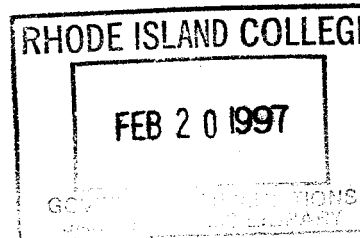


Employees' Retirement System

State of Rhode Island and Providence Plantations



DEPOSITORY DOCUMENT

*Annual Financial Report
for the fiscal year ended June 30, 1995
Honorable Nancy J. Mayer, General Treasurer
Joann E. Flaminio, Executive Director*

| <i>Table of Contents</i> | <i>Page</i> |
|--|-------------|
| <i>Transmittal</i> | 1 |
| <i>Employees' Retirement Board of Rhode Island</i> | 3 |
| <i>Employees' Retirement System of Rhode Island Administration</i> | 4 |
| <i>State Investment Commission</i> | 4 |
| <i>Director's Letter</i> | 5 |
| <i>Significant 1995 Retirement Legislation</i> | 9 |
| <i>Employees' Retirement System Plan Summary</i> | 12 |
| <i>Employees' Retirement System</i> | 17 |
| <i>Independent Auditor's Report</i> | 18 |
| <i>Balance Sheet</i> | 19 |
| <i>Statement Of Revenues, Expenses And Changes In Fund Balance</i> | 20 |
| <i>Required Supplementary Information</i> | 33 |
| <i>Independent Auditor's Report on the Internal Control Structure</i> | 35 |
| <i>Independent Auditor's Report on Compliance with Laws, Regulations and Contracts</i> | 37 |
| <i>Municipal Employees' Retirement System</i> | 39 |
| <i>Independent Auditor's Report</i> | 40 |
| <i>Balance Sheet</i> | 41 |
| <i>Statement of Revenues, Expenses And Changes In Fund Balance</i> | 42 |
| <i>Required Supplementary Information</i> | 53 |
| <i>Independent Auditor's Report on the Internal Control Structure</i> | 55 |
| <i>Independent Auditor's Report on Compliance with Laws, Regulations and Contracts</i> | 57 |
| <i>Reserve Balances by Participating Unit (Unaudited)</i> | 58 |
| <i>Employees' Retirement System Summary of Actuarial Valuation</i> | 61 |
| <i>Certificate of Actuarial Valuation</i> | 62 |
| <i>Summary of Actuarial Valuation Results</i> | 63 |

| <i>Table of Contents</i> | <i>Page</i> |
|--|-------------|
| <i>Municipal Employees' Retirement System Summary of Actuarial Valuation</i> | 77 |
| <i>Certificate of Actuarial Valuation</i> | 78 |
| <i>Summary of Actuarial Valuation Results</i> | 79 |
| <i>Recommended Employer Contribution Rates</i> | 89 |
| <i>Liabilities and Funded Status as of June 30, 1995 by Plan</i> | 92 |
| <i>Pension Benefit Obligation as of June 30, 1995 by Plan</i> | 95 |
| <i>Statistical Information</i> | 99 |
| <i>Employees' Retirement System Statistics</i> | 100 |
| <i>Distribution of State Employees in Active Service</i> | 101 |
| <i>Distribution of Teachers in Active Service</i> | 102 |
| <i>Distribution of Pensioners — State Employees</i> | 103 |
| <i>Distribution of Pensioners — Teachers</i> | 104 |
| <i>Municipal Employees' Retirement System Statistics</i> | 105 |
| <i>Distribution of Municipal General Employees in Active Service</i> | 106 |
| <i>Distribution of Police and Fire in Active Service</i> | 107 |
| <i>Distribution of Pensioners</i> | 108 |
| <i>Active Participant Information by Plan</i> | 109 |
| <i>Retiree and Beneficiary Information by Plan</i> | 112 |





STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

EMPLOYEES' RETIREMENT SYSTEM

40 Fountain Street -- 1st Floor
Providence, RI 02903-1854
Tel. (401) 277-2203 (T.D.D. available)
1-800-752-8088 (In-state toll free)

NANCY J. MAYER
General Treasurer

The Honorable Lincoln C. Almond
Governor, State of Rhode Island
and Providence Plantations
State House
Providence, Rhode Island 02903

Dear Governor Almond:

In accordance with Rhode Island General Laws, 36-8-8 and 45-21-34, I hereby submit the Fifty-ninth Annual Financial Report of the Employees' Retirement System and the Thirty-eighth Annual Financial Report of the Municipal Employees' Retirement System of the State of Rhode Island for transmittal to the General Assembly.

The report covers the fiscal year ended June 30, 1995.

Respectfully submitted,

Nancy J. Mayer

Chairperson, Employees' Retirement Board

1e76

"A retirement system is hereby 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 this title. The retirement system so created shall begin operation as of the first day of July, 1936. It shall have the power and privileges of a corporation, and shall be known as the "employees retirement system of the state of Rhode Island," and by that name all of its business shall be transacted, all of its funds, invested, and all of its cash and securities and other property held."

—Section Two of Chapter 2334 of the Public Laws of 1936

Employees' Retirement Board of Rhode Island



Front Row: Michael R. Boyce, *Public Representative*; Edna Snow, *Retiree Representative*; Nancy J. Mayer, *Chairperson and General Treasurer*; Marcia Reback, *Vice-Chairperson, Teacher Representative*; Joann E. Flaminio, *Executive Director*.

Middle Row: William B. Finelli, *Teacher Representative*; Leonard Clingham, *Department of Administration*; Senator Eleanor C. Sasso, *Senate Finance Committee designee*; Daniel L. Beardsley, *R.I. League of Cities and Towns*.

Last Row: Michael O'Keefe, *State Budget Officer*; Louis Ciaramello, *C.L.U. Public Representative*; James Reilly, *Assistant Executive Director*; James F. Mahoney, *House Fiscal Advisor*.

Not Pictured: Virgil N. Almeida, *Municipal Employees Representative*; James A. Gillis, *State Employee Representative*; Thomas V. Morrissey, *State Employee Representative*; Representative Antonio J. Pires, *Chair, House Finance Committee*.

Employees' Retirement System of Rhode Island Administration

Joann E. Flaminio, *Executive Director*
James M. Reilly, *Assistant Executive Director*
Diane S. Bourne, *Assistant Director-Member Services*
Frank J. Karpinski, *Assistant Director-Finance*

State Investment Commission

Honorable Nancy J. Mayer, *Chairperson, General Treasurer*
Gayl W. Doster, *Director, Department of Administration*
Kenneth R. Dulgarian, *Governor's Appointee*
Karl F. Ericson, *Governor's Appointee*
Representative Mark B. Heffner, *House Finance Committee Designee*
Senator M. Theresa Paiva Weed, *Senate Finance Committee Designee*
James M. Seed, *Governor's Appointee*
Joann E. Flaminio, *Executive Director, Non-voting member*

By statute, the State Investment Commission is responsible for the investment of the assets of the Employees' Retirement System and the Municipal Employees' Retirement System.

State Investment Commission Administration

Barbara Braun Schoenfeld, *Deputy Treasurer and General Counsel*
James Thorsen, *Deputy Treasurer for Finance*
Wilshire Associates, Inc., *Consultant to State Investment Commission*
State Street Bank and Trust, *ERSRI and MERS Custodian Bank*

Employees' Retirement Board

State of Rhode Island

I am pleased to present to you this Annual Financial Report of the Employees' Retirement System (ERSRI) of the State of Rhode Island and the Municipal Employees' Retirement System (MERS) of the State of Rhode Island for the fiscal year ended June 30, 1995. This report is intended to provide the Governor, the General Assembly, members and beneficiaries of the system, and members of the public with financial and actuarial information, as well as an overall status report on the operation of the system.

The report is divided into three sections:

1. The introductory section presents the system's organization, summarizes plan benefits, and provides a summary of 1995 retirement legislation.
2. The second section contains the audited financial statements of both the Employees' Retirement System and the Municipal Employees' Retirement System of the State of Rhode Island. *(As a note, at the time of preparation of the financial statements, the 1995 actuarial valuation had not yet been completed. Consequently, the notes reflect the 1994 actuarial valuation.)*
3. The third section contains the results of the 1995 actuarial valuation by William M. Mercer, Inc. for both systems.

Membership

As of June 30, 1995, active membership in the Employees' and Municipal Employees' Retirement System totaled 32,271. In addition, there are 16,561 pensioners who were receiving benefits from the system.

Accounting Basis

The financial statements have been prepared in accordance with generally accepted accounting principles using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when incurred. Dividend income is recorded on the ex-dividend date. Interest income is accrued daily. Finally, investments are recorded at cost.

Financial Highlights

The major sources of revenue for ERSRI and MERS are employee contributions, employer contributions, and investment earnings. Total revenues for fiscal year 1995 were \$553,632,683. The expenditures of the fund consist primarily of payments made to members and beneficiaries for retirement, disability, death or survivor benefits. In total, benefits payments for fiscal year 1995 were \$239,201,801.

Administrative expenses of the retirement system and the cost of maintaining the retirement system are paid from a restricted receipt account which is used solely to pay such expenses. This account is reimbursed through the transfer of 1.5 % of the investment income from the retirement fund. Any non-encumbered funds at June 30th are transferred back to the retirement fund. Administrative expenses incurred by the system for the year ended June 30, 1995 amounted to \$2,357,777.

Funding

The actuary for the retirement system determines the actuarial liabilities utilizing the entry age normal cost method with an initial frozen liability. The actuarial asset value of the Employees' Retirement System on June 30, 1995 was \$3,266,316,264 and the Municipal Employees' Retirement System was \$485,074,226. The ratio of assets to vested liabilities for state employees as of June 30, 1995 was 82.51%, compared to 81.04% as of June 30, 1994. The ratio of assets to vested liabilities for teachers as of June 30, 1995 was 82.06%, compared to 78.34% as of June 30, 1994.

The unfunded liability for Rhode Island state employees as of June 30, 1995 amounted to \$442,370,600 while the unfunded liability for Rhode Island public school teachers amounted to \$762,202,100. Thirty-three (33) of the ninety-five (95) units in the Municipal Employees' Retirement System had unfunded liabilities totaling \$8,101,147.

Investments

ERSRI and MERS assets are invested under the direction and authority of the State Investment Commission (SIC). In addition to the General Treasurer who serves as Chairperson, members of the SIC include the Director of the Department of Administration, the Chairpersons of the House and Senate Finance Committees and three members appointed by the Governor. The Executive Director of the retirement system is a non-voting member of the State Investment Commission.

Professional Services

Actuarial Services are provided to the retirement system by William M. Mercer Inc. of Boston. Legal Services to the retirement board are provided by the law firm of Hinckley Allen & Snyder, Providence, Rhode Island, the Office of the Attorney General and other private attorneys who represent the system on individual matters.

Barbara Braun Schoenfeld of the General Treasurer's staff serves as counsel to the State Investment Commission (SIC) while Wilshire Associates serves as SIC investment consultant. Pacific Corporate Group advises the Commission on alternative and venture related items. State Street Bank and Trust serves as the Fund's custodian.

The system also hires physicians who conduct medical exams of the system's disability applicants.

Disbursements from the fund, are processed through the centralized controls of the State Controller, under the supervision of the Department of Administration.

Finally, the Auditor General conducts an annual financial audit of the entire retirement system.

Reports to Members

An annual statement of account for the period ending December 31, 1994 was mailed to each active member in April 1995. The statement provides to each member an accounting of the amount of his/her contributions credited to his/her account, along with a summary of this financial report.

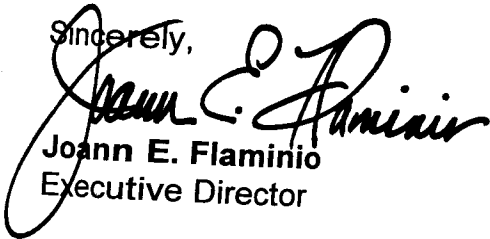
Acknowledgments

The preparation of this report is possible only through the combined efforts of many individuals. I would like to thank the General Treasurer's Office, members of the State Investment Commission staff, William M. Mercer Inc., the Office of the Auditor General, and the Office of the Controller for their assistance. I would especially like to thank Frank Karpinski of my staff who prepared the financial statements and who helped with the production of the final report.

I hope the information provided here aids in your understanding of the financial condition of the Employees' Retirement System of Rhode Island. I would be most pleased to receive your comments on the issuance of this report.

With best wishes.

Sincerely,



Joann E. Flaminio
Executive Director

/ejf

Significant 1995 Retirement Legislation

The Rhode Island General Assembly passed several significant pieces of retirement legislation during the 1995 legislative session. Here is a summary of the major legislative enactments:

Article 15 of the State Budget for Fiscal Year 1996 Effective August 7, 1996

Employee Contributions

As a result of the passage of the state's budget for Fiscal Year 1997, an increase in employee pension contributions equal to 1% of compensation was approved to be effective August 9, 1996. As a result, state employee members who were formerly contributing at a rate of 7.75% must now contribute at a rate of 8.75%. Similarly, public school teachers who are also members of the Employees' Retirement System must now contribute at a rate of 9.50%, up one percent from a contribution rate of 8.50%. The contributions of state police and judges who are members of separate plans also increased.

Employer Contributions

As a result of the increase in member contributions, the state's contributions rate to the plan for state employees and teachers decreased by one percent.

Municipal rates were not affected by the state's budget. Thus, employee contributions remain at 6% for most MERS members (unless a municipality has COLA provisions).

Special Pension Commission

The budget also created a Special Pension Commission to study the pension system for all new members of the retirement system. The Commission—which will report back to the Governor and General Assembly—will be made up of the following members: the state's director of administration, the Governor's policy director, one member each of the House and Senate, one AFL-CIO member representing public school teachers, one AFL-CIO member representing state employees and three public members appointed by the Governor.

Occupational and Physical Therapists

Finally, the budget amended the definition of teacher found in R.I.G.L. 16-16-1 to include occupational therapists and physical therapists who are licensed by the Department of Health and employed by a school committee (or commissioner) prior to July 1, 1995. Thus, occupational and physical therapists who were previously part of the Municipal Employees' Retirement System may elect within 6 months to transfer all of their service credits and contributions to the Employees' Retirement System.

Public Law 95-212 An Act Relating to Employee Pension Revocation and Reduction / Signed into law June 30, 1995

Pension Revocation

This bill, introduced at the request of the Attorney General, made several changes to the original Rhode Island Public Employee Pension Revocation and Reduction Act passed in 1992 and effective January 1, 1993.

Previously, when the retirement board initiated civil suit under this act to revoke or otherwise reduce a pension benefit to a public official or public employee, the member continued to be paid pending the resolution of the action. This act requires the Superior Court to order an immediate hearing once a suit is brought in which the member must show cause as to why such benefit should not be withheld pending adjudication of the civil suit.

Public Law 95-245 An Act Relating to Public Officers and Employees -- Post Retirement Employment--Became law July 5, 1995

Post-Retirement Employment

No municipal, teacher, or state retiree may return to employment with the State of Rhode Island unless his or her retirement benefits are suspended. This legislation allows ERSRI retirees to work on a part-time basis at any college or university for the purpose of providing classroom instruction or to be employed by the Department of Elementary and Secondary Education to teach part-time driver education courses. However, such part-time ERSRI retirees are limited to earnings of \$10,000 in any one calendar year.

Employees' Retirement System Plan Summary

Administration

The Employees' Retirement System and the Municipal Employees' Retirement System are governed by a retirement board. The Board is composed of fifteen members in accordance with Title 36 of the Rhode Island General Laws and is chaired by the General Treasurer. The system is managed by an executive director and assistant executive director who are chosen by the retirement board. The system has twenty-two full-time employees.

Membership

All persons employed by the State of Rhode Island on at least a 20 hour basis are eligible for membership in the Employees' Retirement System of Rhode Island. All persons employed by a participating municipality on at least a 20 hour basis are eligible for membership in the Municipal Employees' Retirement System of Rhode Island. Public school teachers are eligible for membership in the Employees' Retirement System provided they are certified by the Board of Regents, engaged in teaching as a principal occupation and regularly employed on at least a half-time basis.

Membership in the Employees' Retirement System is a condition of employment and is required of all employees who meet the Board's eligibility requirements. Judges who were employed after December 31, 1989 participate in the Judicial Retirement Plan, while state police who were employed after July 1, 1987 participate in the State Police Retirement Plan. New members of the General Assembly are not eligible for participation in the retirement system as a result of an amendment to the Rhode Island Constitution approved by the voters.

Employee and Employer Contributions

Benefits are financed by employee contributions, employer contributions, and investment earnings. ERSRI members pay a percentage of their salaries to the retirement system. As of fiscal 96, teacher members contribute 9.50% of their annual salaries while state employees contribute 8.75% of their annual salaries. Municipal employees contribute 6.0% of their salaries and an additional one percent if their community has adopted a cost-of-living provision. Each year, the retirement system's actuary determines the amount of additional monies

necessary to fund the benefits of retirees and future retirees of the system. Based on the liability of the system, the actuary determines a percentage of payroll or "employer contribution" that is necessary to fund the established level of benefits. The actuary determines a different employer rate for state employees, public school teachers, and each participating municipality.

Retirement Benefit

The ERSRI retirement benefit is determined by two factors: years of creditable service and final average salary. Public school teachers and state employees receive 1.7% of final average salary for the first ten years of creditable service and 1.9% for the next ten years of creditable service. For years twenty-one through thirty-four, members receive 3% of final average salary and 2% for year thirty-five. Municipal employees receive a flat 2.0% for each year of service. Benefits for members of the General Assembly, state correctional officers, judges, and state police vary according to their plan membership. Members of the General Assembly are not eligible for any credit for service in the General Assembly after 1994. However, those members who were elected to the General Assembly prior to 1994 may elect to continue his/her membership in the plan and receive credit.

Retirement Options

The statutes governing the Employees' Retirement System allow the selection of four different retirement options:

Service Retirement Allowance/Maximum Plan

The Service Retirement Allowance (SRA) is based on creditable service and salary as a public employee. SRA provides the highest monthly benefit, but upon the death of the annuitant, all pension benefits stop.

Option #1/Joint and Survivor Full

Option #1 provides that upon the retiree's death, the retiree's beneficiary will receive the same lifetime retirement allowance that was received by the member.

Option #2 / Joint and Survivor Half

Option #2 provides that upon the retiree's death, the retiree's beneficiary will receive half of the retirement allowance that was received by the member.

SRA Plus/Social Security Option

SRA Plus uses an estimate of the amount of Social Security a member is expected to receive to increase the amount of retirement allowance prior to age 62. Upon attaining age 62, the amount of the allowance received from ERSRI reverts to a Service Retirement Allowance minus an actuarial adjustment based on the previous increase. Like the SRA, all pension payments cease upon the death of the annuitant.

Cost of Living Increases

All state employee and teacher retirees receive a 3% cost-of-living adjustment added to their monthly benefit check on the third January of their retirement. Each succeeding year, retirees receive an additional 3% compounded COLA. Municipal retirees receive a simple 3% cost-of-living adjustment that begins on the first January of their retirement, but only if such provision has been approved by the participating municipality.

Refunds

Upon termination of active service and after filing a refund application, ERSRI will issue a refund of a member's contributions without interest. A refund will be issued only if the member has officially resigned from employment. Members who return to service after previously withdrawing their contributions may buy back such service time after they have completed a year of membership. Members are not required to purchase previous service.

Disability

Accidental Disability

Any active member who becomes disabled as the result of a work-related accident is eligible to apply for an accidental disability retirement. The statute governing accidental disability retirement requires that "the member is physically or mentally incapacitated for the performance of service as a natural and proximate result of an accident.." The disability cannot be the result of "willful negligence or misconduct on the part of the member" and cannot be the result of

age or length of service. The disability benefit equals 66.66 % of the member's salary at the time of the accident or injury.

Ordinary Disability

Any active member who has at least five years of contributing service and who becomes disabled as the result of a non work-related injury, disease or condition is eligible to apply for an ordinary disability retirement. The statute governing ordinary disability retirement requires that the member be "physically or mentally incapacitated for the performance of duty." The disability equals what the member would have received had she/he been retired normally. In cases where the member has less than ten years of service, the member receives a benefit equal to that of a member with ten years of service.

Optional Annuity Protection

Those members with at least 10 years of service may provide their beneficiary with additional protection by completing an Optional Annuity Protection form. Should the member die while still in active service, the OAP beneficiary will have the option of receiving either a return of contributions or a monthly annuity. Spouses automatically receive this option of a monthly annuity provided the member had over ten years of service at the time of his/her death and the spouse is the sole beneficiary on file.

Teachers Survivors' Benefit Plan

Teachers who do not contribute to Social Security participate in the Teacher Survivors' Benefit Plan. Members of the program are required to make contributions of 1% of salary up to a salary of \$9,600 per year. After the death of the member, spousal benefits of up to \$700 per month are available at age 60. Additional family and children's benefits are also provided under this plan.

Death Benefits

All members are entitled to receive a death benefit. Thus, for each year of service that has been rendered by the member, the member's beneficiary will receive a death benefit of \$800 up to a maximum of \$16,000. This amount is reduced 25% every year after retirement, but all beneficiaries will receive a minimum benefit of \$4,000.



