts by Employer was prepared by the Plan's actuary using amounts from (1) the Plan's financial statements for the fiscal year ended June 30, 2024, (2) Required Supplementary Information 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, 2023 rolled-forward to June 30, 2024. This Schedule utilizes the proportionate employer contribution schedule detailed in the Schedule of Employer Allocations to apportion each employer's amounts for the cost-sharing plan.

The Schedule of Pension Amounts by Employer includes the sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.0 percent, as well as what the employers' net pension liability (asset) 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 (Asset) – Sensitivity Analysis**

	1.0% Decrease (6.0%)	Discount Rate (7.0%)	1.0% Increase (8.0%)
<b>TSB</b>	\$ (198,554,619)	\$ (221,064,661)	\$ (241,517,164)

**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 (decrease) in fiduciary net position as reflected for the TSB 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 contributions are utilized in the Schedule 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, 2024. 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.



**Teachers' Survivors Benefit Cost-Sharing Plan****NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS BY EMPLOYER****June 30, 2024 Measurement Date****7. Net Pension Liability (Asset)**

The components of the net pension liability of the employers participating in the TSB Plan at June 30, 2024 were as follows:

<b>Fiscal year ended June 30, 2024</b>	
Total pension liability	\$ 235,569,656
Plan Fiduciary net position	\$ 456,634,317
Employers' Net Pension Liability (Asset)	<u>\$ (221,064,661)</u>
Plan Fiduciary Net Position as a percentage of total pension liability	193.8%

**8. Actuarial methods and assumptions**

The total pension liability was determined by actuarial valuations performed as of June 30, 2023, rolled forward to 2024, using the following actuarial assumptions, applied to all periods included in the measurement. The actuarial assumptions used in the calculation of the total pension liability at the June 30, 2024 measurement date were based on the 2023 Actuarial Experience Investigation Study for the six-year period ended June 30, 2022 as approved by the System's Board on May 17, 2023.

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

Investment Rate of Return - 7.00%

Projected Salary Increases – 2.75% to 8.25%

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

Inflation – 2.50%

Cost of Living Adjustments: eligible survivors receive a yearly cost of living adjustment based on the annual social security adjustment – for valuation purposes, a 2.50% cost of living adjustment is assumed.

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

**9. Discount rate**

The discount rate used to measure the total pension liability of the TSB 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 and the projections of cash flows as of each fiscal year ending, the pension plan's fiduciary net position, and future contributions 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.



***Teachers' Survivors Benefit Cost-Sharing Plan***

**NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS BY EMPLOYER**

**June 30, 2024 Measurement Date**

**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, 2023 and June 30, 2024 measurement dates are also recognized in pension expense using the expected remaining service lives of teachers.

For teachers, the average of the expected remaining service lives for purposes of recognizing the applicable deferred inflows/outflows of resources established in fiscal 2024 is 7.6977 years.