Employees' Retirement System of Rhode Island
Annual Financial Statement as of June 30, 1995



State of Rhode Island and Providence Plantations

ERNEST A. ALMONTE, CPA, CFE
Auditor General

GENERAL ASSEMBLY
Office of the Auditor General

1145 Main Street
Pawtucket, Rhode Island 02860-4807

OFFICE
(401) 277-2435
FAX
(401) 277-2111

January 19, 1996

INDEPENDENT AUDITOR'S REPORT

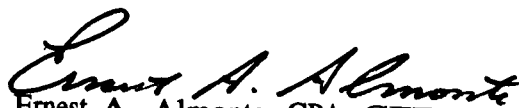
**JOINT COMMITTEE ON LEGISLATIVE SERVICES, GENERAL ASSEMBLY
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS:**

We have audited the accompanying financial statements of the State of Rhode Island and Providence Plantations Employees' Retirement System (the System), a component unit of the State of Rhode Island and Providence Plantations, as of and for the year ended June 30, 1995. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the System as of June 30, 1995, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 19, 1996 on our consideration of the System's internal control structure and a report dated January 19, 1996 on its compliance with laws, regulations, and contracts.


Ernest A. Almonte, CPA, CFE
Auditor General

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
EMPLOYEES' RETIREMENT SYSTEM
BALANCE SHEET
June 30, 1995**

| | <i>Employees' Retirement Fund</i> | <i>Postretirement Healthcare Fund</i> | <i>Total (Memorandum Only)</i> |
|---|---|---|--|
| ASSETS | | | |
| Cash and cash equivalents (Note 4) | \$ 353,210,487 | \$ 330,873 | \$ 353,541,360 |
| Investments (Note 4) | 2,481,703,565 | | 2,481,703,565 |
| Accrued interest and dividends receivable | 23,389,647 | | 23,389,647 |
| Open trades receivable | 35,238,820 | | 35,238,820 |
| Contributions receivable | 22,625,283 | | 22,625,283 |
| Accounts receivable | 438,095 | | 438,095 |
| Due from State of Rhode Island (Note 5) | 10,037,981 | 3,587,003 | 13,624,984 |
| Total assets | \$2,926,643,878 | \$3,917,876 | \$2,930,561,754 |
| LIABILITIES AND FUND BALANCE | | | |
| Liabilities: | | | |
| Accounts and vouchers payable | \$ 1,859,368 | \$ | \$ 1,859,368 |
| Open trades payable | 100,223,784 | | 100,223,784 |
| Payable to certain individuals (Note 6) | 1,005,488 | | 1,005,488 |
| Advances from State of Rhode Island (Note 1B) | | 3,917,876 | 3,917,876 |
| Total liabilities | 103,088,640 | 3,917,876 | 107,006,516 |
| Fund balance available for benefits | 2,823,555,238 | | 2,823,555,238 |
| Total liabilities and fund balance | \$ 2,926,643,878 | \$ 3,917,876 | \$ 2,930,561,754 |

See notes to financial statements.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 1995

| | <i>Employees' Retirement Fund</i> | <i>Postretirement Healthcare Fund</i> | <i>Total (Memorandum Only)</i> |
|--|---|---|--|
| Operating revenues: | | | |
| Employer contributions | \$ 117,398,659 | \$ 2,490,012 | \$ 119,888,671 |
| Employee/Pensioner contributions | 82,622,053 | 1,776,071 | 84,398,124 |
| Income from investments | 294,258,515 | | 294,258,515 |
| Interest on contributions | 1,727,966 | | 1,727,966 |
| Miscellaneous | 161,291 | | 161,291 |
| Total operating revenues | <u>496,168,484</u> | <u>4,266,083</u> | <u>500,434,567</u> |
| Operating expenses: | | | |
| Retirement benefits | 218,510,513 | | 218,510,513 |
| Healthcare premiums | | 4,263,448 | 4,263,448 |
| Refunds of contributions | 6,142,427 | 2,635 | 6,145,062 |
| Management and professional fees | 5,987,682 | | 5,987,682 |
| Interest for reverse repurchase agreements | 1,788,033 | | 1,788,033 |
| Miscellaneous | 844,061 | | 844,061 |
| Total operating expenses | <u>233,272,716</u> | <u>4,266,083</u> | <u>237,538,799</u> |
| Operating income | <u>262,895,768</u> | | <u>262,895,768</u> |
| Other financing sources (uses): | | | |
| Transfers from other funds | 20,399 | | 20,399 |
| Transfers to other funds (Note 7) | (2,091,121) | | (2,091,121) |
| Total other financing uses | <u>(2,070,722)</u> | | <u>(2,070,722)</u> |
| Net increase in fund balance | <u>260,825,046</u> | | <u>260,825,046</u> |
| Fund balance, July 1 | 2,555,473,091 | | 2,555,473,091 |
| Prior period adjustment (Note 11) | 7,257,101 | | 7,257,101 |
| Fund balance, July 1, restated | <u>2,562,730,192</u> | | <u>2,562,730,192</u> |
| Fund balance, June 30 | <u>\$ 2,823,555,238</u> | <u>\$</u> | <u>\$ 2,823,555,238</u> |

See notes to financial statements.

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
EMPLOYEES' RETIREMENT SYSTEM
Notes to Financial Statements**

Note 1. Pension Plans

The State of Rhode Island Employees' Retirement System (the System), is a multiple-employer, cost-sharing, public employee retirement system that acts as a common investment and administrative agent for pension benefits to be provided to state employees who meet eligibility requirements, as well as teachers and certain other employees employed by local school districts in Rhode Island. The activities of the Employees' Retirement System are accounted for in the Employees' Retirement Fund and the Postretirement Healthcare Fund. The financial statements of the System are included as a discretely presented proprietary component unit in the State of Rhode Island Comprehensive Annual Financial Report.

A. Pension Plan Description

The plan covers most State employees other than certain personnel at the state colleges and university (principally faculty and administrative personnel). Legislators and elected officials may become members on an optional basis. Membership in the plan is compulsory for teachers, including superintendents, principals, school nurses, and certain other school officials in the public schools in the cities and towns. Rhode Island Airport Corporation (RIAC) employees hired before July 1, 1993, are also covered and have the same benefits as State employees. The State Police and Judges have separate plans that are not included in the Employees' Retirement System.

The State's payroll for its employees that were covered by the plan for the year ended June 30, 1995, was approximately \$462.5 million and the total payroll, including overtime pay not subject to pension contributions, for all State employees was approximately \$656.8 million. The payroll for teachers and other local school employees covered by the plan for the year ended June 30, 1995, was \$523.1 million. RIAC's payroll for employees covered by the plan was \$1.9 million.

The plan provides unreduced benefits of 1.7% of earnings for each of the first ten years of service; 1.9% for each of the next ten years; 3.0% per year for each of the next fourteen years; and 2% for the 35th year. The maximum benefit is 80% of final average earnings after 35 years of service. Such benefits are available to members at least age 60 with 10 years of service, or after 28 years at any age. A different benefit formula applies to state correctional officers who may retire at age 50 if they have 20 years of service. Benefits are based on the average of the highest three consecutive years' earnings, exclusive of overtime.

The plan also provides benefits to legislators of \$600 for every year served up to a maximum of \$12,000. If a legislator is entitled under Rhode Island General Laws 36-10-10.1(a) to an annual retirement allowance which is in excess of the amount permitted by Internal Revenue Service code 415(b)(4) of \$10,000, that amount shall be paid out of the General Fund but, only to the extent that the amounts have been appropriated. Such benefits are available to legislators 55 years of age and over with at least 8 years

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
EMPLOYEES' RETIREMENT SYSTEM
Notes to Financial Statements**

of service or, at any age with 20 or more years of service. For the year ending June 30, 1995, legislators received their full amounts. At June 30, 1995, the State had reimbursed the System for the excess amounts plus interest.

On the third January after retirement, a cost-of-living increase of 3% (compounded annually) is provided, independent of actual changes in the consumer price index. The plan also provides non-service-connected disability benefits after five years of service; service-connected disability pensions with no minimum service requirement; vested benefits after ten years of service; survivor's benefits for service-connected death; and certain lump sum death benefits.

Rhode Island General Laws, Sections 16-16-22 and 36-10-1 require that members contribute a fixed percentage of their earnings to the System. For the year ended June 30, 1995, this percentage was 7.75% for State employees, 8.5% for teachers and other covered school employees and 30% for legislators. The contributions required by the State and various local school districts that participate in the plan are set forth in Rhode Island General Laws, Sections 16-16-22 and 36-10-2. Employer contribution rates are determined by the actuary in accordance with policies outlined in the General Laws.

Membership in the plan, as of the most recent actuarial valuation date, June 30, 1994, is as follows:

| | |
|--|---------------|
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them | 17,381 |
| Active employees (including 14,918 fully vested and 2,577 eligible to retire) | <u>25,589</u> |
| Total | <u>42,970</u> |

B. Postretirement Healthcare Plan Description

In accordance with the General Laws, postretirement healthcare benefits are also provided to all State employees who retire on or after July 1, 1989. The benefits in general cover medical and hospitalization costs for pre-Medicare-eligible retirees and a Medicare supplement for Medicare-eligible retirees. The State is required to pay a portion of the monthly premium. This payment varies with years of service and ranges from 50% for retirees with 10-15 years of service to 100% for retirees with 35 years of service.

During fiscal year 1995, the State contributed 1% of active member State employees' payroll (exclusive of overtime) to the Postretirement Healthcare Fund. The actuarial

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
EMPLOYEES' RETIREMENT SYSTEM
Notes to Financial Statements**

valuation performed as of June 30, 1993, calculated a rate of 0.63%; however, the State made an additional contribution of 0.37% to aid in the repayment of advances from the State's General fund. Pensioners' contributions for healthcare insurance costs are recorded in the Postretirement Healthcare Fund.

If the cost of this benefit exceeds plan contributions, the State is required to advance the necessary funds to the System. The advances will be repaid to the State from any subsequent excess funds contributed based on future actuarial valuations. As of June 30, 1995, the State advanced \$3,917,876 to the Postretirement Healthcare Fund.

Enrollment in the postretirement healthcare plan, as of June 30, 1995, is as follows:

| | |
|------------------|--------------|
| Pre- age 65 | 807 |
| Age 65 and older | <u>1,334</u> |
| | <u>2,141</u> |

Note 2. Summary of Significant Accounting Policies

These financial statements were prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

Basis of Accounting - The financial statements of the Employees' Retirement System (the System) are prepared on the accrual basis of accounting. Under this method revenues are recorded when earned and expenses are recorded when incurred. Dividend income is recorded on the ex-dividend date.

Method Used to Value Investments - Investments are recorded in the financial statements at cost. The cost of investments sold is determined using the average cost method. Investment transactions are recorded on the date the investments are traded. Most assets of the Employees' Retirement System are held by the custodian bank (State Street Bank). On July 1, 1992, the State Investment Commission pooled the assets of the State Employees' Retirement System with the assets of the Municipal Employees' Retirement System for investment purposes only, and assigned units to the Systems based on their respective share of market value. The units are a function of contributions to or withdrawals from components comprising the pool.

Cash and Cash Equivalents - Cash represents cash held in trust in a financial institution and cash allocated to the System's investment managers for investments. Cash equivalents are highly liquid investments with a maturity of three months or less at the time of purchase.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
EMPLOYEES' RETIREMENT SYSTEM
Notes to Financial Statements

Security Loans - The State Investment Commission had authorized the securities custodian and transfer agent, State Street Bank and Trust Company (SSB), to also act as its agent for the purpose of lending certain securities of the Employees' Retirement Fund (the Fund) to borrowers selected by SSB. The loans were collateralized at all times by cash, securities issued or guaranteed by the United States government or its agencies, or certain irrevocable letters of credit, with a market value at least equal to the market value of the securities loaned. The Fund received compensation for lending its securities in the form of fees or from a portion of the income from the investment of the collateral during most of fiscal year ended June 30, 1995. The Fund terminated its security lending contract with SSB effective March 6, 1995.

Foreign Currency Exchange Contracts - The System enters into foreign currency exchange contracts to minimize the short-term impact of foreign currency fluctuations on the asset and liability positions of foreign investments. The gains or losses on these contracts are included in income in the period in which the exchange rates change. Gains and losses on contracts which hedge specific foreign currency denominated commitments are deferred and recognized in the period in which the transaction is completed.

Mortgage-Backed Securities - The System invests in various mortgage-backed securities, such as collateralized mortgage obligations, interest-only strips, and principal-only strips. These securities are reported at cost in the balance sheet. They are reported in aggregate as U.S. Government and Agency Securities in the disclosure of custodial credit risk (See Note 4 on Investments).

Memorandum Only - Total Columns - Total columns on the financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns are not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Changes In Presentation - The statement of cash flows is not a required financial statement under generally accepted accounting principles; therefore, it is not presented for the fiscal year ending June 30, 1995.

Pensioners' contributions and their share of the cost of insurance are now included in the Postretirement Healthcare Fund.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
EMPLOYEES' RETIREMENT SYSTEM
Notes to Financial Statements

Note 3. Administration of the System

The System is administered by the State of Rhode Island Retirement Board which consists of 15 members: the general treasurer, the director of administration or his or her designee; the budget officer or his or her designee; the fiscal advisor to the house finance committee or his or her designee; the president of the league of cities and towns or his or her designee; two (2) active state employee members of the retirement system or officials from state employee unions to be elected by active state employees; two (2) active teacher members of the retirement system or officials from a teachers union to be elected by active teachers; one active municipal employee member of the retirement system or an official from a municipal employees union to be elected by active municipal employees; one retired member of the retirement system to be elected by retired members of the System; the chairperson of the house finance committee or his or her designee; the chairperson of the senate finance committee or his or her designee; and two (2) public representatives, one of whom shall be a C.L.U. competent in the area of pension benefits, shall be appointed by the governor and whose term shall be for four (4) years, or until their successors are appointed.

The State Investment Commission oversees all investments made by the State of Rhode Island, including those made for the System. Certain investments are made by investment managers, engaged by the Commission, at their discretion in accordance with the investment objectives and guidelines for the System. Short-term investments are made on a daily basis by the General Treasurer. Rhode Island General Laws, Section 35-10-11 (b)(3) requires that all investments shall be made in securities as would be acquired by prudent persons of discretion and intelligence who are seeking a reasonable income and the preservation of capital.

Note 4. Cash Deposits and Investments

Cash Deposits

At June 30, 1995, the carrying amount of the Employees' Retirement Fund cash deposits was \$8,856,196 and the bank balance was \$1,593,042. The bank balance represents deposits of \$548,314 in the Fund's short-term trust account which are covered by federal depository insurance and \$1,044,728 at the Fund's custodian bank which consists of uncollateralized deposits in foreign banks which are not covered by United States federal depository insurance. The carrying amount of the Postretirement Healthcare Fund cash deposits was \$330,873 and the bank balance was a negative \$178,174.

In accordance with Rhode Island General Laws, Chapter 35-10.1, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent of time deposits with maturities greater than sixty days. Any of these institutions that do

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
EMPLOYEES' RETIREMENT SYSTEM
Notes to Financial Statements**

not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to one hundred percent of deposits, regardless of maturity. None of the System's deposits were required to be collateralized at June 30, 1995.

The Employees' Retirement Fund's (the Fund) investments are pooled with other funds (see Note 2). The Fund's share of pooled investments are categorized in the following table to give an indication of the level of risk assumed by the entity at June 30, 1995:

Category 1 includes insured or registered, or securities held by the Fund or its agent in the Fund's name.

Category 2 includes uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Fund's name.

Category 3 includes uninsured and unregistered, with securities held by the counterparty or by its trust department or agent, but not in the Fund's name.

The estimated market values of real estate and venture capital investments at June 30, 1995, involve subjective judgment. The actual market value of real estate can be determined only by negotiation between the parties in a sales transaction and venture capital market value can only be determined when there is an arms-length event such as when an entity goes public or when there is a negotiation between the parties in a sales transaction.

| | Category | | | Carrying Amount | Market Value at June 30, 1995 |
|--|------------------------|---|---|-------------------------------|--|
| | 1 | 2 | 3 | | |
| U.S. Government and Agency Securities | \$945,324,524 | | | \$945,324,524 | \$1,023,344,655 |
| Repurchase Agreements | 3,800,000 | | | 3,800,000 | 3,800,000 |
| Corporate Bonds and Notes | 82,274,583 | | | 82,274,583 | 82,740,059 |
| Foreign Bonds | 4,830,043 | | | 4,830,043 | 4,968,407 |
| Equity Securities | 1,027,606,238 | | | 1,027,606,238 | 1,520,060,636 |
| Foreign Equity Securities | 281,856,551 | | | 281,856,551 | 290,981,763 |
| | <u>\$2,345,691,939</u> | | | 2,345,691,939 | 2,925,895,520 |
| Real Estate and Venture Capital Limited Partnerships | | | | 139,811,626 | 122,097,319 |
| Money Market Mutual Funds | | | | 340,554,291 | 340,554,291 |
| Total | | | | 2,826,057,856 | 3,388,547,130 |
| Less amount classified as cash equivalents | | | | 344,354,291 | 344,354,291 |
| Total Investments | | | | <u><u>\$2,481,703,565</u></u> | <u><u>\$3,044,192,839</u></u> |

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
EMPLOYEES' RETIREMENT SYSTEM
Notes to Financial Statements

Reverse Repurchase Agreements

The Fund entered into reverse repurchase agreements during the fiscal year. Authorization for these transactions was implied in the managers' contracts and was used on a temporary basis for investment funding only. In December of 1995, the State Investment Commission amended the investment managers' contracts to specifically prohibit the use of reverse repurchase agreements. A reverse repurchase agreement is a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. The cash received on reverse repurchase agreements normally exceeds the market value of securities underlying the reverse repurchase agreements, providing the Fund protection against an increase in the market value of securities. If the dealers default on their obligations to resell these securities to the Fund or provide securities or cash of equal value, the Fund would suffer an economic loss equal to the difference between the market value of the underlying securities (plus accrued interest) and the reverse repurchase agreement obligation (plus accrued interest). At June 30, 1995, there were no outstanding reverse repurchase agreements.

Forward Foreign Currency Contracts

The Fund may enter into forward foreign currency contracts. These contracts involve risk in excess of the amount reflected in the Fund's Balance Sheet. The face or contract amount in U.S. dollars reflects the total exposure the Fund has in that particular currency contract. The U.S. dollar value of forward foreign currency contracts is determined using forward currency exchange rates supplied by a quotation service. Losses may arise due to changes in the value of the foreign currency or if the counterparty does not perform under the contract.

Interest and Principal-Only Strips

The Fund invests in interest-only (IO) and principal-only strips (PO) (forms of mortgage-backed securities) in part to hedge against a rise in interest rates. Interest-only strips are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to pre-payments by mortgagees, which may result from a decline in interest rates. For example, if interest rates decline and homeowners refinance mortgages, thereby prepaying the mortgages underlying these securities, the cash flows from interest payments are reduced and the value of these securities declines. Likewise, if homeowners pay on mortgages longer than anticipated, the cash flows are greater and the return on the initial investment would be higher than anticipated.

Principal-only strips receive principal cash flows from the underlying mortgages. In periods of rising interest rates, homeowners tend to make fewer mortgage prepayments. If actual prepayment rates are lower than anticipated, the time remaining until the return of principal is increased. The later principal is paid, the lower the present value of the

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
EMPLOYEES' RETIREMENT SYSTEM
Notes to Financial Statements**

security. Conversely, higher prepayment rates return principal faster causing the PO to appreciate in market value.

Note 5. Due From State of Rhode Island

The balance of \$10,037,981 relates to the State's share of retirement contributions for teachers due on June 30, 1995. The balance of \$3,587,003 represents the amounts due from the State for prior years underfunding of the postretirement healthcare plan (\$1,810,932) and pensioners' withholdings (\$1,776,071).

Note 6. Payable To Certain Individuals

The System is involved in litigation by certain individuals who are contesting the constitutionality of Section 36-9.1-2 which repealed Section 36-9-33 of the General Laws thereby depriving those individuals of the right to participate in the System. Pursuant to the statute, the System was required by January 1, 1995, to return to the employees their contributions with interest at the rate of 8% for the applicable time periods during which the contributions were held by the System. By agreement between the parties, the System will continue to hold the employee contributions in the amount of \$1,005,488, pending outcome of the litigation or further agreement between the parties.

Note 7. Administrative Expenses

Expenses of the Retirement Board and the cost of maintaining the Retirement System are paid from a restricted receipt account within the State's general fund that is used solely to pay such expenses. This account is reimbursed through the transfer of 1.5% of the investment income received by the System up to a maximum of 1.5% of the income as reported in the audited financial statements for the next preceding fiscal year. Any non-encumbered funds at June 30 are transferred back to the System. Administrative expenses incurred by the System for the year ended June 30, 1995, amounted to \$2,053,624 and are included in transfers to other funds of \$2,091,121.

Note 8. Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the Employees' Retirement Fund on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits, and is independent of the funding method used to determine contributions to the System.

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
EMPLOYEES' RETIREMENT SYSTEM
Notes to Financial Statements**

The pension benefit obligation was computed as part of the actuarial valuation performed as of June 30, 1994. Significant actuarial assumptions used in that valuation included: (a) an annual rate of return on Fund investments of 8% compounded annually; (b) projected annual salary increases of 4.5%, compounded annually; (c) mortality rates based on the 1971 group annuity mortality table; (d) cost-of-living increases in pension benefits of 3% compounded annually beginning on the January 1st following the third anniversary of retirement; and, (e) a retirement age of 62.5 years for State employees and 61 years for teachers or completion of service requirement, if later.

The total unfunded pension benefit obligation, expressed in thousands, at June 30, 1994, is summarized below:

| <u>Pension benefit obligation:</u> | <u>State Employees</u> | <u>Teachers</u> | <u>Total</u> |
|--|------------------------|------------------|--------------------|
| Retirees and beneficiaries receiving benefits and terminated employees not yet receiving benefits | \$943,304 | \$1,122,537 | \$2,065,841 |
| Current employees | | | |
| Accumulated employee contributions | 258,894 | 373,154 | 632,048 |
| Employer-financed vested | 296,127 | 566,569 | 862,696 |
| Employer-financed nonvested | <u>182,244</u> | <u>289,164</u> | <u>471,408</u> |
| Total pension benefit obligation | 1,680,569 | 2,351,424 | 4,031,993 |
| Net assets at June 30, 1994 available for benefits at carrying value (market value is \$2,941,409) | <u>1,066,096</u> | <u>1,496,634</u> | <u>2,562,730</u> |
| Unfunded pension benefit obligation | <u>\$614,473</u> | <u>\$854,790</u> | <u>\$1,469,263</u> |

Note 9. Actuarially Determined Contribution Requirements and Contributions Made

The funding policy, as set forth in Rhode Island General Laws, Section 36-10-2 provides for actuarially determined periodic contributions to the System. Employer contributions to the System include: (1) normal cost; (2) a payment required to amortize the unfunded frozen actuarial liability over 27 years, beginning as of July 1, 1989, calculated such that each year's total unfunded liability payment increases at the assumed rate of inflation over the prior year's total payment—provided any subsequent changes to the unfunded liability due to changes to benefits or actuarial assumptions are amortized over a new 30-year period or over the remaining initial amortization period depending on how large the total change to the unfunded liability for each fiscal year is relative to the existing unfunded liability; and, (3) interest on the unfunded frozen actuarial liability. The

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
EMPLOYEES' RETIREMENT SYSTEM
Notes to Financial Statements**

normal cost is determined using the entry age normal cost method with frozen initial liability. The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the pension benefit obligation. The actuarial value of assets was changed from book value to market value as of June 30, 1992, which is the actuarial valuation date used to determine the fiscal 1995 state contribution rate. The actuary will spread the gains resulting from the change of asset value from book to market over three years.

In fiscal 1995, the actuarially determined employer contribution rate for State employees was 11.32% of current-year covered payroll. This rate yielded a total contribution of \$52,555,561 by the State for its employees. This amount was to have consisted of \$23,074,305 for normal cost and \$29,481,256 for amortization of the unfunded actuarial accrued liability. Instead, as required by a settlement agreement with the Internal Revenue Service, \$16,760,332 of the total contribution was applied as repayment of previous contributions withdrawn (inclusive of interest).

The State also contributed \$4,471,572 or 1% of the current-year covered payroll to the Postretirement Healthcare Fund. The contributions consisted of \$2,490,012 of current year revenue and \$1,981,560 which reduced the Due from the State of Rhode Island balance.

State employees contributed \$36,030,708 or 7.75% of current-year covered payroll to the Employees' Retirement Fund.

The State's required contribution for teachers in communities which had previously adopted early retirement incentives was \$35,294,580 or 6.76% of covered payroll. Municipalities were required to contribute \$48,210,309 or 9.26% of covered payroll. For communities that did not adopt early retirement incentives, the State was required to contribute \$1,555,628 or 6.06% and the municipalities were required to contribute \$2,107,542 or 8.21%. Of the total amount contributed by the State on behalf of teachers, \$5,226,664 was applied as repayment of previous contributions withdrawn (inclusive of interest) as required by a settlement agreement with the Internal Revenue Service.

Note 10. Historical Trend Information

Historical trend information, designed to provide information about the Fund's progress made in accumulating sufficient assets to pay benefits when due, is presented in the Required Supplementary Information section of this report.

Note 11. Prior Period Adjustment

On July 1, 1992, the State Investment Commission pooled the assets held by State Street Bank (the custodian) for the Employees' Retirement Fund and the Municipal Employees' Retirement Fund. Units were assigned to each Fund based on its share of

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
EMPLOYEES' RETIREMENT SYSTEM**

Notes to Financial Statements

the market value of the pooled assets, and a new cost basis was established for each Fund based on the number of units held and the pooled average cost per unit. This resulted in a reallocation of the Funds' carrying value of investments. The allocation of the carrying value of investments between the Employees' Retirement Fund and Municipal Employees' Retirement Fund was done using percentages of the investment pools at market value. On June 30, 1995 it was determined that the allocation method used should be based on cost—not market value. As a result, the carrying value at June 30, 1994, was recalculated by taking the audited carrying value at June 30, 1992, and rolling forward all applicable transactions by Fund as reported by the custodian (SSB). The adjustment to cost does not affect the employer contribution rates for either the Employees' Retirement System or the Municipal Employees' Retirement System. The value of assets computed by the Funds' actuary (William M. Mercer, Inc.) for valuation purposes is done using market value which will not be affected by the adjustment.

Note 12. Related Party Transactions

As of June 30, 1995, the Employees' Retirement Fund invested in bonds issued by the R.I. Housing and Mortgage Finance Corporation totaling \$8,090,000 and the R.I. Industrial Facilities Corporation totaling \$23,000,000. These entities are included as discretely presented proprietary component units in the State of Rhode Island Comprehensive Annual Financial Report.

Note 13. Contingencies

A claim has been made by a former member of the System that he is entitled to interest on the refund of his contribution. The matter is presently pending before a hearing officer. The System contests the claim for interest. At issue is not only the right to receive interest, but also the rate of interest and the manner of calculation. Counsel has advised the System that it is unable to opine whether or not the System is liable to pay interest or the rate at which interest, if any, should be calculated or the manner of calculation. Accordingly, there is no reliable basis upon which to estimate the System liability, if any.

On December 2, 1994, the Employees' Retirement System received funds from the sale of Old Stone Bank of California. Of the funds received, \$500,000 was placed in an escrow account to cover an environmental situation arising out of the sale of the bank. The \$500,000 is included in open trades receivable on the balance sheet. The Escrow Agreement, dated December 2, 1994, provides (in Section 6) that the Agreement terminates December 2, 1998 and the funds are to be returned to the Employees' Retirement System, unless there is an environmental claim prior to that date.



ERNEST A. ALMONTE, CPA, CFE
Auditor General

GENERAL ASSEMBLY
Office of the Auditor General

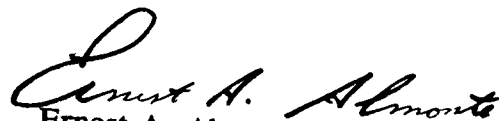
1145 Main Street
Pawtucket, Rhode Island 02860-4807

January 19, 1996

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

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

The Analysis of Funding Progress and the Schedule of Revenues by Source and Expenses by Type appearing on the following pages are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.


Ernest A. Almonte, CPA, CFE
Auditor General

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
ANALYSIS OF FUNDING PROGRESS**

(Expressed in Thousands)

| Fiscal Year | (1) Net Assets Available for Benefits * | (2) Pension Benefit Obligation | (3) Percentage Funded (1) / (2) | (4) Unfunded Pension Benefit Obligation (2) - (1) | (5) Annual Covered Payroll | (6) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll (4) / (5) |
|-------------|--|-----------------------------------|------------------------------------|--|-------------------------------|---|
| 1987 | \$ 1,196,304 | \$ 2,327,225 | 51.4% | \$ 1,130,921 | \$ 624,927 | 181.0% |
| 1988 | 1,392,277 | 2,569,166 | 54.2% | 1,176,889 | 738,696 | 159.3% |
| 1989 | 1,710,607 | 2,728,467 | 62.7% | 1,017,860 | 729,859 | 139.5% |
| 1990 | 1,896,653 | 3,022,835 | 62.7% | 1,126,182 | 819,329 | 137.5% |
| 1991 | 1,975,462 | 3,311,190 | 59.7% | 1,335,728 | 824,000 | 162.1% |
| 1992 | 2,185,752 | 3,576,893 | 61.1% | 1,391,141 | 816,000 | 170.5% |
| 1993 | 2,366,475 | (1) 3,801,359 | 62.3% | 1,434,884 | 884,000 | 162.3% |
| 1994 | 2,562,730 | (1) 4,031,993 | 63.6% | 1,469,263 | 942,000 | 156.0% |

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the Retirement Fund's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the Fund is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Fund. Trends in the unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Fund's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Fund. Historical trend information has been presented for all years for which it is available. The pension benefit obligation was not computed for years prior to 1987. Data for subsequent years will be added to the schedule.

* At cost

(1) Adjusted for prior period adjustments posted in fiscal 1994 and 1995

(Unaudited)

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
REVENUES BY SOURCE AND EXPENSES BY TYPE**

(Expressed in Thousands)

Revenues by Source

| Fiscal Year | Employee Contributions | Employer Contributions | Investment Income | Other Income | Total |
|----------------|---------------------------|---------------------------|----------------------|-----------------|------------|
| 1986 | \$ 46,364 | \$ 103,521 | \$ 95,464 | \$ 394 | \$ 245,743 |
| 1987 | 52,133 | 98,940 | 105,976 | 563 | 257,612 |
| 1988 | 62,058 | 101,038 | 141,769 | 1,474 | 306,339 |
| 1989 | 69,381 | 135,140 | 223,375 | 893 | 428,789 |
| 1990 | 64,964 | 115,011 | 151,328 | 767 | 332,070 |
| 1991 | 69,796 | 61,701 | 140,758 | 751 | 273,006 |
| 1992 | 70,711 | 70,637 | 271,201 | 1,089 | 413,638 |
| 1993 | 74,441 | 133,140 | 192,902 | 2,563 | 403,046 |
| 1994 | 78,464 | 127,100 | 201,399 | 2,875 | 409,838 |
| 1995 | 82,622 | 117,399 | 294,258 | 1,889 | 496,168 |

Expenses by Type

| Fiscal Year | Benefits | Operating Expenses | Refunds | Other Expenses | Total |
|----------------|-----------|-----------------------|----------|-------------------|-----------|
| 1986 | \$ 75,043 | \$ | \$ 3,915 | \$ 20 | \$ 78,978 |
| 1987 | 93,565 | | 4,183 | 2 | 97,750 |
| 1988 | 104,848 | 560 | 3,981 | | 109,389 |
| 1989 | 113,840 | 1,318 | 4,377 | 2 | 119,537 |
| 1990 | 136,495 | 4,148 | 3,844 | | 144,487 |
| 1991 | 185,637 | 3,249 | 4,377 | | 193,263 |
| 1992 | 191,806 | 5,674 | 4,874 | | 202,354 |
| 1993 | 199,962 | 4,765 | 3,904 | | 208,631 |
| 1994 | 206,824 | 7,584 | 4,226 | 417 | 219,051 |
| 1995 | 218,511 | 5,988 | 6,142 | 2,632 | 233,273 |

Data for 1986 through 1988 is reported on the cash basis; data for 1989 through 1995 is reported on the accrual basis.

(Unaudited)



State of Rhode Island and Providence Plantations

GENERAL ASSEMBLY

Office of the Auditor General

1145 Main Street
Pawtucket, Rhode Island 02860-4807

OFFICE
(401) 277-2435
FAX
(401) 277-2111

ERNEST A. ALMONTE, CPA, CFE
Auditor General

January 19, 1996

**INDEPENDENT AUDITOR'S REPORT ON THE
INTERNAL CONTROL STRUCTURE**

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

We have audited the financial statements of the State of Rhode Island and Providence Plantations Employees' Retirement System (the System) as of and for the year ended June 30, 1995, and have issued our report thereon dated January 19, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the System is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and are recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the System for the year ended June 30, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we

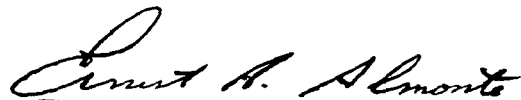
Joint Committee on Legislative Services
Page 2
January 19, 1996

assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

However, we noted other matters involving the internal control structure and its operation that we have reported to the management of the System, in a separate letter dated January 19, 1996.

This report is intended for the information of the Joint Committee on Legislative Services, members of the Retirement Board, and management of the System. However, this report is a matter of public record and its distribution is not limited.


Ernest A. Almonte, CPA, CFE
Auditor General



State of Rhode Island and Providence Plantations

ERNEST A. ALMONTE, CPA, CFE
Auditor General

GENERAL ASSEMBLY

Office of the Auditor General

1145 Main Street
Pawtucket, Rhode Island 02860-4807

OFFICE
(401) 277-2435
FAX
(401) 277-2111

January 19, 1996

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH LAWS, REGULATIONS AND CONTRACTS**

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

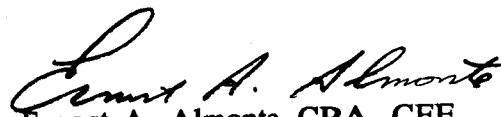
We have audited the financial statements of the State of Rhode Island and Providence Plantations Employees' Retirement System (the System) as of and for the year ended June 30, 1995, and have issued our report thereon dated January 19, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, and contracts applicable to the System is the responsibility of the System's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the System's compliance with certain provisions of laws, regulations, and contracts. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards. We noted certain immaterial instances of noncompliance that we have reported to the management of the System in a separate letter dated January 19, 1996.

This report is intended for the information of the Joint Committee on Legislative Services, members of the Retirement Board, and management of the System. However, this report is a matter of public record and its distribution is not limited.


Ernest A. Almonte, CPA, CFE
Auditor General

ERI

Municipal Employees' Retirement System

Annual Financial Statement as of June 30, 1995



ERNEST A. ALMONTE, CPA, CFE
Auditor General

State of Rhode Island and Providence Plantations

GENERAL ASSEMBLY

Office of the Auditor General

1145 Main Street
Pawtucket, Rhode Island 02860-4307

January 19, 1996

INDEPENDENT AUDITOR'S REPORT


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

We have audited the accompanying financial statements of the State of Rhode Island and Providence Plantations Municipal Employees' Retirement System (the System), a component unit of the State of Rhode Island and Providence Plantations, as of and for the year ended June 30, 1995. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the System as of June 30, 1995, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 19, 1996 on our consideration of the System's internal control structure and a report dated January 19, 1996 on its compliance with laws, regulations, and contracts.


Ernest A. Almonte, CPA, CFE
Auditor General

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
BALANCE SHEET
June 30, 1995**

ASSETS

| | |
|---|----------------------------------|
| Cash and cash equivalents (Note 4) | \$ 46,001,896 |
| Investments (Note 4) | 350,935,278 |
| Accrued interest and dividends receivable | 3,445,909 |
| Open trades receivable | 5,000,149 |
| Contributions receivable | 2,126,206 |
| Accounts receivable | <u>62,946</u> |
| Total assets | <u><u>\$ 407,572,384</u></u> |

LIABILITIES AND FUND BALANCE

| | |
|---|----------------------------------|
| Liabilities: | |
| Accounts and vouchers payable | \$ 265,587 |
| Open trades payable | <u>15,004,947</u> |
| Total liabilities | 15,270,534 |
| Fund balance available for benefits | <u>392,301,850</u> |
| Total liabilities and fund balance | <u><u>\$ 407,572,384</u></u> |

See notes to financial statements.

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 1995**

| | |
|---|-----------------------|
| Operating revenues: | |
| Employer contributions | \$ 4,481,460 |
| Employee contributions | 10,536,679 |
| Income from investments | 42,282,768 |
| Interest on contributions | <u>163,292</u> |
| Total operating revenues | <u>57,464,199</u> |
| Operating expenses: | |
| Retirement benefits | 20,691,288 |
| Refunds of contributions | 716,312 |
| Management and professional fees | 887,242 |
| Interest for reverse repurchase agreements. | 254,047 |
| Miscellaneous | <u>110,053</u> |
| Total operating expenses | <u>22,658,942</u> |
| Operating income | <u>34,805,257</u> |
| Other financing sources (uses): | |
| Transfers from other funds | 37,497 |
| Transfers to other funds (Note 5) | <u>(324,552)</u> |
| Total other financing uses | <u>(287,055)</u> |
| Net increase in fund balance | <u>34,518,202</u> |
| Fund balance, July 1 | |
| Prior period adjustment (Note 9) | 365,040,749 |
| Fund balance, July 1, restated | <u>(7,257,101)</u> |
| Fund balance, June 30 | <u>357,783,648</u> |
| | <u>\$ 392,301,850</u> |

See notes to financial statements.

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
Notes to Financial Statements**

Note 1. Plan Description

The State of Rhode Island (the State), through the Retirement Board, administers the Municipal Employees' Retirement System (the System), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for pension benefits to be provided to employees of municipalities, housing authorities, water and sewer districts, and municipal police and firemen that have elected to participate. The activities of the System are accounted for in the Municipal Employees' Retirement Fund (the Fund). The financial statements of the Fund are included as a discretely presented proprietary component unit in the State of Rhode Island Comprehensive Annual Financial Report.

The plan generally provides retirement benefits equal to 2% of a member's final average salary multiplied by the number of years of total service up to a maximum of 75%. Such benefits are available to members at least age 58 with 10 years of service or after 30 years of service at any age. Police and fire personnel may retire at age 55 if they have 10 years of service or after 25 years of service at any age. An optional cost-of-living provision may be elected for police and fire personnel and general employees. An option may be elected to provide a 20 year service pension with a benefit equal to 2.5% for each year of service for police and fire personnel. Benefits are based on the average of the highest three consecutive years' earnings, exclusive of overtime.

The plan also provides non-service-connected disability benefits after 5 years of service; service-connected disability pensions with no minimum service requirement; vested benefits after 10 years of service; survivor's benefits; and certain lump sum death benefits.

Rhode Island General Laws, Section 45-21-41 requires that members contribute a fixed percentage of their earnings to the Fund. For the year ended June 30, 1995 this percentage was 6% for general employees and 7% for police and fire personnel. For groups that elect the optional cost-of-living provision, or for police and fire personnel electing the 20 year service pension, the employee contribution rate is increased by 1%. Rhode Island General Laws, Section 45-21-42 contains the contribution requirements for participating employers. The rates are actuarially determined and vary by participating employer. The State does not make contributions to the System and assumes no liability for funding pension benefits to members.

Eighty-nine municipalities and agencies participate in the System. Membership in the System, as of the most recent actuarial valuation date, June 30, 1994, is shown on the next page:

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
Notes to Financial Statements**

| | |
|--|--------------|
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them | 3,797 |
| Active employees (including 2,205 fully vested and 674 eligible to retire) | <u>6,043</u> |
| Total | <u>9,840</u> |

Note 2. Summary of Significant Accounting Policies

These financial statements were prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

Basis of Accounting - The financial statements of the Municipal Employees' Retirement System (the System) are prepared on the accrual basis of accounting. Under this method revenues are recorded when earned and expenses are recorded when incurred. Dividend income is recorded on the ex-dividend date.

Method Used to Value Investments - Investments are recorded in the financial statements at cost. The cost of investments sold is determined using the average cost method. Investment transactions are recorded on the date the investments are traded. Most assets of the Municipal Employees' Retirement System are held by the custodian bank (State Street Bank). On July 1, 1992, the State Investment Commission pooled the assets of the State Employees' Retirement System with the assets of the Municipal Employees' Retirement System for investment purposes only, and assigned units to the Systems based on their respective share of market value. The units are a function of contributions to or withdrawals from components comprising the pool.

Cash and Cash Equivalents - Cash represents cash held in trust in a financial institution and cash allocated to the System's investment managers for investments. Cash equivalents are highly liquid investments with a maturity of three months or less at the time of purchase.

Security Loans - The State Investment Commission had authorized the securities custodian and transfer agent, State Street Bank and Trust Company (SSB), to also act as its agent for the purpose of lending certain securities of the

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
Notes to Financial Statements**

Municipal Employees' Retirement Fund (the Fund) to borrowers selected by SSB. The loans were collateralized at all times by cash, securities issued or guaranteed by the United States government or its agencies, or certain irrevocable letters of credit, with a market value at least equal to the market value of the securities loaned. The Fund received compensation for lending its securities in the form of fees or from a portion of the income from the investment of the collateral during most of the fiscal year ended June 30, 1995. The Fund terminated its security lending contract with SSB effective March 6, 1995.

Foreign Currency Exchange Contracts - The System enters into foreign currency exchange contracts to minimize the short-term impact of foreign currency fluctuations on the asset and liability positions of foreign investments. The gains or losses on these contracts are included in income in the period in which the exchange rates change. Gains and losses on contracts which hedge specific foreign currency denominated commitments are deferred and recognized in the period in which the transaction is completed.

Mortgage-Backed Securities - The System invests in various mortgage-backed securities, such as collateralized mortgage obligations, interest-only strips, and principal-only strips. These securities are reported at cost in the balance sheet. They are reported in aggregate as U.S. Government and Agency Securities in the disclosure of custodial credit risk (See Note 4 on Investments).

Change In Presentation - The statement of cash flows is not a required financial statement under generally accepted accounting principles; therefore, it is not presented for the fiscal year ending June 30, 1995.

Note 3. Administration of the System

The System is administered by the State of Rhode Island Retirement Board which consists of 15 members: the general treasurer, the director of administration or his or her designee; the budget officer or his or her designee; the fiscal advisor to the house finance committee or his or her designee; the president of the league of cities and towns or his or her designee; two (2) active state employee members of the retirement system or officials from state employee unions to be elected by active state employees; two (2) active teacher members of the retirement system or officials from a teachers union to be elected by active teachers; one active municipal employee member of the retirement system or an official from a municipal employees union to be elected by active municipal employees; one retired member of the retirement system to be elected by retired members of the System; the chairperson of the house finance committee or his or her designee; the chairperson of the senate finance committee or his or her designee; and two (2) public representatives, one of whom shall be a C.L.U. competent in the area of

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**

Notes to Financial Statements

pension benefits, shall be appointed by the governor and whose term shall be for four (4) years, or until their successors are appointed.

The State Investment Commission oversees all investments made by the State of Rhode Island, including those made for the System. Certain investments are made by investment managers, engaged by the Commission, at their discretion in accordance with the investment objectives and guidelines for the System. Short-term investments are made on a daily basis by the General Treasurer. Rhode Island General Laws, Section 35-10-11 (b)(3) requires that all investments shall be made in securities as would be acquired by prudent persons of discretion and intelligence who are seeking a reasonable income and the preservation of capital.

Note 4. Cash Deposits and Investments

Cash Deposits

At June 30, 1995, the carrying amount of the Municipal Employees' Retirement System's cash deposits was \$587,867 and the bank balance was \$475,191. The bank balance represents deposits of \$325,581 in the System's short-term trust account which are covered by federal depository insurance and \$149,610 at the System's custodian bank which consists of uncollateralized deposits in foreign banks which are not covered by United States federal depository insurance.

In accordance with Rhode Island General Laws, Chapter 35-10.1, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent of time deposits with maturities greater than sixty days. Any of these institutions that do not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to one hundred percent of deposits, regardless of maturity. None of the System's deposits was required to be collateralized at June 30, 1995.

Investments

The Municipal Employees' Retirement System's investments are pooled with other funds (see Note 2). The Fund's share of pooled investments are categorized in the following table to give an indication of the level of risk assumed by the entity at June 30, 1995:

Category 1 includes insured or registered, or securities held by the System or its agent in the System's name.

Category 2 includes uninsured and unregistered, with securities held by the counterparty's trust department or agent in the System's name.

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
Notes to Financial Statements**

Category 3 includes uninsured and unregistered, with securities held by the counterparty or by its trust department or agent, but not in the System's name.

The estimated market values of real estate and venture capital investments at June 30, 1995, involve subjective judgment. The actual market value of real estate can be determined only by negotiation between the parties in a sales transaction and venture capital market value can only be determined when there is an arms-length event such as when an entity goes public or when there is a negotiation between the parties in a sales transaction.

Category

| | 1 | 2 | 3 | Carrying Amount | Market Value at June 30, 1995 |
|--|---|---|---|-----------------------------|----------------------------------|
| U.S. Government and Agency Securities | | | | \$145,815,323 | \$158,182,781 |
| Corporate Bonds and Notes | | | | 7,895,169 | 7,966,253 |
| Foreign Bonds | | | | 699,342 | 731,681 |
| Equity Securities | | | | 136,845,163 | 227,144,096 |
| Foreign Equity Securities | | | | 40,363,659 | 42,414,737 |
| | | | | <u>331,618,656</u> | 436,439,548 |
| Real Estate and Venture Capital Limited Partnerships | | | | 19,316,622 | 16,804,189 |
| Money Market Mutual Funds | | | | 45,414,029 | 45,414,029 |
| Total | | | | 396,349,307 | 498,657,766 |
| Less amount classified as cash equivalents | | | | 45,414,029 | 45,414,029 |
| Total Investments | | | | <u><u>\$350,935,278</u></u> | <u><u>\$453,243,737</u></u> |

Reverse Repurchase Agreements

The Fund entered into reverse repurchase agreements during the fiscal year. Authorization for these transactions was implied in the managers' contracts and was used on a temporary basis for investment funding only. In December of 1995, the State Investment Commission amended the investment managers' contracts to specifically prohibit the use of reverse repurchase agreements. A reverse repurchase agreement is a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. The cash received on reverse repurchase agreements normally exceeds the market value of securities underlying the reverse repurchase agreements, providing the Fund protection against an increase in the market value of securities. If the dealers default on their obligations to resell these securities to the Fund or provide securities or cash of equal value, the Fund would suffer an economic loss equal to the difference between the market value of the underlying securities (plus accrued interest) and the reverse repurchase agreement obligation (plus

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
Notes to Financial Statements**

accrued interest). At June 30, 1995, there were no outstanding reverse repurchase agreements.

Forward Foreign Currency Contracts

The Fund may enter into forward foreign currency contracts. These contracts involve risk in excess of the amount reflected in the System's Balance Sheet. The face or contract amount in U.S. dollars reflects the total exposure the Fund has in that particular currency contract. The U.S. dollar value of forward foreign currency contracts is determined using forward currency exchange rates supplied by a quotation service. Losses may arise due to changes in the value of the foreign currency or if the counterparty does not perform under the contract.

Interest and Principal-Only Strips

The Fund invests in interest-only (IO) and principal-only strips(PO) (forms of mortgage-backed securities) in part to hedge against a rise in interest rates. Interest-only strips are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to pre-payments by mortgagees, which may result from a decline in interest rates. For example, if interest rates decline and homeowners refinance mortgages, thereby prepaying the mortgages underlying these securities, the cash flows from interest payments are reduced and the value of these securities declines. Likewise, if homeowners pay on mortgages longer than anticipated, the cash flows are greater and the return on the initial investment would be higher than anticipated.

Principal-only strips receive principal cash flows from the underlying mortgages. In periods of rising interest rates, homeowners tend to make fewer mortgage prepayments. If actual prepayment rates are lower than anticipated, the time remaining until the return of principal is increased. The later principal is paid, the lower the present value of the security. Conversely, higher prepayment rates return principal faster causing the PO to appreciate in market value.

Note 5. Administrative Expenses

Expenses of the Retirement Board and the cost of maintaining the Retirement System are paid from a restricted receipt account within the State's general fund that is used solely to pay such expenses. This account is reimbursed through the transfer of 1.5% of the investment income received by the System up to a maximum of 1.5% of the income as reported in the audited financial statements for the next preceding fiscal year. Any non-encumbered funds at June 30 are transferred back to the System. Administrative expenses incurred by the System for the year ended June 30, 1995, amounted to \$304,153 and are included in transfers to other funds of \$324,552.

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
Notes to Financial Statements**

Note 6. Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the Fund on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits, and is independent of the funding method used to determine contributions to the System.

The pension benefit obligation was computed as part of the actuarial valuation performed as of June 30, 1994 and was the most recent available at the date of this report. Significant actuarial assumptions used in that valuation included: (a) the annual rate of return on the investment of assets of 8%, compounded annually; (b) projected annual salary increases of 4.5%, compounded annually; (c) mortality rates based on the 1971 group annuity mortality table; and, (d) a retirement age of 65 for general employees and 60 for police and fire personnel, or completion of service requirement, if later. For police and fire departments electing the 20 year service plan with unreduced benefits, the retirement age is 57 with 10 years of service.

The total unfunded pension benefit obligation, expressed in thousands, at June 30, 1994, is summarized below:

| <u>Pension benefit obligation:</u> | <u>General Employees</u> | <u>Police and Fire</u> | <u>Total</u> |
|--|------------------------------|----------------------------|------------------|
| Retirees and beneficiaries receiving benefits and terminated employees not yet receiving benefits | \$133,897 | \$21,698 | \$155,595 |
| Current employees | | | |
| Accumulated employee contributions | 49,371 | 9,696 | 59,067 |
| Employer-financed vested | 36,383 | 7,066 | 43,449 |
| Employer-financed nonvested | <u>45,167</u> | <u>9,297</u> | <u>54,464</u> |
| Total pension benefit obligation | <u>\$264,818</u> | <u>\$47,757</u> | <u>\$312,575</u> |

Net assets available for benefits, at carrying value, of the Municipal Employees' Retirement Fund at June 30, 1994 were \$357,783,648 (market value was \$430,209,411). This exceeds the pension benefit obligation by \$45,208,248.

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
Notes to Financial Statements**

Note 7. Actuarially Determined Contribution Requirement and Contributions Made

The funding policy, as set forth in Rhode Island General Laws, Section 45-21-42 provides for actuarially determined periodic contributions to the System. Each employer's contribution to the System includes normal cost and a payment, where applicable, to amortize the unfunded actuarial liability. The normal cost is determined using the entry age normal cost method. In 1989, the rules regarding the amortizing of the unfunded liability were changed. The new rules provided that the unfunded liability in 1988 will be amortized over the remainder of a 25-year period which commenced on the date the unit joined the System. Subsequent divergences from the actuarial assumptions are funded over the projected future salaries of active members. Due to large fluctuations in the contribution rates of certain municipalities, the Retirement Board adopted a procedure which allows an employer the option of paying a contribution rate equal to the previous year's rate plus the greater of 2 percent or one eighth of the increase in the contribution rate, plus the cost of any benefit improvements. The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the pension benefit obligation. The actuarial value of assets was changed from book value to market value as of June 30, 1992, which is the actuarial valuation date used to determine the fiscal 1995 employers' contribution rates. The actuary will spread the gains resulting from the change of asset value from book to market over three years.

Employers' contributions to the Fund for fiscal 1995 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of June 30, 1992. The portions of employer contributions that represent normal cost and amortization of the unfunded actuarial liability are determined by the actuary and vary for each employer.

Note 8. Historical Trend Information

Historical trend information, designed to provide information about the Fund's progress made in accumulating sufficient assets to pay benefits when due, has been presented for all years for which it is available. This information can be found in the Required Supplementary Information section of this report.

Note 9. Prior Period Adjustment

On July 1, 1992, the State Investment Commission pooled the assets held by State Street Bank (the custodian) for the Employees' Retirement Fund and the Municipal Employees' Retirement System. Units were assigned to each Fund based on its share of the market value of the pooled assets, and a new cost basis was established for each Fund based on the number of units held and the pooled average cost per unit. This resulted in a reallocation of the Funds' carrying value of investments. The allocation of

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
Notes to Financial Statements**

the carrying value of investments between the Employees' Retirement Fund and Municipal Employees' Retirement Fund was done using percentages of the investment pools at market value. On June 30, 1995 it was determined that the allocation method used should be based on cost—not market—value. As a result, the carrying value at June 30, 1994, was recalculated by taking the audited carrying value at June 30, 1992, and rolling forward all applicable transactions by Fund as reported by the custodian (SSB). The adjustment to cost does not affect the employer contribution rates for either the Employees' Retirement System or the Municipal Employees' Retirement System. The value of assets computed by the Funds' actuary (William M. Mercer, Inc.) for valuation purposes is done using market value which will not be affected by the adjustment.



State of Rhode Island and Providence Plantations

GENERAL ASSEMBLY

Office of the Auditor General

1145 Main Street
Pawtucket, Rhode Island 02860-4807

OFFICE
(401) 271-1234
FAX
(401) 271-1234

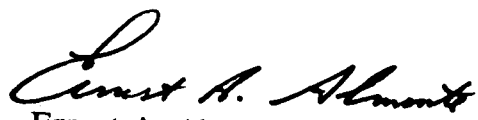
ERNEST A. ALMONTE, CPA, CFE
Auditor General

January 19, 1996

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

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

The Analysis of Funding Progress and the Schedule of Revenues by Source and Expenses by Type appearing on the following pages are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.


Ernest A. Almonte, CPA, CFE
Auditor General

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
ANALYSIS OF FUNDING PROGRESS**

(Expressed in Thousands)

| Fiscal Year | (1) Net Assets Available for Benefits * | (2) Pension Benefit Obligation | (3) Percentage Funded(1) / (2) | (4) Unfunded Pension Benefit Obligation (2) - (1) | (5) Annual Covered Payroll | (6) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll (4) / (5) |
|-------------|--|-----------------------------------|-----------------------------------|--|-------------------------------|---|
| | \$ 170,009 | \$ 172,672 | 98.5% | \$ 2,663 | \$ 74,615 | 3.6% |
| 1987 | | | | | | |
| 1988 | 193,697 | 196,233 | 98.7% | 2,536 | 87,386 | 2.9% |
| 1989 | 232,252 | 216,436 | 107.3% | (15,816) | 98,184 | (16.1)% |
| 1990 | 254,498 | 241,767 | 105.3% | (12,731) | 112,542 | (11.3)% |
| 1991 | 275,640 | 253,387 | 108.8% | (22,253) | 117,732 | (18.9)% |
| 1992 | 307,168 | 258,807 | 118.7% | (48,361) | 124,021 | (38.9)% |
| 1993 | 340,269 | (1) 284,478 | 119.6% | (55,791) | 129,691 | (43.0)% |
| 1994 | 357,784 | (1) 312,575 | 114.5% | (45,208) | 133,213 | (33.9)% |

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the Retirement Fund's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the Fund is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Fund. Trends in the unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Fund's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Fund. Historical trend information has been presented for all years for which it is available. The pension benefit obligation was not computed for years prior to 1987. Data for subsequent years will be added to the schedule.

* At cost

(1) Adjusted for prior period adjustments posted in fiscal 1994 and 1995

(Unaudited)

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
REVENUES BY SOURCE AND EXPENSES BY TYPE**

(Expressed in Thousands)

Revenues by Source

| <u>Fiscal Year</u> | <u>Employee Contributions</u> | <u>Employer Contributions</u> | <u>Investment Income</u> | <u>Other Income</u> | <u>Total</u> |
|--------------------|-------------------------------|-------------------------------|--------------------------|---------------------|--------------|
| 1986 | \$ 4,648 | \$ 8,451 | \$ 14,579 | \$ 61 | \$ 27,739 |
| 1987 | 4,937 | 8,258 | 16,947 | 105 | 30,247 |
| 1988 | 5,328 | 6,331 | 22,046 | 103 | 33,808 |
| 1989 | 5,925 | 8,754 | 32,236 | 88 | 47,003 |
| 1990 | 6,986 | 8,034 | 22,811 | 94 | 37,925 |
| 1991 | 8,157 | 9,649 | 19,524 | 383 | 37,713 |
| 1992 | 8,636 | 8,501 | 32,600 | 24 | 49,761 |
| 1993 | 9,070 | 9,514 | 28,572 | 140 | 47,296 |
| 1994 | 9,676 | 4,695 | 31,344 | 189 | 45,904 |
| 1995 | 10,537 | 4,481 | 42,283 | 163 | 57,464 |

Expenses by Type

| <u>Fiscal Year</u> | <u>Benefits</u> | <u>Operating Expenses</u> | <u>Refunds</u> | <u>Other Expenses</u> | <u>Total</u> |
|--------------------|-----------------|---------------------------|----------------|-----------------------|--------------|
| 1986 | \$ 6,732 | | \$ 592 | | \$ 7,324 |
| 1987 | 7,765 | | 740 | 1 | 8,506 |
| 1988 | 9,135 | 100 | 669 | 2 | 9,906 |
| 1989 | 10,114 | 240 | 741 | | 11,105 |
| 1990 | 11,304 | 678 | 654 | | 12,636 |
| 1991 | 15,216 | 536 | 564 | | 16,316 |
| 1992 | 16,385 | 749 | 683 | | 17,817 |
| 1993 | 17,700 | 628 | 696 | | 19,024 |
| 1994 | 19,053 | 1,104 | 718 | 59 | 20,934 |
| 1995 | 20,691 | 887 | 716 | 365 | 22,659 |

Data for 1986 through 1988 is reported on the cash basis; data for 1989 through 1995 is reported on the accrual basis.

(Unaudited)



ERNEST A. ALMONTE, CPA, CFE
Auditor General

GENERAL ASSEMBLY

Office of the Auditor General

1145 Main Street
Pawtucket, Rhode Island 02860-4807

OFFICE
(401) 277-2435
FAX
(401) 277-2111

January 19, 1996

INDEPENDENT AUDITOR'S REPORT ON THE
INTERNAL CONTROL STRUCTURE

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

We have audited the financial statements of the State of Rhode Island and Providence Plantations Municipal Employees' Retirement System (the System) as of and for the year ended June 30, 1995, and have issued our report thereon dated January 19, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the System is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and are recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the System for the year ended June 30, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we

Total

27,739
30,247
33,808
47,003
37,925
37,713
49,761
47,296
45,904
57,464

Total

7,324
8,506
9,906
11,095
12,636
16,316
17,817
19,024
20,934
22,659

Joint Committee on Legislative Services

Page 2

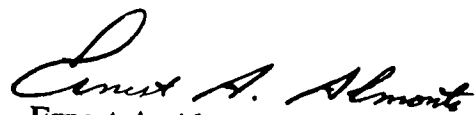
January 19, 1996

assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

However, we noted other matters involving the internal control structure and its operation that we have reported to the management of the System, in a separate letter dated January 19, 1996.

This report is intended for the information of the Joint Committee on Legislative Services, members of the Retirement Board, and management of the System. However, this report is a matter of public record and its distribution is not limited.


Ernest A. Almonte, CPA, CFE
Auditor General



GENERAL ASSEMBLY

Office of the Auditor General

1145 Main Street
Pawtucket, Rhode Island 02860-4807

OFFICE
(401) 277-2435
FAX
(401) 277-2111

January 19, 1996

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH LAWS, REGULATIONS, AND CONTRACTS**

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

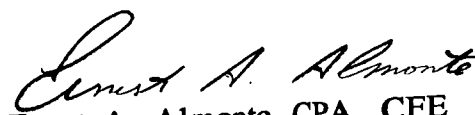
We have audited the financial statements of the State of Rhode Island and Providence Plantations Municipal Employees' Retirement System (the System) as of and for the year ended June 30, 1995, and have issued our report thereon dated January 19, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, and contracts applicable to the System is the responsibility of the System's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the System's compliance with certain provisions of laws, regulations, and contracts. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards. We noted certain immaterial instances of noncompliance that we have reported to the management of the System in a separate letter dated January 19, 1996.

This report is intended for the information of the Joint Committee on Legislative Services, members of the Retirement Board, and management of the System. However, this report is a matter of public record and its distribution is not limited.


Ernest A. Almonte, CPA, CFE
Auditor General

Reserve Balances by Participating Unit

(Unaudited)

| Participating Unit Name | Unit Code | Members Contribution Reserve | Employers Accumulation Reserve | Retirement Reserve | Total Reserve |
|----------------------------------|-----------|------------------------------------|--------------------------------------|-----------------------|---------------|
| Town Of Barrington | 3001 | \$ 1,554,659 | \$ (2,512,451) | \$ 11,585,714 | \$ 10,627,922 |
| Town Of Bristol | 3002 | 1,054,449 | (1,383,003) | 7,456,547 | 7,127,993 |
| Town Of Burrillville | 3003 | 1,303,132 | (508,316) | 6,878,937 | 7,673,753 |
| Town Of Central Falls | 3004 | 335,553 | (1,068,244) | 1,456,995 | 724,304 |
| Town Of Charlestown | 3005 | 178,772 | (144,930) | 386,470 | 420,312 |
| City Of Cranston | 3007 | 9,003,529 | (5,564,650) | 51,558,771 | 54,997,650 |
| Town Of Cumberland | 3008 | 1,509,902 | (746,595) | 6,601,084 | 7,364,391 |
| Town Of East Greenwich | 3009 | 1,265,737 | (1,369,640) | 8,091,901 | 7,987,998 |
| City Of East Providence | 3010 | 4,698,383 | (11,637,697) | 39,712,964 | 32,773,650 |
| Town Of Exeter/West Greenwich | 3011 | 342,248 | 375,057 | 823,368 | 1,540,673 |
| Town Of Foster | 3012 | 218,178 | (308,310) | 990,956 | 899,824 |
| Town Of Glocester | 3013 | 334,642 | (244,917) | 1,083,464 | 1,173,189 |
| Town Of Hopkinton | 3014 | 191,281 | 13,367 | 888,743 | 1,093,391 |
| Town Of Jamestown | 3015 | 496,920 | (447,030) | 2,462,344 | 2,512,234 |
| Town Of Johnston | 3016 | 1,850,807 | (4,214,823) | 16,126,802 | 13,762,786 |
| Town Of Lincoln | 3017 | 10,474 | 13,218 | 2,826 | 26,518 |
| City Of Newport | 3021 | 3,875,158 | (5,484,320) | 22,877,213 | 21,268,051 |
| Town Of New Shoreham | 3022 | 282,308 | (83,487) | 794,972 | 993,793 |
| Town Of North Kingstown | 3023 | 2,438,662 | (3,706,354) | 13,589,719 | 12,322,027 |
| City Of North Providence | 3024 | 2,094,362 | (1,584,382) | 10,656,798 | 11,166,738 |
| Town Of North Smithfield | 3025 | 745,066 | (689,189) | 5,229,920 | 5,285,797 |
| City Of Pawtucket | 3026 | 7,619,635 | (10,440,413) | 44,035,014 | 41,214,236 |
| Town Of Richmond | 3029 | 100,345 | 69,393 | 193,872 | 363,610 |
| Town Of Scituate | 3030 | 693,922 | 3,740 | 3,170,977 | 3,868,639 |
| Town Of Smithfield | 3031 | 1,265,758 | (1,436,890) | 8,747,519 | 8,576,387 |
| Town Of South Kingstown | 3032 | 2,426,766 | (1,049,780) | 10,579,917 | 11,956,903 |
| Town Of Tiverton | 3033 | 770,210 | (802,652) | 5,486,932 | 5,454,490 |
| Town Of Warren | 3034 | 279,577 | (2,187,498) | 4,997,270 | 3,089,349 |
| Town Of Westerly | 3036 | 116,495 | 75,809 | 439,604 | 631,908 |
| Town Of West Greenwich | 3037 | 116,211 | (4,885) | 337,071 | 448,397 |
| Town Of Woonsocket | 3039 | 3,492,555 | (6,036,155) | 29,587,805 | 27,044,205 |
| Chariho Regional School District | 3040 | 712,479 | 322,690 | 1,526,315 | 2,561,484 |

| <i>Participating Unit Name</i> | <i>Unit Code</i> | <i>Members Contribution Reserve</i> | <i>Employers Accumulation Reserve</i> | <i>Retirement Reserve</i> | <i>Total Reserve</i> |
|--|------------------|-------------------------------------|---------------------------------------|---------------------------|----------------------|
| Foster-Glocester School District | 3041 | 272,392 | 47,497 | 878,628 | 1,198,517 |
| Troque Fire/ Lighting | 3042 | 1,719 | 6,624 | 1,299 | 9,642 |
| Narragansett Housing Authority | 3043 | 5,945 | 3,740 | 1,663 | 11,348 |
| Coventry Fire/Lighting District | 3045 | 28,026 | 134,551 | 43,245 | 205,822 |
| Hope Valley/Wyoming Fire District | 3046 | 6,521 | 21,092 | 5,185 | 32,798 |
| Cranston Housing Authority | 3051 | 172,875 | (159,427) | 1,022,917 | 1,036,365 |
| East Providence Housing Authority | 3052 | 122,851 | (189,623) | 959,689 | 892,917 |
| Pawtucket Housing Authority | 3053 | 561,627 | (577,540) | 3,769,421 | 3,753,508 |
| Cumberland Housing Authority | 3056 | 61,187 | (265,241) | 656,200 | 452,146 |
| Lincoln Housing Authority | 3057 | 88,794 | (93,188) | 601,380 | 596,986 |
| Bristol Housing Authority | 3059 | 92,100 | 5,282 | 486,831 | 584,213 |
| Burnilville Housing Authority | 3065 | 39,663 | 15,965 | 173,562 | 229,190 |
| North Providence Housing Authority | 3066 | 79,174 | 10,942 | 280,701 | 370,817 |
| East Smithfield Water District | 3067 | 35,457 | 51,144 | 83,321 | 169,922 |
| Greenville Water District | 3068 | 70,982 | 12,948 | 268,956 | 352,886 |
| Warren Housing Authority | 3071 | 70,447 | 46,166 | 265,849 | 382,462 |
| Johnston Housing Authority | 3072 | 45,959 | (56,591) | 366,425 | 355,793 |
| Coventry Housing Authority | 3079 | 68,978 | (65,723) | 379,461 | 382,716 |
| South Kingstown Housing Authority | 3080 | 0 | (14,126) | 40,678 | 26,552 |
| West Warwick Housing Authority | 3083 | 80,196 | (12,234) | 274,753 | 342,715 |
| Smithfield Housing Authority | 3084 | 15,335 | (38,621) | 92,760 | 69,474 |
| Central Falls Housing Authority | 3096 | 75,054 | (294,620) | 753,660 | 534,094 |
| Limerock Administrative Services | 3098 | 6,292 | 6,854 | 3,868 | 17,014 |
| Central Falls Regional School | 3099 | 312,710 | 395,748 | 586,467 | 1,294,925 |
| Bristol/Warren School Dept. | 3100 | 794,349 | (669,939) | 4,593,401 | 4,717,811 |
| Valley Falls Fire District | 4042 | 91,069 | (215,178) | 515,727 | 391,618 |
| Limerock Fire District | 4046 | 13,412 | 62,939 | 26,044 | 102,395 |
| North Smithfield Volunteer Fire District | 4047 | 79,991 | 92,773 | 51,388 | 224,152 |
| East Greenwich Fire District | 4050 | 408,551 | (1,258,693) | 3,873,472 | 3,023,330 |
| East Greenwich Police Department | 4054 | 513,517 | (391,243) | 3,889,874 | 4,012,148 |
| North Kingstown Police and Fire | 4055 | 1,381,063 | (3,046,217) | 10,876,341 | 9,211,187 |
| North Providence Fire Department | 4058 | 1,552,120 | 301,468 | 5,264,705 | 7,118,293 |
| Barrington Police | 4060 | 446,047 | (2,743,851) | 5,331,115 | 3,033,311 |
| Barrington Fire Department | 4061 | 446,284 | (2,308,665) | 6,883,651 | 5,021,270 |
| Warren Police Department | 4062 | 436,348 | (983,223) | 3,605,535 | 3,058,660 |

ES

| Participating Unit Name | Unit Code | Members Contribution Reserve | Employers Accumulation Reserve | Retirement Reserve | Total Reserve |
|------------------------------------|------------------|-------------------------------------|---------------------------------------|---------------------------|----------------------|
| South Kingstown Police | 4063 | 1,031,711 | (300,608) | 5,759,585 | 6,490,688 |
| Primrose Volunteer Fire Department | 4064 | 118,890 | 162,427 | 432,441 | 713,758 |
| Scituate Police | 4073 | 0 | 0 | 91,066 | 91,066 |
| North Smithfield Police Department | 4076 | 440,308 | 165,001 | 1,690,194 | 2,295,503 |
| Tiverton Fire Department | 4077 | 467,792 | (153,689) | 2,588,249 | 2,902,352 |
| Foster Police | 4082 | 81,385 | (126,825) | 637,207 | 591,767 |
| Woonsocket Police | 4085 | 1,264,922 | 1,025,203 | 1,435,538 | 3,725,663 |
| Charlestown Police Department | 4086 | 190,058 | (53,121) | 570,392 | 707,329 |
| Hopkinton Police | 4087 | 186,304 | 165,025 | 254,031 | 605,360 |
| Glocester Police Department | 4088 | 189,778 | 203,319 | 250,094 | 643,191 |
| West Greenwich Police and Rescue | 4089 | 93,272 | 180,709 | 115,307 | 389,288 |
| Burrillville Police Department | 4090 | 230,591 | (128,818) | 1,587,838 | 1,689,611 |
| Cumberland Rescue | 4091 | 133,668 | 180,883 | 153,005 | 467,556 |
| Washington Fire Department | 4092 | 84,097 | 79,812 | 51,891 | 215,800 |
| Woonsocket Fire Department | 4093 | 894,888 | 758,134 | 483,871 | 2,136,893 |
| Bristol Fire Department | 4094 | 11,854 | 16,012 | 8,283 | 36,149 |
| Cumberland Hill Fire Department | 4095 | 106,299 | 294,852 | 135,312 | 536,463 |
| Coventry Fire Department | 4098 | 82,352 | (143,720) | 444,786 | 383,418 |
| Tiogue Fire Department | 4100 | 27,784 | 49,455 | 18,945 | 96,184 |
| North Cumberland Fire Department | 4101 | 109,940 | 203,881 | 76,091 | 389,912 |
| Central Coventry Fire Department | 4102 | 76,000 | 143,361 | 52,562 | 271,923 |
| Hopkins Hill Fire Department | 4103 | 19,905 | 13,510 | 7,424 | 40,839 |
| Cumberland Fire Department | 4106 | 74,227 | 163,343 | 58,596 | 296,166 |
| Lincoln Rescue | 4107 | 66,263 | 80,434 | 27,836 | 174,533 |

Employees' Retirement System of Rhode Island

Summary of Actuarial Valuation

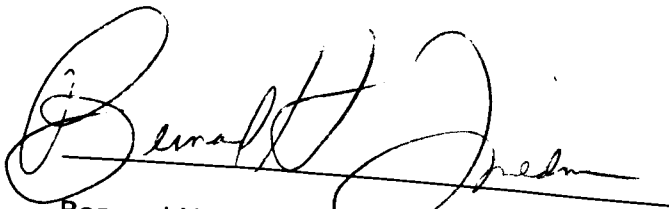
CERTIFICATE OF ACTUARIAL VALUATION

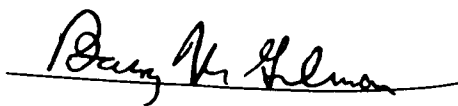
This is to certify that we have prepared an actuarial valuation of the plan as of June 30, 1995.

This certificate contains the following attached exhibits:

- EXHIBIT I - Actuarial Cost Development of Fiscal Year 1997-98 Contribution Percentage
- A. State Employees
 - B. Teachers
- EXHIBIT II - Pension Benefit Obligation, Vested Benefit Liability
- EXHIBIT III - Actuarial Method and Assumptions
- EXHIBIT IV - Summary of Plan Provisions

To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate and in our opinion each individual assumption used (a) is reasonably related to the experience of the plan and to reasonable expectations and (b) represents our best estimate of anticipated experience under the plan.


Bernard H. Friedman, A.S.A., M.A.A.A.
Associate


Barry M. Gilman, F.S.A., M.A.A.A.
Principal

200 Clarendon Street
Boston MA 02116

617 450 6000
Fax 617 450 6010

A Marsh & McLennan Company

Summary of Actuarial Valuation Results For The Employees' Retirement System

| | <u>1995</u> | <u>1994</u> |
|---|-----------------|-----------------|
| <input type="checkbox"/> Assets (State Employees and Teachers) | | |
| Market Value | \$3,388,547,130 | \$2,916,976,904 |
| Actuarial Value | \$3,266,316,264 | \$2,965,214,165 |
| Contributions | \$223 million | \$203 million |
| Benefit Payments | \$225 million | \$211 million |
| <input type="checkbox"/> Time-weighted return on market value of assets* | 17.0% | 1.7% |
| <input type="checkbox"/> Members | | |
| <i>Active</i> | | |
| State Employees | 13,550 | 14,211 |
| Teachers | 12,079 | 11,378 |
| <i>Retirees</i> | | |
| State Employees | 7,967 | 7,838 |
| Teachers | 4,804 | 4,701 |
| <i>Beneficiaries</i> | | |
| State Employees | 682 | 656 |
| Teachers | 207 | 197 |
| <i>Inactive</i> | | |
| State Employees | 2,358 | 2,389 |
| Teachers | <u>1,248</u> | <u>1,600</u> |
| Total | 42,895 | 42,970 |
| Vested Employees | | |
| State Employees | 7,656 | 7,628 |
| Teachers | 7,474 | 7,290 |

* As prepared by Wilshire Associates

Summary of Actuarial Valuation Results (continued)

| | <u>1995</u> | <u>1994</u> |
|---|-----------------|-----------------|
| <input type="checkbox"/> Covered Payroll | | |
| State Employees | \$463 million | \$431 million |
| Teachers | \$523 million | \$509 million |
| <input type="checkbox"/> GASB No. 5 disclosure | | |
| <i>Pension Benefit Obligation (PBO)</i> | | |
| State Employees | \$1,731,996,000 | \$1,680,569,000 |
| Teachers | \$2,444,500,000 | \$2,351,424,000 |
| <i>Unfunded PBO</i> | | |
| State Employees | \$356,507,624 | \$466,275,897 |
| Teachers | \$534,135,879 | \$735,848,004 |
| <i>GASB funded ratio (assets at market value as a % of PBO)</i> | | |
| State Employees | 79.42% | 72.25% |
| Teachers | 78.20% | 68.70% |
| <input type="checkbox"/> Vested Benefit Liability | | |
| <i>Total value of vested benefits</i> | | |
| State Employees | \$1,667,133,000 | \$1,498,325,000 |
| Teachers | \$2,328,100,000 | \$2,062,260,000 |
| <i>Vested benefits funding level</i> | | |
| State Employees | 82.51% | 81.04% |
| Teachers | 82.06% | 78.34% |
| <input type="checkbox"/> Ratio of Assets to Liabilities | | |
| State Employees | 68.52% | 64.85% |
| Teachers | 65.04% | 61.15% |

ACTUARIAL METHOD AND ASSUMPTIONS

Actuarial Funding Method

Actuarial Funding Method - Frozen initial liability method. This method is alternatively referred to as the entry age normal cost method with frozen initial liability.

Entry Age - The employee's age at the time he or she would have commenced participation if the plan had always been in existence.

Frozen actuarial liability - At the time this funding method was introduced June 30, 1985 the unfunded liability was calculated and called the Frozen Actuarial Liability. This amount was originally to be funded over a 30 year period by the sum-of-the-digits amortization method. Effective from 1989, however the outstanding balance, referred to as the Unfunded Liability, is to be amortized over the remaining amortization period using a level percent of salary funding. (ref. General Laws section 36-10-2 and 36-10-2.1). Subsequent changes to the Unfunded Liability due to changes to benefits or actuarial assumptions are amortized either over a new 30-year period or over the remaining initial amortization period depending on how large the total change to the unfunded liability for each fiscal year is relative to the existing unfunded liability. The following table illustrates the amortization method:

| <u>Change in Unfunded Liability</u> | <u>Amortization Period</u> |
|---|---|
| Less than 1% of existing Unfunded | No new base set up (existing Unfunded not changed) |
| Between 1% and 10% of existing Unfunded | The change to Unfunded is amortized over current remaining period i.e., aggregated with existing Unfunded |
| Over 10% of existing Unfunded | A separate base equal to change in Unfunded is set up and amortized over a new 30 year period |

Actuarial Assumptions Concerning Future Events

Mortality - 1971 Group Annuity Mortality Table with Mortality for disabled persons set equal to the age 65 mortality under 1971 Group Annuity Mortality Table. (See table on the following page)

Sample Rates

| <u>Age</u> | <u>Mortality</u> | | <u>Expected Life</u> | |
|------------|------------------|--------------------|----------------------|-----------------------|
| | <u>Males (%)</u> | <u>Females (%)</u> | <u>Males (yrs.)</u> | <u>Females (yrs.)</u> |
| 20 | .050 | .026 | 55.3 | 61.6 |
| 25 | .062 | .035 | 50.4 | 56.7 |
| 30 | .080 | .047 | 45.6 | 51.8 |
| 35 | .112 | .065 | 40.8 | 47.0 |
| 40 | .163 | .094 | 36.1 | 42.1 |
| 45 | .292 | .140 | 31.4 | 37.4 |
| 50 | .529 | .215 | 26.9 | 32.6 |
| 55 | .852 | .326 | 22.8 | 28.0 |
| 60 | 1.312 | .549 | 18.8 | 23.5 |
| 65 | 2.126 | .956 | 15.2 | 19.3 |
| 70 | 3.611 | 1.648 | 11.9 | 15.3 |

Investment Return - 8.0%, compounded annually.

Salary Increases - Salaried will increase at a rate of 4.5%, compounded annually.

Retirement Age - State employees are assumed to retire at the later of age 62.5 or completion of the service requirements. Teachers are assumed to retire at the later of age 61 or completion of the service requirements.

Disability - Disability is assumed to occur in accordance with the following table with 15% of disabilities being occupational.

Disability - Sample Rates

| <u>Age</u> | <u>Rate of Disability (%)</u> |
|------------|-------------------------------|
| 20 | .06 |
| 25 | .09 |
| 30 | .11 |
| 35 | .15 |
| 40 | .22 |
| 45 | .36 |
| 50 | .61 |
| 55 | 1.01 |
| 60 | 1.41 |

Withdrawal - Termination of service for reasons other than death, retirement, or disability will be in accordance with the following tables on the next page.

Sample Withdrawal Rates

| <u>Age</u> | <u>State Employees (%)</u> | <u>Teachers (%)</u> |
|------------|------------------------------------|---------------------|
| 20 | 21.20 | 12.39 |
| 25 | 15.80 | 9.70 |
| 30 | 11.60 | 7.50 |
| 35 | 8.40 | 5.66 |
| 40 | 6.20 | 4.14 |
| 45 | 4.20 | 2.75 |
| 50 | 2.60 | 1.35 |
| 55 | -- | -- |
| 60 | -- | -- |

Cost of Living Adjustments - 3% compound annually beginning on the January 1st following a participant's third anniversary of retirement.

Actuarial Value of Assets - The actuarial value of assets was set equal to the market value of assets as of June 30, 1991 as reported to Mercer by the Treasury Department in December 1991. Investment gains and losses relative to the expected return on assets from this date onward will be recognized over a 3-year smoothing period.

Estimation of Unknown Employee Characteristics - Missing dates for participants are estimated using a band-type averaging method assigning band grouped average dates to those individuals with missing dates of birth or hire. For example, an employee missing a date of hire is given an estimated date of hire based on the average of known dates of hire for persons in his age band. For Employees who are missing salaries, salaries are estimated based on employee contributions for the year ending June 30, 1995 and with regard to employee salary history, where this information was insufficient, average salaries were used. For State Employees this is \$33,300, and for Teachers it is \$41,100 for the salary year July 1, 1994 to June 30, 1995.

Allocation of book value assets by plan- Reserve values

ERNES

| | <u>1995</u> | | <u>1994</u> |
|-----------------------------------|-------------------------|----|----------------------|
| <u>State Employees:</u> | | | |
| Employer reserves | \$ 862,550,308 | \$ | 788,590,130 |
| Member reserves | <u>283,595,004</u> | | <u>256,820,694</u> |
| Total State Employees reserves | \$ 1,146,145,312 | \$ | 1,045,410,824 |
| <u>Teachers:</u> | | | |
| Employer reserves | \$ 1,191,249,294 | \$ | 1,024,922,092 |
| Member reserves | <u>400,588,864</u> | | <u>365,961,557</u> |
| Total Teacher reserves | \$ 1,591,838,158 | \$ | 1,390,883,649 |
| <u>Teachers Survivors:</u> | | | |
| Employer reserves | \$ 73,954,259 | \$ | 63,819,760 |
| Member reserves | <u>11,617,508</u> | | <u>11,172,813</u> |
| Total Teachers Survivors reserves | \$ 85,571,767 | \$ | 74,992,573 |
| <u>Unallocated:</u> | | | |
| Unreserved Balance | \$ | | <u>49,571,572</u> |
| Total Book Value of Assets | \$ <u>2,823,555,238</u> | \$ | <u>2,560,858,618</u> |

Note: Detail figures may not add to totals shown because of rounding.

Contribution Requirements

The contribution requirements for fiscal 1998 for the State Employees' Retirement Plan and the Teachers' Retirement Plan are set out on the next page. For comparison the contribution requirements for the previous two fiscal years are also shown.

| | <u>Fiscal 1998</u> | <u>†Fiscal 1997</u> | <u>†Fiscal 1996</u> |
|-------------------------------------|--------------------|---------------------|---------------------|
| <u>State Employees Plan:</u> | | | |
| Normal Cost | 12.98% | 12.69% | 12.21% |
| Unfunded Liability Cost | <u>6.60%</u> | <u>6.11%</u> | <u>5.99%</u> |
| Total Cost | 19.58% | 18.80% | 18.20% |
| Less Employee Contribution | <u>8.75%</u> | <u>8.75%</u> | <u>8.75%</u> |
| Employer Cost* | 10.83% | 10.05% | 9.45% |
| | | | |
| <u>Teachers Plan:</u> | | | |
| Normal Cost | 14.14% | 14.46% | 14.78% |
| Unfunded Liability Cost | <u>9.61%</u> | <u>9.61%</u> | <u>9.43%</u> |
| Total Cost | 23.75% | 24.07% | 24.21% |
| Less Employee Contribution | <u>9.50%</u> | <u>9.50%</u> | <u>9.50%</u> |
| Employer Cost | 14.25% | 14.57% | 14.71% |

**The employer pension cost is calculated based on an offset of the employee contribution rate. We have therefore assumed that the State will pay the entire cost for retiree medical benefits. Any funds contributed to a 401(h) account have been ignored in determining the contribution results shown above.*

In 1993 the Retirement Board elected to compute future fiscal year costs one extra year in advance to assist the fiscal budget process. Therefore employer costs for fiscal years ending in 1996, 1997 and 1998 are based on the valuation results and data as of June 30, 1993, June 30, 1994 and June 30, 1995 respectively.

For fiscal 1998, the Teachers' Plan rate is to be paid 40% by the State and 60% by the cities and towns. The overall rate of 14.25% includes the cost of State contribution deferrals in prior fiscal years. The deferral represents 0.50% of the rate and is payable by the State. The cities' and towns' share is therefore 60% of 13.75%, or 8.25%, and the State will contribute the balance of the 14.25%, or 6.00%.

The funding statute calls for the contribution requirement to be calculated as the normal cost of the plan plus the total of the amortization payment for each unfunded cost element. The table on the next page shows the development of the contribution requirement for the State Employees' Plan and the Teachers' Plan.

† During the 1995 General Session, the employee contribution was increased 1% for both State employees and Teachers. The actuarial contribution rates have been adjusted to reflect the change.

ERNE

| | <u>State Employees' Plan</u> | <u>Teachers' Plan</u> |
|--|------------------------------|-----------------------|
| Normal Cost | 12.98% | 14.14% |
| Less Employee Contributions | <u>8.75%</u> | <u>9.50%</u> |
| Employer Normal Cost | 4.23% | 4.64% |
| Unfunded Cost due to: | | |
| Original Unfunded | 6.94% | 9.69% |
| 1989 Assumption Changes | (0.70%) | *0.00% |
| 1989 Early Retirement Incentive | 0.68% | None |
| 1990 Early Retirement Incentive | 0.66% | 1.73% |
| 1991 Assumption and Method Changes | (1.65%) | (2.31%) |
| Fiscal 1990-91 Deferral | 0.36% | 0.22% |
| Fiscal 1991-92 Deferral | <u>0.31%</u> | <u>0.28%</u> |
| Total Unfunded | 6.60% | 9.61% |
| Total Cost as a percentage of payroll | 10.83% | 14.25% |

* The effect of the 1989 assumption changes in the Teachers Plan was less than the minimum threshold for setting up a separate base. Thus, the effect was aggregated with the existing unfunded.

Towns which did not Participate in the 1990 Early Retirement Incentive Program

There were a number of towns which did not participate in the 1990 early retirement incentive program. These were:

- 2003 - Burrillville
- 2009 - East Greenwich
- 2018 - Little Compton
- 2025 - North Smithfield
- 2022 - New Shoreham

As a result the contribution requirement for these towns is reduced by the cost of the early retirement incentive program. The overall contribution requirement for fiscal 1998 of the group is 12.52% (i.e., 14.25% minus the cost of the 1990 early retirement incentive program of 1.73%) and, as above, the State will meet the full cost of prior fiscal year deferrals of 0.50%. The contribution for these towns is therefore 7.21% and the State contributes the balance of 5.31%.

Summary of Plan Experience

The employer costs for fiscal 1998 have changed from the costs for fiscal 1997 due to a number of factors:

State Employees

- Average pay increased by 0.95% for state Employees employed continuously throughout the entire year versus the assumed rate of 4.5%. This caused costs to decrease by approximately 0.7% of payroll.
- The actuarial value of assets (utilized to calculate the employer contribution) returned 10.2% for the year compared with an expected return of 8%—this leads to a reduction in the employer cost for state Employees of approximately 0.7% of payroll.
- Demographic experience caused the employer cost to increase by approximately 1.7% of payroll. This experience included fewer retirements and less staff turnover than expected, and increases in average age and service.
- Total payroll increased less than expected. Since the unfunded liability cost increases each year by the expected rate of increase in payroll, the smaller than expected payroll caused an increase of approximately 0.5% in the unfunded liability cost as a percentage of actual payroll.
- An increase in the employee contribution rate from 7.75% to 8.75% decreased the employer cost by 1.0%.
- In conclusion, the net effect of the plan experience caused the employer cost to decrease by approximately 0.2% from 11.05% to 10.83% of payroll.

Teachers

- Average pay increased by 3.1% for teachers employed continuously throughout the entire year, versus the assumed rate of 4.5%. This factor leads to a decrease in cost of approximately 0.4% of payroll.
- The actuarial value of assets returned 10.2% for the year compared with an expected return of 8% - this leads to a reduction in the employer cost for teachers of approximately 0.8% of payroll.
- Changes to the participant group caused the employer cost to increase by approximately 0.9% of payroll. These changes included fewer retirements and pensioner deaths than expected, and more rehires than usual.
- An increase in the employee contribution rate from 8.5% to 9.5% decreased the employer cost by 1.0% of payroll.
- In conclusion, the net effect of the plan experience for teachers caused the employer cost to decrease by approximately 1.3% from 15.57% to 14.25% of payroll.

When assessing the relative impact of the above factors, it is appropriate to compare year to year changes in the total cost of benefits including employee contributions. When looked at in this manner, the change from year to year is a smaller proportion of the total cost than the change in the employer cost net of employee contributions. Due to the fact that employee contributions are a constant percentage of payroll, any gains or losses are passed on to the employer's share of the cost.

Calculation of Actuarial Asset Value at June 30, 1995

| | | |
|-----|--|------------------|
| 1. | Actuarial Asset Value at June 30, 1994 | \$ 2,965,214,165 |
| 2. | Contributions | |
| | (a) Employees | 81,157,696 |
| | (b) State | 88,041,577 |
| | (c) Municipal | 50,317,852 |
| | (d) Miscellaneous | 3,878,170 |
| | (e) Total | \$ 223,395,295 |
| 3. | Benefit Payments and Other Disbursements | |
| | (a) Pension Benefit | \$ 170,738,411 |
| | (b) Cost of Living Adjustments | 35,748,215 |
| | (c) Death Benefits | 2,190,163 |
| | (d) Refund of Contributions, Social Security Supplements and other Miscellaneous expenses | 16,013,647 |
| | (e) Total | \$ 224,690,436 |
| 4. | Assumed Return at 8.00% | |
| | (a) On Assets | \$ 237,217,133 |
| | (b) On Contributions (assume midyear) | 8,935,812 |
| | (c) On Benefit Payments | (8,987,617) |
| | (d) Total | \$ 237,165,328 |
| 5. | Tentative Actuarial Asset Value on June 30, 1995 [1. + 2.(e) - 3.(e) + 4.(d)] | 3,201,084,352 |
| 6. | Market Value on June 30, 1995 | 3,388,547,130 |
| 7. | Excess of Market over Tentative Actuarial Asset Value | 187,462,778 |
| 8. | Prior year adjustments not recognized | |
| | 1994 \$(34,902,493) x 2 | |
| | 1993 \$ 21,567,725 x 1 | |
| | | (48,237,261) |
| 9. | Current Year Experience 7. - 8. | 235,700,039 |
| 10. | Current Year Adjustment to be recognized (1/3 of Experience) | 78,566,680 |
| 11. | Cumulative Adjustment | |
| | 1995 \$ 78,566,680 | |
| | 1994 (34,902,493) | |
| | 1993 21,567,725 | |
| 12. | Actuarial Asset Value on June 30, 1995 5. + 11. | 65,231,912 |
| | | \$3,266,316,264 |

SUMMARY OF PLAN PROVISIONS

FINAL AVERAGE SALARY

Final average salary is the three highest consecutive years of earned salary exclusive of overtime, bonuses, or severance pay.

NORMAL RETIREMENT

Age and Service Requirements

General Employees and Teachers may retire with full accrued benefits at age 60 with 10 years of service or after 28 years of service regardless of age.

Correctional Officers may retire with unreduced accrued benefits at age 50 with 20 years of service.

Legislators may retire with unreduced accrued benefits at age 55 with 8 years of service or after 20 years of service with no restriction on age.

Amount of Retirement Benefits

State Employees and Teachers:

1.7% of final average salary times service up to 10 years, plus

1.9% of final average salary times service in excess of ten years through 20 years, plus

3.0% of final average salary times service in excess of 20 years up to the 34th year of service, plus

2.0% of final average salary for the 35th year. Maximum benefit is 80% of final average salary.

Correctional Officers:

2.0% of final average salary for the first 30 years of service, plus

6.0% of final average salary for the 31st year, plus

5.0% of final average salary for the 32nd year, plus

4.0% of final average salary for the 33rd year, plus

3.0% of final average salary for the 34th year, plus

2.0% of final average salary for the 35th year.

Maximum benefit is 80% of final average salary.

Legislators:

\$600 per year of service.

Maximum benefit is \$10,000.

DISABILITY BENEFIT

Non-occupational

Service Requirement - 5 years

Amount of Benefit - Regular pension benefit based on service to disability and final average salary at time of disability. The minimum benefit is 17% of final average salary.

Occupational

There is no age or service requirements for the occupational disability benefit.

Amount of Benefit: Two-thirds of final salary at time of disability, payable immediately.

VESTING

Employees are vested in their retirement benefits on completion of 10 years of service.

PRE-RETIREMENT DEATH BENEFITS

Lump Sum Benefit

There are no age or service requirements for this benefit.

Amount of Benefit

\$800 per year of service with a minimum of \$4,000 and a maximum of \$16,000, plus a refund of employee contributions.

Joint and Survivor Benefit (optional)

Service Requirement - 10 years for general employees and correctional officers, 8 years for legislators.

Amount of Benefit - Benefit employee would have received had he/she retired the day before he/she died and chosen the joint and survivor option.

Occupational Death Benefit

This benefit has no age or service requirement.

Amount of benefit - 50% of salary to spouse or children of employees under age 18, less workmen's compensation, plus a refund of employee contributions.

POST-RETIREMENT DEATH BENEFITS

Lump sum in the amount of:

- (a) 100% of employee contributions less benefits paid, plus
- (b) Pre-retirement death benefit, reduced 25% per year of retirement, with a minimum of \$4,000.

EMPLOYEE CONTRIBUTIONS

State Employees: 8.75%

Teachers: 9.50%

Legislators: 30.00%

AVAILABLE BENEFIT OPTIONS

Joint and Survivor - Actuarially Equivalent Benefit paying either 100% or 50%, depending on option selected, of retirement benefit to surviving beneficiary.

Social Security - Pays an increased benefit until age 62 and a reduced benefit thereafter to provide a level benefit when Social Security payments are accounted for.

POST-RETIREMENT COST OF LIVING ADJUSTMENT

Retirees' benefits are adjusted annually by 3%, compounded, to allow for increases in cost of living. Cost of living adjustments begin on the January 1st following the third anniversary of an employee's retirement.



Municipal Employees' Retirement System

Summary of Actuarial Valuation

CERTIFICATE OF ACTUARIAL VALUATION

This is to certify that we have prepared an actuarial valuation of the plan as of June 30, 1995.

This certificate contains the following attached exhibits:

EXHIBIT I - Actuarial Cost Factors as of June 30, 1995

- A. General employees
- B. Police and firemen

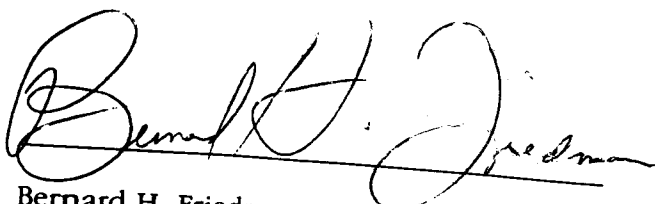
EXHIBIT II - Pension Benefit Obligation

EXHIBIT III - Participant Information

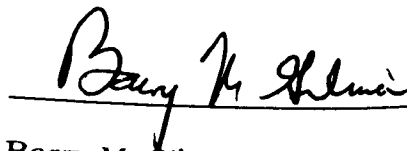
EXHIBIT IV - Actuarial Method and Assumptions

EXHIBIT V - Summary of Plan Provisions

To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate (except as noted in Exhibit I) and in our opinion the assumptions used in the aggregate (a) are reasonably related to the experience of the plan and to reasonable expectations and (b) represent our best estimate of anticipated experience under the plan.



Bernard H. Friedman, A.S.A., M.A.A.A.



Barry M. Gilman, F.S.A., M.A.A.A.

Summary of Actuarial Valuation Results For The Municipal Employees' Retirement System

| | <u>1995</u> | <u>1994</u> |
|--|---------------|---------------|
| <input type="checkbox"/> Assets (General Employees and Police & Fire) | | |
| Market Value | \$498,657,766 | \$431,990,100 |
| Actuarial Value | \$485,074,226 | \$445,432,702 |
| Contributions | \$15,819,985 | \$14,723,256 |
| Benefit Payments | \$21,791,067 | \$19,836,255 |
| <input type="checkbox"/> Time-weighted return on market value of assets[†] | 17.05% | 2.20% |
| <input type="checkbox"/> Members | | |
| <i>Active</i> | | |
| General Employees | 5,919 | 5,387 |
| Police and Fire | 723 | 656 |
| <i>Retirees</i> | | |
| General Employees | 2,586 | 2,513 |
| Police and Fire | 160 | 148 |
| <i>Beneficiaries</i> | | |
| General Employees | 149 | 136 |
| Police and Fire | 6 | 6 |
| <i>Inactive</i> | | |
| General Employees | 655 | 914 |
| Police and Fire | <u>22</u> | <u>80</u> |
| Total | 10,220 | 9,840 |
| Vested Employees | | |
| General Employees | 2,586 | 1,992 |
| Police and Fire | 263 | 213 |

[†] As prepared by Wilshire Associates

Summary of Actuarial Valuation Results (continued)

| | <u>1995</u> | <u>1994</u> |
|---|-----------------|-----------------|
| ☐ Covered Payroll | | |
| General Employees | \$127,108,700 | \$112,745,900 |
| Police and Fire | \$24,068,800 | \$20,467,500 |
| ☐ GASB No. 5 disclosure | | |
| <i>Pension Benefit Obligation (PBO)</i> | | |
| General Employees | \$292,815,600 | \$264,818,300 |
| Police and Fire | \$57,039,400 | \$47,757,100 |
| <i>§ Unfunded PBO (Assets in excess of)</i> | | |
| General Employees | (\$127,054,239) | (\$101,509,312) |
| Police and Fire | (\$21,748,527) | (\$17,905,397) |
| <i>GASB funded ratio (assets at market value as a % of PBO)</i> | | |
| General Employees | 143.34% | 138.33% |
| Police and Fire | 138.13% | 137.49% |

Changes in the Retirement System

The following new units have been included in the valuation of the Municipal Retirement System as of June 30, 1995:

| | <u>Unit</u> | <u>Entered System</u> |
|------|----------------------|-----------------------|
| 3017 | Lincoln | |
| 3069 | Newport Housing | 7/1/94 |
| 3077 | Tiverton Local 2670A | 7/1/95 |
| 4108 | New Shoreham Police | 1/1/96 |
| 4109 | Warren Fire | 7/1/95 |
| | | 7/1/95 |

§ The Unfunded PBO is depicted for the fund as a whole and should be used for total fund comparison only. The value is not relevant when particular units are being compared. Individual unit PBO is shown at the end of this section.

Plan Benefits

The following units adopted benefit changes:

| | <u>Unit</u> | <u>Benefit Change</u> | <u>Effective Date</u> |
|------|-------------------------|-----------------------|-----------------------|
| 3025 | North Smithfield | COLA C | 1/1/96 |
| 3100 | Bristol/Warren School | COLA B | 1/1/96 |
| 4054 | East Greenwich Police | COLA C | 1/1/96 |
| 4076 | North Smithfield Police | COLA C | 1/1/96 |
| 4092 | Washington Fire | 20 Year Plan | 7/1/95 |

If certain units, prior to fiscal 1998, reach a decision to adopt a new benefit structure, the contribution rates incorporated in this report will be altered accordingly.

Smoothed Contribution Rate

The section on actuarial methods and assumptions describes the smoothed contribution rate option. The following units are eligible to elect the option for fiscal 1998.

| | <u>Unit</u> | <u>Contribution Rate (%)</u> | <u>Smoothed Contribution Rate (%)</u> |
|------|--------------------|------------------------------|---------------------------------------|
| 3004 | Central Falls | 19.03 | 18.42 |
| 3012 | Foster | 5.64 | 4.61 |
| 3017 | Lincoln | 13.35 | 11.84 |
| 3029 | Richmond | 6.43 | 5.82 |
| 3056 | Cumberland Housing | 4.78 | 4.69 |
| 4061 | Barrington Police | 10.46 | 7.13 |
| 4098 | Coventry Fire | 10.28 | 8.29 |

In determining whether a unit is eligible to elect a smoothed contribution rate, we have calculated whether the difference between the fiscal 1997 cost, adjusted for benefit improvements, if any, and the fiscal 1998 cost exceeds 2%. The only exception to this rule applies for units which were eligible for a smoothed rate for fiscal 1997. In those cases we have compared the fiscal 1997 smoothed rate with the fiscal 1998 cost.

Summary of Plan Experience

- The average annual salary for general employees increased by 2.9%. This is due to a combination of several factors. Average salaries for continuing members increased by 8.5%. However, this increase was offset by the addition of new employees earning less than current members or retirees whom they replaced. The ratio of average salaries of new entrants to the average salaries of terminated employees was approximately 88%.
- The average annual salary for policemen and firemen rose by 6.7%. As above, however, policemen and firemen employed continuously throughout the year

experienced an average pay increase of 8.4% and new hires were paid approximately 84% as much as were the terminating employees they were replacing.

- The increase in the average monthly benefit can be attributed in part to the ratio of the average benefits payable to those who died in the past year versus those who retired. This ratio was 42%, indicating that, on the average, the new retirees have over twice as large a pension as those retirees who died in the past year. Furthermore, there were 79% more new pensioners than departing pensioners during the year. The increase in average monthly benefits can also be partly attributed to increases caused by cost of living adjustments.
- The aggregate employer normal cost for all units for general employees is 1.30% of total general employees payroll. The previous year percentage was 1.36% of payroll. The rate decreased due to a somewhat greater number of actual terminations than expected. The past service cost for general employees (the annual amount required to pay off the unfunded liabilities) decreased slightly from 0.51% in the previous year to 0.47% of payroll. The main factors causing this decrease were favorable investment performance, which reduced the unfunded liabilities to be amortized, and an increase in the value of future payroll over which the unfunded liabilities are amortized.
- The combined employer normal cost for police and fire departments is 4.58% of police and fire payroll, a slight increase from 4.36% last year. The past service cost for police and fire departments in aggregate (the annual amount required to pay off the unfunded liabilities) has increased from 0.84% last year to 0.99% of payroll. The increase in past service cost results from the combination of an increase due to units electing benefit improvements offset by a reduction due to favorable investment experience (the actuarial value of assets returned approximately 10.33%). As noted later in this report, there were 4 police and fire departments which elected benefit improvements and 2 new police and fire units with past service liability since the last valuation.

The actual funding percentage for any unit participating in the plan will vary from the above depending on its particular demographics. Each unit's costs and liabilities are independently determined.

ACTUARIAL METHOD AND ASSUMPTIONS

Actuarial Funding Method

Actuarial Funding Method - Entry age normal cost method has been utilized. This method spreads the cost of benefits to be provided to an individual participant as a level percentage of pay from his or her date of employment to the assumed date of retirement.

Due to experience gains and losses or amendments to the benefits, accrued liabilities will not exactly equal the value of assets. The difference between the accrued liabilities and assets is called the unfunded liability. In 1988, the rules regarding amortizing the unfunded liability were changed. Under the new rules, the existing unfunded liability in 1988 was amortized over the remainder of a 25 year period which commenced on the date the unit joined the System. Subsequent divergences from the actuarial assumptions are to be funded over the projected future salaries of active members.

Smoothed Contribution Rate - Due to large fluctuations in the contribution rates of certain municipalities, the Retirement Board elected to adopt a procedure which would allow a unit the option of paying a smoothed contribution rate. The smoothed contribution rate equals the previous fiscal year's contribution rate plus the greater of 2% or one eighth of the increase in contribution rate (plus the cost of any benefit improvements).

Actuarial Assumptions Concerning Future Events

Mortality - 1971 Group Annuity Mortality Table with Mortality for disabled persons set equal to the age 65 mortality under 1971 Group Annuity Mortality Table.

| <u>Age</u> | <u>Sample Rates</u> | | <u>Expected Life</u> | |
|------------|---------------------|-------|----------------------|-----------------------|
| | <u>Mortality</u> | | <u>Males (yrs.)</u> | <u>Females (yrs.)</u> |
| 20 | .050 | .026 | 55.3 | 61.6 |
| 25 | .062 | .035 | 50.4 | 56.7 |
| 30 | .080 | .047 | 45.6 | 51.8 |
| 35 | .112 | .065 | 40.8 | 47.0 |
| 40 | .163 | .094 | 36.1 | 42.1 |
| 45 | .292 | .140 | 31.4 | 37.4 |
| 50 | .529 | .215 | 26.9 | 32.6 |
| 55 | .852 | .326 | 22.8 | 28.0 |
| 60 | 1.312 | .549 | 18.8 | 23.5 |
| 65 | 2.126 | .956 | 15.2 | 19.3 |
| 70 | 3.611 | 1.648 | 11.9 | 15.3 |

Investment Return - 8.0%, compounded annually.

Salary Increases - Salaries will increase at a rate of 4.5%, compounded annually.

Retirement Age - Municipal employees are assumed to retire at the later of age 65 or completion of the service requirements. Police and Firemen are assumed to retire at the later of age 60 or completion of the service requirements. For police and fire departments electing the optional plan paying unreduced benefits after 20 years of service, employees are assumed to retire at the later of age 57 and completion of 10 years of service.

Disability - Disability is assumed to occur in accordance with the following table with 15% of disabilities being occupational for municipal employees and 50% of disabilities being occupational for police and firemen.

Disability - Sample Rates

| <u>Municipal Employees</u> | | <u>Police and Fire</u> | |
|----------------------------|-----------------|------------------------|-----------------|
| <u>Age</u> | <u>Rate (%)</u> | <u>Age</u> | <u>Rate (%)</u> |
| 20 | .06 | 20 | .12 |
| 25 | .09 | 25 | .17 |
| 30 | .11 | 30 | .22 |
| 35 | .15 | 35 | .29 |
| 40 | .22 | 40 | .44 |
| 45 | .36 | 45 | .72 |
| 50 | .61 | 50 | 1.21 |
| 55 | 1.01 | 55 | -- |
| 60 | 1.41 | 60 | -- |

Withdrawal - Termination of service for reasons other than death, retirement, or disability will be in accordance with the following tables. For police and firemen, no withdrawal for reasons other than death, disability, or retirement is assumed.

Sample Withdrawal Rates

| <u>Age</u> | <u>Municipal Employees (%)</u> |
|------------|--------------------------------|
| 20 | 21.20 |
| 25 | 15.80 |
| 30 | 11.60 |
| 35 | 8.40 |
| 40 | 6.20 |
| 45 | 4.20 |
| 50 | 2.60 |
| 55 | -- |
| 60 | -- |

Cost of Living Adjustments - 3%, not compound, beginning on the January 1st following a participant's retirement if the municipal group elects this optional benefit provision.

Actuarial Value of Assets - The actuarial value of assets spreads investment gains and losses relative to the assumed return of 8%, over a three year period.

Estimation of Unknown Employee Characteristics - Missing dates for participants are estimated using a band-type averaging method assigning band grouped average dates to those individuals with missing dates of birth or hire. For example, an employee missing a date of hire is given an estimated date of hire based on the average of known dates of hire for persons in his age band. For Employees who are missing salaries,

their salaries are estimated by the average salaries for those employees in the same municipal group whose data is complete.

Calculation of Actuarial Asset Value at June 30, 1995

| | | |
|-----|---|------------------|
| 1. | Actuarial Asset Value at June 30, 1994 | \$ 445,342,702 |
| 2. | Contributions | |
| a. | Employees | 10,568,025 |
| b. | Employers | 4,448,941 |
| c. | Miscellaneous | 303,019 |
| d. | Contribution for Newport Housing (New Unit) | <u>500,000</u> |
| e. | Total | \$ 15,819,985 |
| 3. | Disbursements | 20,306,466 |
| a. | Pensions in payment | 597,969 |
| b. | Death Benefits | <u>886,632</u> |
| c. | Refund of Employee Contributions | \$ 21,791,067 |
| d. | Total | |
| 4. | Assumed Return at 8.00% | 35,627,416 |
| a. | On Beginning of Year Assets | 612,799 |
| b. | On Contributions | <u>(871,643)</u> |
| c. | On Benefit Payments | \$ 35,368,572 |
| d. | Total | |
| 5. | Tentative Actuarial Asset Value June 30, 1995 1. + 2.e. - 3.d. + 4.d. | \$ 474,740,192 |
| 6. | Market Value June 30, 1995 | 499,157,766 |
| 7. | Excess of Market Value over Tentative Actuarial Asset Value | \$ 24,417,574 |
| 8. | Prior Adjustments not Recognized | (22,193,142) |
| | 1994 x 2 | <u>8,840,549</u> |
| | 1993 x 1 | \$ (13,352,593) |
| | Total | 37,770,167 |
| 9. | Current Year Investment Gain/(Loss) | 12,590,056 |
| 10. | Current Year Adjustment to be recognized (1/3 of Gain/(Loss)) | 12,590,056 |
| 11. | Cumulative Adjustment | (11,096,571) |
| | 1995 | <u>8,840,549</u> |
| | 1994 | \$ 10,334,034 |
| | 1993 | |
| | Total | |
| 12. | Actuarial Asset Value on June 30, 1995 5. + 11. | \$ 485,074,226 |

SUMMARY OF PLAN PROVISIONS

FINAL AVERAGE SALARY

Final average salary is the three highest consecutive years of earned salary exclusive of overtime, bonuses, or severance pay.

NORMAL RETIREMENT

Age and Service Requirements

General Employees may retire with full accrued benefits at age 58 with 10 years of service or after 30 years of service regardless of age.

Police and Firemen may retire with unreduced accrued benefits at age 55 with 10 years of service or after 25 years regardless of age.

Police and Firemen under the Optional Plan may retire with unreduced accrued benefits at age 55 with 10 years of service or after 20 years of service with no restriction on age.

Amount of Retirement Benefits

2% of final average salary times service, maximum benefit is 75% of final average salary.

For the optional 20-year service plan, retirement benefit is 2.5% of final average salary times service with a maximum benefit of 75% of final average salary.

EARLY RETIREMENT

Age and Service Requirement

Early retirement is only available to policemen and firemen under the normal plan.

Amount of Retirement Benefits

Regular pension accrued, reduced by 6% for each year of age less than 55.

DISABILITY BENEFIT

Non-occupational

Service Requirement - 5 years

Amount of Benefit - Regular pension benefit based on service to disability and final average salary at time of disability, payable immediately. The minimum benefit is 20% of final average salary.

Occupational

There is no age or service requirements for the occupational disability benefit.

Amount of Benefit - **Two thirds of final salary** at time of disability, payable immediately.

VESTING

Employees are vested in their retirement benefits on completion of 10 years of service.

PRE-RETIREMENT DEATH BENEFITS

Lump Sum Benefit

There are no age or service requirements for this benefit.

Amount of Benefit:

- (a) \$800 per year of service with a minimum of \$4,000 and a maximum of \$16,000, plus
- (b) Refund of employee contributions.

Joint and Survivor Benefit (optional)

Service Requirement - 10 years.

Amount of Benefit - Benefit employee would have received had he/she retired the day before he/she died and chosen the 100% joint and survivor option.

Police and Firemen's Survivor Benefit

There is no age of service requirement for this benefit.

Amount of Benefit:

- (a) 30% of final average salary to spouse plus 10% to each child under age 18, plus
- (b) Refund of employee contributions.

Occupational Death Benefit

This benefit has no age or service requirement.

Amount of benefit:

- (a) 50% of salary to spouse or children of employees under age 18, less workmen's compensation. Police and firemen also receive 10% for each child under 18 to a maximum of 66.66%.
- (b) Refund of employee contributions.

POST-RETIREMENT DEATH BENEFITS

Lump sum in the amount of:

- (a) 100% of employee contributions less benefits paid, plus
- (b) Pre-retirement death benefit, reduced 25% per year of retirement, with a minimum of \$4,000.

EMPLOYEE CONTRIBUTIONS

Municipal Employees - 6% until maximum benefit (75% of final average salary) is accrued. Increased to 7% with post-retirement cost-of-living increase.

Policemen and Firemen - 7% until maximum benefit (75% of final average salary) is accrued. Increased to 8% with post-retirement cost-of-living increase. Increased by 1% for 20-year service plan.

AVAILABLE BENEFIT OPTIONS

Joint and Survivor - Actuarially Equivalent Benefit paying either 100% or 50%, depending on option selected, of retirement benefit to surviving beneficiary.

Social Security - Pays an increased benefit until age 62 and a reduced benefit thereafter to provide a level benefit when Social Security payments are accounted for.

POST-RETIREMENT COST OF LIVING ADJUSTMENT

Retirees' benefits are adjusted annually by 3%, not compounded, to allow for increases in cost of living if their municipal group adopts this benefit provision.

Recommended Employer Contribution Rates

| | | Fiscal 1998 | | | Total Employer Rates For Fiscal Years | | |
|--------------------------|-------------------------|----------------------------|----------------------|-------------------|---------------------------------------|--------|--------|
| | | Employee Contribution Rate | Employer Normal Cost | Past Service Cost | Total Employer Rate | 1997 | 1996 |
| General Employees | | | | | | | |
| 1 | Barrington | 6.00% | 1.45% | 0.00% | 1.45% | 1.56% | 1.67% |
| 2 | Bristol | B 7.00% | 0.48% | 0.00% | 0.48% | 0.46% | 0.73% |
| 3 | Burrillville | C 7.00% | 2.67% | 0.00% | 2.67% | 2.83% | 3.33% |
| 4 | Central Falls | 6.00% | 0.34% | 18.69% | 19.03% | 16.42% | 18.04% |
| 5 | Charlestown | C 7.00% | 1.17% | 9.73% | 10.90% | 14.71% | 13.67% |
| 7 | Cranston | B 7.00% | 1.46% | 0.00% | 1.46% | 1.40% | 1.60% |
| 8 | Cumberland | 6.00% | 2.32% | 0.16% | 2.48% | 3.11% | 3.14% |
| 9 | East Greenwich | 6.00% | 1.07% | 0.00% | 1.07% | 1.33% | 1.17% |
| 10 | East Providence | B 7.00% | 1.99% | 0.00% | 1.99% | 2.13% | 2.04% |
| 11 | Exeter/West Greenwich | 6.00% | 3.01% | 0.00% | 3.01% | 3.25% | 3.48% |
| 12 | Foster | 6.00% | 1.25% | 4.39% | 5.64% | 2.61% | 5.43% |
| 13 | Glocester | 6.00% | 2.58% | 0.00% | 2.58% | 2.73% | 2.80% |
| 14 | Hopkinton | 6.00% | 2.37% | 0.00% | 2.37% | 2.22% | 2.32% |
| 15 | Jamestown | C 7.00% | 0.55% | 0.00% | 0.55% | 0.70% | 0.94% |
| 16 | Johnston | C 7.00% | 1.39% | 0.00% | 1.39% | 1.35% | 1.57% |
| 17 | Lincoln | 2 6.00% | 0.77% | 12.58% | 13.35% | 9.84% | 9.84% |
| 21 | Newport | B 7.00% | 0.43% | 0.00% | 0.43% | 0.28% | 0.44% |
| 22 | New Shoreham | 6.00% | 1.58% | 0.25% | 1.83% | 2.02% | 1.74% |
| 23 | North Kingstown | 6.00% | 1.67% | 0.00% | 1.67% | 1.65% | 1.85% |
| 24 | North Providence | 6.00% | 0.84% | 0.00% | 0.84% | 1.16% | 0.76% |
| 25 | North Smithfield | C 7.00% | 3.82% | 0.00% | 3.82% | 3.82% | 3.26% |
| 26 | Pawtucket | C 7.00% | 1.18% | 0.00% | 1.18% | 1.30% | 1.38% |
| 29 | Richmond | 6.00% | 1.85% | 4.58% | 6.43% | 4.65% | 1.82% |
| 30 | Scituate | B 7.00% | 2.42% | 0.00% | 2.42% | 2.55% | 2.08% |
| 31 | Smithfield | 6.00% | 1.80% | 0.00% | 1.80% | 1.86% | 1.98% |
| 32 | South Kingstown | 6.00% | 1.22% | 0.00% | 1.22% | 1.32% | 1.52% |
| 33 | Tiverton | 6.00% | 2.24% | 0.00% | 2.24% | 2.75% | 3.16% |
| 34 | Warren | 6.00% | 2.24% | 0.57% | 2.20% | 1.19% | 1.82% |
| 36 | Westerly | 6.00% | 1.63% | 7.30% | 7.30% | 54.81% | 44.89% |
| 37 | West Greenwich | 6.00% | 0.00% | 0.88% | 0.88% | 4.99% | 4.44% |
| 39 | Woonsocket | 6.00% | 4.09% | 0.00% | 4.09% | 1.64% | 1.82% |
| 40 | Chariho School District | 6.00% | 1.61% | 0.00% | 1.61% | 2.22% | 2.28% |
| 41 | Foster/Glocester | B 7.00% | 2.12% | 1.60% | 6.14% | 5.63% | 4.44% |
| | | | 4.54% | | | | |

| | | | Employee | Employer | Past | Total | 1997 | 1996 |
|-----|-----------------------------------|-----|--------------|----------|---------|----------|--------|--------|
| | | | Contribution | Normal | Service | Employer | | |
| | | | Rate | Cost | Cost | Rate | | |
| 42 | Tiogue Fire & Lighting | C | 7.00% | 3.16% | 28.45% | 31.61% | 31.69% | 31.69% |
| 43 | Narragansett Housing | | 6.00% | 2.71% | 3.23% | 5.94% | 5.57% | -- |
| 45 | Coventry Lighting District | | 6.00% | 0.00% | 30.66% | 30.66% | 42.68% | 53.44% |
| 46 | Hope Valley Fire | C | 7.00% | 6.86% | 11.70% | 18.56% | 21.65% | 24.03% |
| 51 | Cranston Housing | | 6.00% | 3.30% | 0.00% | 3.30% | 3.00% | 3.11% |
| 52 | East Providence Housing | | 6.00% | 3.28% | 0.00% | 3.28% | 3.97% | 2.71% |
| 53 | Pawtucket Housing | B | 7.00% | 1.27% | 0.00% | 1.27% | 1.63% | 1.57% |
| 56 | Cumberland Housing | | 6.00% | 0.87% | 3.91% | 4.78% | 2.69% | 2.24% |
| 57 | Lincoln Housing | B | 7.00% | 4.10% | 0.00% | 4.10% | 4.18% | 4.66% |
| 59 | Bristol Housing | | 6.00% | 2.69% | 0.00% | 2.69% | 2.30% | 2.30% |
| 65 | Burrillville Housing | | 6.00% | 3.41% | 0.00% | 3.41% | 3.57% | 3.71% |
| 66 | North Providence Housing | B | 7.00% | 4.03% | 0.00% | 4.03% | 4.61% | 4.31% |
| 67 | East Smithfield Water | C | 7.00% | 3.57% | 2.91% | 6.48% | 13.34% | 6.12% |
| 68 | Greenville Water | | 6.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 69 | Newport Housing | 2 | 6.00% | 2.15% | 9.31% | 11.46% | 11.46% | 11.46% |
| 71 | Warren Housing | | 6.00% | 3.92% | 0.00% | 3.92% | 4.03% | 3.71% |
| 72 | Johnston Housing | | 6.00% | 0.18% | 0.00% | 0.18% | 2.57% | 4.29% |
| 77 | Tiverton Local 2670A | C,2 | 7.00% | 3.57% | 0.00% | 3.57% | 5.75% | 5.75% |
| 79 | Coventry Housing | | 6.00% | 3.68% | 0.00% | 3.68% | 3.84% | 4.10% |
| 80 | South Kingston Housing | 3 | -- | -- | -- | -- | -- | -- |
| 83 | West Warwick Housing | | 6.00% | 3.37% | 0.00% | 3.37% | 3.32% | 3.29% |
| 84 | Smithfield Housing | | 6.00% | 0.01% | 0.00% | 0.01% | 0.00% | 0.00% |
| 96 | Central Falls Housing | | 6.00% | 3.35% | 12.36% | 15.71% | 20.34% | 23.26% |
| 98 | Lime Rock Administrative Services | | 6.00% | 0.64% | 3.53% | 4.17% | 0.00% | 0.00% |
| 99 | Central Falls Schools | | 6.00% | 2.55% | 2.16% | 4.71% | 6.18% | 5.84% |
| 100 | Bristol/Warren Schools | B | 7.00% | 3.36% | 0.00% | 3.36% | 3.36% | 2.89% |
| | Police and Fire | | | | | | | |
| 42 | Valley Falls Fire | D | 8.00% | 4.47% | 21.23% | 25.70% | 29.18% | 23.76% |
| 46 | Lime Rock Fire | 1 | 7.00% | 1.96% | 0.00% | 1.96% | 3.74% | 3.74% |
| 47 | North Smithfield Voluntary Fire | D | 8.00% | 5.85% | 0.00% | 5.85% | 5.82% | 5.97% |
| 50 | East Greenwich Fire | D | 8.00% | 5.17% | 0.00% | 5.17% | 5.36% | 5.39% |
| 54 | East Greenwich Police | C,D | 9.00% | 7.12% | 0.00% | 7.12% | 7.12% | 5.24% |
| 55 | North Kingstown Fire | D | 8.00% | 4.81% | 0.00% | 4.81% | 4.68% | 4.59% |
| 58 | North Providence Fire | D | 8.00% | 4.62% | 0.00% | 4.62% | 4.40% | 4.41% |
| 60 | Barrington Police | D | 8.00% | 4.72% | 5.74% | 10.46% | 5.13% | 4.18% |
| 61 | Barrington Fire | D | 8.00% | 4.90% | 0.00% | 4.90% | 4.90% | 4.90% |
| 62 | Warren Police | C,D | 9.00% | 6.57% | 0.00% | 6.57% | 6.56% | 5.13% |

| | <u>Employee Contribution Rate</u> | <u>Employer Normal Cost</u> | <u>Past Service Cost</u> | <u>Total Employer Rate</u> | <u>1997</u> | <u>1996</u> |
|------------------------------------|---|-------------------------------------|----------------------------------|------------------------------------|-------------|-------------|
| 63 South Kingstown Police & Fire C | 8.00% | 4.01% | 0.00% | 4.01% | 3.98% | 3.68% |
| 64 Primrose Volunteer Fire B,D | 9.00% | 7.79% | 0.00% | 7.79% | 7.41% | 5.98% |
| 73 Scituate Police 3 | --- | --- | --- | --- | --- | --- |
| 76 North Smithfield Police C,D | 9.00% | 5.81% | 0.00% | 5.81% | 5.81% | 4.22% |
| 77 Tiverton Fire D | 8.00% | 3.12% | 0.00% | 3.12% | 3.05% | 4.52% |
| 82 Foster Police D | 8.00% | 3.18% | 0.00% | 3.18% | 3.26% | 3.89% |
| 85 Woonsocket Police C,D | 9.00% | 6.31% | 0.00% | 6.31% | 6.24% | 6.29% |
| 86 Charlestown Police | 7.00% | 3.77% | 0.00% | 3.77% | 3.82% | 3.78% |
| 87 Hopkinton Police D | 8.00% | 3.33% | 0.00% | 3.33% | 3.15% | 3.08% |
| 88 Gloucester Police C,D | 9.00% | 6.13% | 0.00% | 6.13% | 4.92% | 8.62% |
| 89 West Greenwich Police/Rescue | 7.00% | 2.76% | 0.00% | 2.76% | 3.18% | 2.85% |
| 90 Burrillville Police C,D | 9.00% | 8.39% | 0.00% | 8.39% | 8.96% | 8.64% |
| 91 Cumberland Rescue D | 8.00% | 4.47% | 0.00% | 4.47% | 4.19% | 4.54% |
| 92 Washington Fire D | 8.00% | 4.90% | 1.38% | 6.28% | 6.28% | 6.28% |
| 93 Woonsocket Fire C,D,4 | 9.00% | 6.29% | 0.00% | 6.29% | 6.14% | 6.36% |
| 94 Bristol Fire | 7.00% | 6.39% | 0.00% | 6.39% | 6.40% | 6.42% |
| 95 Cumberland Hill Fire C,D | 9.00% | 6.86% | 6.78% | 13.64% | 12.99% | 14.59% |
| 98 Coventry Fire | 7.00% | 3.07% | 7.21% | 10.28% | 6.29% | 7.47% |
| 100 Tiogue Fire | 7.00% | 2.88% | 2.54% | 5.42% | 7.14% | 10.59% |
| 101 North Cumberland D | 8.00% | 3.24% | 4.13% | 7.37% | 8.69% | 9.40% |
| 102 Central Coventry Fire | 7.00% | 2.98% | 3.55% | 6.53% | 8.13% | 8.92% |
| 103 Hopkins Hill Fire | 7.00% | 2.52% | 0.00% | 2.52% | 2.63% | 2.26% |
| 106 Cumberland Fire D | 8.00% | 2.38% | 8.96% | 11.34% | 14.81% | 18.99% |
| 107 Lincoln Rescue | 7.00% | 2.97% | 4.10% | 7.07% | 7.88% | 8.83% |
| 108 New Shoreham Police 2 | 7.00% | 4.82% | 5.32% | 10.14% | 10.14% | 10.14% |
| 109 Warren Fire D,2 | 8.00% | 9.81% | 17.36% | 27.17% | 27.17% | 27.17% |

NOTES

- B - Municipality has adopted COLA Plan B
- C - Municipality has adopted COLA Plan C
- D - Municipality has adopted the "20-year" optional Police & Fire Plan

- 1 - No data was reported for Lime Rock Fire last year.
- 2 - New unit.
- 3 - Closed unit.
- 4 - By special agreement, the Woonsocket Firefighters are currently contributing

Liabilities and Funded Status as of June 30, 1995 by Plan

| <u>MUNICIPALITY</u> | | Actuarial Value of Assets | Total Accrued Liability | Vested Liability | Total Unfunded Liability | Unfunded Vested Liability |
|--------------------------|----------------------------|---------------------------|-------------------------|------------------|--------------------------|---------------------------|
| General Employees | | | | | | |
| 1 | Barrington | \$13,339,868 | \$9,853,335 | \$7,054,572 | \$ 0 | \$ 0 |
| 2 | Bristol | 8,946,856 | 7,213,307 | 5,251,564 | 0 | 0 |
| 3 | Burrillville | 9,631,879 | 7,688,313 | 5,269,472 | 0 | 0 |
| 4 | Central Falls | 909,127 | 2,984,839 | 2,260,078 | 2,075,712 | 1,350,951 |
| 5 | Charlestown | 527,564 | 1,187,967 | 818,114 | 660,403 | 290,550 |
| 7 | Cranston | 69,031,499 | 51,636,837 | 36,111,993 | 0 | 0 |
| 8 | Cumberland | 9,243,575 | 9,297,733 | 7,099,167 | 54,158 | 0 |
| 9 | East Greenwich | 10,026,310 | 6,683,910 | 4,937,176 | 0 | 0 |
| 10 | East Providence | 41,136,562 | 35,437,619 | 27,118,790 | 0 | 0 |
| 11 | Exeter/West Greenwich | 1,933,809 | 1,352,228 | 851,976 | 0 | 0 |
| 12 | Foster | 1,130,689 | 1,369,024 | 920,906 | 238,335 | 0 |
| 13 | Glocester | 1,472,554 | 1,437,149 | 966,303 | 0 | 0 |
| 14 | Hopkinton | 1,372,394 | 949,791 | 673,834 | 0 | 0 |
| 15 | Jamestown | 3,153,284 | 2,634,599 | 1,600,192 | 0 | 0 |
| 16 | Johnston | 17,274,661 | 15,106,461 | 11,088,660 | 0 | 0 |
| 17 | Lincoln | 33,284 | 249,647 | 110,777 | 216,363 | 77,493 |
| 21 | Newport | 26,695,057 | 25,429,654 | 17,411,980 | 0 | 0 |
| 22 | New Shoreham | 1,212,713 | 1,235,017 | 813,699 | 22,304 | 0 |
| 23 | North Kingstown | 15,466,260 | 13,965,460 | 9,703,911 | 0 | 0 |
| 24 | North Providence | 14,016,225 | 11,669,578 | 7,752,180 | 0 | 0 |
| 25 | North Smithfield | 6,634,584 | 4,500,230 | 3,506,153 | 0 | 0 |
| 26 | Pawtucket | 51,730,947 | 46,429,476 | 32,579,728 | 0 | 0 |
| 29 | Richmond | 456,394 | 663,614 | 384,577 | 207,220 | 0 |
| 30 | Scituate | 4,855,831 | 4,280,860 | 2,877,617 | 0 | 0 |
| 31 | Smithfield | 10,764,839 | 7,553,149 | 5,560,385 | 0 | 0 |
| 32 | South Kingstown | 15,007,968 | 10,992,336 | 6,751,048 | 0 | 0 |
| 33 | Tiverton | 6,055,311 | 4,200,817 | 3,512,697 | 0 | 0 |
| 34 | Warren | 3,877,664 | 3,913,653 | 3,464,194 | 35,989 | 0 |
| 36 | Westerly | 793,152 | 818,023 | 805,312 | 24,871 | 12,160 |
| 37 | West Greenwich | 562,814 | 594,295 | 397,429 | 31,481 | 0 |
| 39 | Woonsocket | 33,945,123 | 22,587,108 | 17,330,310 | 0 | 0 |
| 40 | Chariho School District | 3,215,102 | 3,155,487 | 1,663,556 | 0 | 0 |
| 41 | Foster/Glocester | 1,504,345 | 1,619,992 | 1,018,001 | 115,647 | 0 |
| 42 | Tiogue Fire & Lighting | 12,102 | 38,903 | 34,975 | 26,801 | 22,873 |
| 43 | Narragansett Housing | 14,244 | 28,116 | 7,159 | 13,872 | 0 |
| 45 | Coventry Lighting District | 258,341 | 437,704 | 348,257 | 179,363 | 89,916 |

| | | Actuarial Value of Assets | Total Accrued Liability | Vested Liability | Total Unfunded Liability | Unfunded Vested Liability | |
|-----|-----------------------------------|---------------------------------|----------------------------|---------------------|--------------------------------|---------------------------------|---------|
| 46 | Hope Valley Fire | C | 41,167 | 83,499 | 57,371 | 42,332 | 16,204 |
| 51 | Cranston Housing | | 1,300,817 | 861,890 | 633,424 | 0 | 0 |
| 52 | East Providence Housing | | 1,120,764 | 811,111 | 650,656 | 0 | 0 |
| 53 | Pawtucket Housing | B | 4,711,298 | 2,672,404 | 2,083,571 | 0 | 0 |
| 56 | Cumberland Housing | | 567,522 | 679,256 | 506,064 | 111,734 | 0 |
| 57 | Lincoln Housing | B | 749,321 | 614,566 | 469,790 | 0 | 0 |
| 59 | Bristol Housing | | 733,288 | 432,896 | 299,046 | 0 | 0 |
| 65 | Burrillville Housing | | 287,674 | 127,233 | 48,479 | 0 | 0 |
| 66 | North Providence Housing | B | 465,440 | 309,012 | 203,225 | 0 | 0 |
| 67 | East Smithfield Water | C | 213,281 | 245,113 | 115,682 | 31,832 | 0 |
| 68 | Greenville Water | | 442,933 | 302,602 | 211,533 | 0 | 0 |
| 69 | Newport Housing | 2 | 500,000 | 1,020,066 | 455,674 | 520,066 | 0 |
| 71 | Warren Housing | | 480,056 | 325,871 | 210,271 | 0 | 0 |
| 72 | Johnston Housing | | 446,581 | 392,793 | 308,085 | 0 | 0 |
| 77 | Tiverton Local 2670A | C,2 | 791,011 | 776,033 | 285,059 | 0 | 0 |
| 79 | Coventry Housing | | 480,374 | 437,144 | 345,804 | 0 | 0 |
| 80 | South Kingston Housing | 3 | 33,328 | 27,276 | 27,276 | 0 | 0 |
| 83 | West Warwick Housing | | 430,166 | 361,922 | 263,922 | 0 | 0 |
| 84 | Smithfield Housing | | 87,201 | 80,000 | 64,103 | 0 | 0 |
| 96 | Central Falls Housing | | 670,380 | 1,125,182 | 963,476 | 454,802 | 293,096 |
| 98 | Lime Rock Administrative Services | | 21,356 | 36,468 | 11,275 | 15,112 | 0 |
| 99 | Central Falls Schools | | 1,625,354 | 2,040,584 | 1,015,503 | 415,230 | 0 |
| 100 | Bristol/Warren Schools | B | 5,921,663 | 3,747,683 | 1,710,798 | 0 | 0 |
| | Police and Fire | | | | | 760,364 | 427,592 |
| 42 | Valley Falls Fire | D | 491,548 | 1,251,912 | 919,140 | 0 | 0 |
| 46 | Lime Rock Fire | 1 | 128,524 | 93,440 | 45,715 | 0 | 0 |
| 47 | North Smithfield Voluntary Fire | D | 281,350 | 236,638 | 105,533 | 0 | 0 |
| 50 | East Greenwich Fire | D | 3,794,799 | 2,680,579 | 2,103,506 | 0 | 0 |
| 54 | East Greenwich Police | C,D | 5,035,935 | 3,226,095 | 2,685,759 | 0 | 0 |
| 55 | North Kingstown Fire | D | 11,561,622 | 9,410,818 | 7,684,088 | 0 | 0 |
| 58 | North Providence Fire | D | 8,934,680 | 7,135,647 | 4,491,923 | 448,541 | 0 |
| 60 | Barrington Police | D | 3,807,325 | 4,255,866 | 3,515,653 | 0 | 0 |
| 61 | Barrington Fire | D | 6,302,556 | 5,510,908 | 4,314,335 | 0 | 0 |
| 62 | Warren Police | C,D | 3,839,144 | 3,317,423 | 2,669,220 | 0 | 0 |
| 63 | South Kingstown Police & Fire | C | 8,146,927 | 5,349,814 | 3,601,636 | 0 | 0 |
| 64 | Primrose Volunteer Fire | B,D | 895,888 | 561,830 | 329,874 | 0 | 0 |
| 73 | Scituate Police | 3 | 114,304 | 49,013 | 49,013 | 0 | 0 |
| 76 | North Smithfield Police | C,D | 2,881,251 | 2,050,662 | 1,622,646 | 0 | 0 |
| 77 | Tiverton Fire | D | 3,642,951 | 2,675,376 | 2,115,679 | 0 | 0 |
| 82 | Foster Police | D | 742,769 | 497,721 | 423,749 | 0 | 0 |
| 85 | Woonsocket Police | C,D | 4,676,347 | 3,634,982 | 1,711,461 | 0 | 0 |
| 86 | Charlestown Police | | 887,819 | 758,237 | 505,095 | 0 | 0 |

| | | Actuarial Value of Assets | Total Accrued Liability | Vested Liability | Total Unfunded Liability | Unfunded Vested Liability |
|-----|------------------------------|---------------------------|-------------------------|------------------|--------------------------|---------------------------|
| 87 | Hopkinton Police | D | 759,831 | 465,313 | 270,837 | 0 |
| 88 | Glocester Police | C,D | 807,316 | 695,193 | 332,503 | 0 |
| 89 | West Greenwich Police/Rescue | | 488,623 | 409,917 | 249,293 | 0 |
| 90 | Burrillville Police | C,D | 2,120,753 | 1,661,212 | 1,184,534 | 0 |
| 91 | Cumberland Rescue | D | 586,864 | 347,543 | 152,710 | 0 |
| 92 | Washington Fire | D | 270,866 | 325,447 | 131,996 | 54,581 |
| 93 | Woonsocket Fire | C,D,4 | 2,682,168 | 2,341,737 | 942,333 | 0 |
| 94 | Bristol Fire | | 45,373 | 27,634 | 11,854 | 0 |
| 95 | Cumberland Hill Fire | C,D | 673,352 | 906,514 | 481,816 | 233,162 |
| 98 | Coventry Fire | | 481,255 | 761,326 | 481,421 | 280,071 |
| 100 | Tiogue Fire | | 120,728 | 126,505 | 65,609 | 5,777 |
| 101 | North Cumberland | D | 489,407 | 652,953 | 291,524 | 163,546 |
| 102 | Central Coventry Fire | | 341,312 | 435,629 | 282,303 | 94,317 |
| 103 | Hopkins Hill Fire | | 51,260 | 39,626 | 21,569 | 0 |
| 106 | Cumberland Fire | D | 371,738 | 667,241 | 406,197 | 295,503 |
| 107 | Lincoln Rescue | | 219,069 | 358,252 | 132,672 | 139,183 |
| 108 | New Shoreham Police | 2 | 34,667 | 122,957 | 22,374 | 88,290 |
| 109 | Warren Fire | D,2 | 0 | 44,184 | 0 | 44,184 |

NOTES

- B - Municipality has adopted COLA Plan B
- C - Municipality has adopted COLA Plan C
- D - Municipality has adopted the "20-year" optional Police & Fire Plan

- 1 - No data was reported for Lime Rock Fire last year.
- 2 - New unit.
- 3 - Closed unit.

Pension Benefit Obligation as of June 30, 1995 by Plan

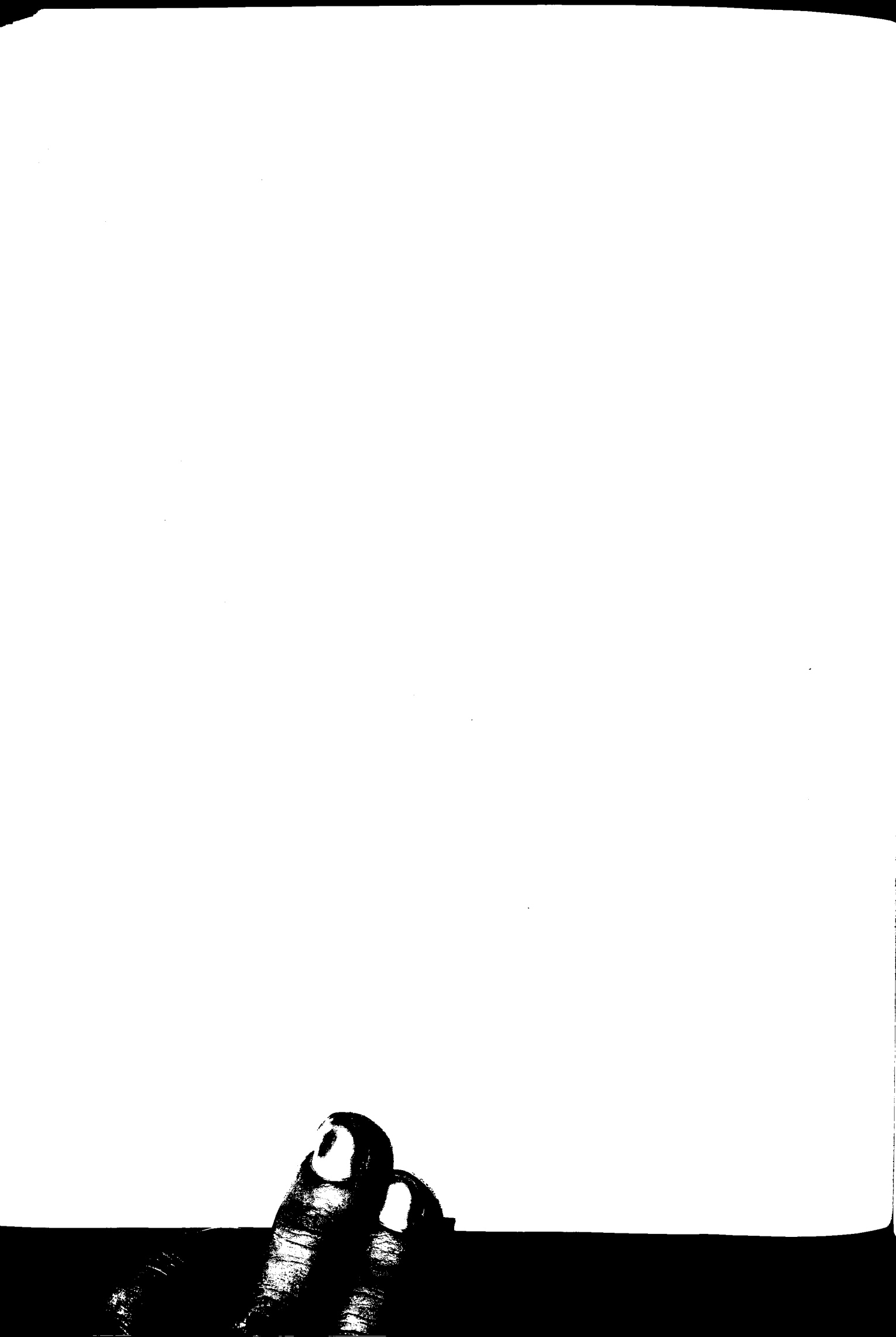
| <u>MUNICIPALITY</u> | | Retiree and Inactive Liability | Accumulated Employee Contributions | Employer Financed Vested | Employer Financed Non-Vested | Total Benefit Obligation |
|--------------------------|----------------------------|--------------------------------------|--|--------------------------------|------------------------------------|--------------------------------|
| General Employees | | | | | | |
| 1 | Barrington | \$4,343,300 | \$1,554,700 | \$1,156,600 | \$1,596,500 | \$8,651,100 |
| 2 | Bristol | 3,434,600 | 1,054,400 | 762,500 | 1,013,600 | 6,265,100 |
| 3 | Burnhillville | 2,938,100 | 1,303,100 | 1,028,300 | 1,329,500 | 6,599,000 |
| 4 | Central Falls | 1,611,200 | 335,600 | 313,300 | 335,400 | 2,595,500 |
| 5 | Charlestown | 388,000 | 178,800 | 251,300 | 169,000 | 987,100 |
| 7 | Cranston | 19,628,300 | 9,003,500 | 7,480,200 | 8,413,200 | 44,525,200 |
| 8 | Cumberland | 4,378,600 | 1,509,900 | 1,210,700 | 1,221,900 | 8,321,100 |
| 9 | East Greenwich | 2,742,700 | 1,265,700 | 928,700 | 908,600 | 5,845,700 |
| 10 | East Providence | 19,412,200 | 4,698,400 | 3,008,200 | 4,602,200 | 31,721,000 |
| 11 | Exeter/West Greenwich | 241,400 | 342,200 | 268,300 | 245,700 | 1,097,600 |
| 12 | Foster | 631,700 | 218,200 | 71,000 | 216,900 | 1,137,800 |
| 13 | Glocester | 532,400 | 334,600 | 99,200 | 240,000 | 1,206,200 |
| 14 | Hopkinton | 375,800 | 191,300 | 106,700 | 147,300 | 821,100 |
| 15 | Jamestown | 760,900 | 496,900 | 342,400 | 557,700 | 2,157,900 |
| 16 | Johnston | 6,674,700 | 1,850,800 | 2,563,100 | 2,287,200 | 13,375,800 |
| 17 | Lincoln | 0 | 10,500 | 100,300 | 85,400 | 196,200 |
| 21 | Newport | 10,808,500 | 3,875,200 | 2,728,400 | 4,166,300 | 21,578,400 |
| 22 | New Shoreham | 379,300 | 282,300 | 152,100 | 177,000 | 990,700 |
| 23 | North Kingstown | 5,448,200 | 2,438,700 | 1,817,000 | 2,278,400 | 11,982,300 |
| 24 | North Providence | 4,005,300 | 2,094,400 | 1,652,500 | 2,251,500 | 10,003,700 |
| 25 | North Smithfield | 1,967,800 | 745,100 | 793,300 | 519,700 | 4,025,900 |
| 26 | Pawtucket | 18,659,600 | 7,619,600 | 6,300,500 | 7,922,600 | 40,502,300 |
| 29 | Richmond | 125,700 | 100,300 | 158,600 | 152,400 | 537,000 |
| 30 | Scituate | 1,487,400 | 693,900 | 696,300 | 817,900 | 3,695,500 |
| 31 | Smithfield | 3,372,300 | 1,265,800 | 922,300 | 1,175,500 | 6,735,900 |
| 32 | South Kingstown | 2,969,300 | 2,426,800 | 1,355,000 | 2,199,700 | 8,950,800 |
| 33 | Tiverton | 2,258,300 | 770,200 | 484,200 | 322,700 | 3,835,400 |
| 34 | Warren | 2,971,500 | 279,600 | 213,100 | 259,400 | 3,723,600 |
| 36 | Westerly | 642,500 | 116,500 | 86,700 | (52,100) | 793,600 |
| 37 | West Greenwich | 279,900 | 116,200 | 1,300 | 122,500 | 519,900 |
| 39 | Woonsocket | 11,657,600 | 3,492,600 | 2,180,200 | 2,830,700 | 20,161,100 |
| 40 | Chariho School District | 474,700 | 712,500 | 476,300 | 818,800 | 2,482,300 |
| 41 | Foster/Glocester | 405,100 | 272,400 | 340,500 | 384,300 | 1,402,300 |
| 42 | Tiogue Fire & Lighting | 0 | 1,700 | 33,300 | (2,500) | 32,500 |
| 43 | Narragansett Housing | 0 | 5,900 | 1,200 | 14,000 | 21,100 |
| 45 | Coventry Lighting District | 0 | 28,000 | 320,200 | 56,600 | 404,800 |

| | | Retiree and Inactive Liability | Accumulated Employee Contributions | Employer Financed Vested | Employer Financed Non-Vested | Total Benefit Obligation | |
|------------------------|-----------------------------------|--------------------------------|------------------------------------|--------------------------|------------------------------|--------------------------|-----------|
| 46 | Hope Valley Fire | C | 0 | 6,500 | 50,800 | 21,000 | 78,300 |
| 51 | Cranston Housing | | 378,500 | 172,900 | 82,000 | 125,200 | 758,600 |
| 52 | East Providence Housing | | 390,500 | 122,900 | 137,300 | 84,300 | 735,000 |
| 53 | Pawtucket Housing | B | 1,237,600 | 561,600 | 284,300 | 246,900 | 2,330,400 |
| 56 | Cumberland Housing | | 393,500 | 61,200 | 51,300 | 86,200 | 592,200 |
| 57 | Lincoln Housing | B | 300,100 | 88,800 | 80,900 | 105,300 | 575,100 |
| 59 | Bristol Housing | | 116,100 | 92,100 | 90,800 | 74,300 | 373,300 |
| 65 | Burrillville Housing | | 0 | 39,700 | 8,800 | 52,400 | 100,900 |
| 66 | North Providence Housing | B | 95,700 | 79,200 | 28,400 | 51,800 | 255,100 |
| 67 | East Smithfield Water | C | 36,600 | 35,500 | 43,700 | 86,500 | 202,300 |
| 68 | Greenville Water | | 69,300 | 71,000 | 71,200 | 45,800 | 257,300 |
| 69 | Newport Housing | 2 | 0 | 0 | 455,700 | 360,100 | 815,800 |
| 71 | Warren Housing | | 57,000 | 70,400 | 82,800 | 78,300 | 288,500 |
| 72 | Johnston Housing | | 169,500 | 46,000 | 92,600 | 54,500 | 362,600 |
| 77 | Tiverton Local 2670A | C,2 | 0 | 0 | 285,100 | 388,500 | 673,600 |
| 79 | Coventry Housing | | 193,800 | 69,000 | 83,100 | 60,000 | 405,900 |
| 80 | South Kingston Housing | 3 | 27,300 | 0 | 0 | 0 | 27,300 |
| 83 | West Warwick Housing | | 118,300 | 80,200 | 65,400 | 50,700 | 314,600 |
| 84 | Smithfield Housing | | 47,700 | 15,300 | 1,100 | 2,700 | 66,800 |
| 96 | Central Falls Housing | | 858,700 | 75,100 | 29,700 | 96,900 | 1,060,400 |
| 98 | Lime Rock Administrative Services | | 0 | 6,300 | 5,000 | 10,700 | 22,000 |
| 99 | Central Falls Schools | | 278,900 | 312,700 | 423,900 | 590,600 | 1,606,100 |
| 100 | Bristol/Warren Schools | B | 9,100 | 794,300 | 907,300 | 1,251,000 | 2,961,700 |
| Police and Fire | | | | | | | |
| 42 | Valley Falls Fire | D | 480,600 | 91,100 | 347,500 | 229,100 | 1,148,300 |
| 46 | Lime Rock Fire | 1 | 0 | 13,400 | 32,300 | 28,100 | 73,800 |
| 47 | North Smithfield Voluntary Fire | D | 100 | 80,000 | 25,400 | 86,900 | 192,400 |
| 50 | East Greenwich Fire | D | 1,576,800 | 408,600 | 118,100 | 380,400 | 2,483,900 |
| 54 | East Greenwich Police | C,D | 1,470,800 | 513,500 | 701,500 | 322,100 | 3,007,900 |
| 55 | North Kingstown Fire | D | 5,357,300 | 1,381,100 | 945,800 | 1,127,800 | 8,812,000 |
| 58 | North Providence Fire | D | 1,930,200 | 1,552,100 | 1,009,600 | 1,827,100 | 6,319,000 |
| 60 | Barrington Police | D | 2,514,400 | 446,000 | 555,200 | 533,900 | 4,049,500 |
| 61 | Barrington Fire | D | 3,721,000 | 446,300 | 147,100 | 913,200 | 5,227,600 |
| 62 | Warren Police | C,D | 1,677,800 | 436,300 | 555,000 | 420,200 | 3,089,300 |
| 63 | South Kingstown Police & Fire | C | 1,615,000 | 1,031,700 | 954,900 | 1,236,100 | 4,837,700 |
| 64 | Primrose Volunteer Fire | B,D | 38,900 | 118,900 | 172,100 | 159,200 | 489,100 |
| 73 | Scituate Police | 3 | 49,000 | 0 | 0 | 0 | 49,000 |
| 76 | North Smithfield Police | C,D | 298,800 | 440,300 | 883,500 | 245,300 | 1,867,900 |
| 77 | Tiverton Fire | D | 930,900 | 467,800 | 717,000 | 388,200 | 2,503,900 |
| 82 | Foster Police | D | 328,700 | 81,400 | 13,700 | 40,800 | 464,600 |
| 85 | Woonsocket Police | C,D | 262,300 | 1,264,900 | 184,200 | 1,191,000 | 2,902,400 |
| 86 | Charlestown Police | | 314,800 | 190,100 | 200 | 179,800 | 684,900 |

| | | Retiree and Inactive Liability | Accumulated Employee Contributions | Employer Financed Vested | Employer Financed Non-Vested | Total Benefit Obligation | |
|-----|------------------------------|--------------------------------------|--|--------------------------------|------------------------------------|--------------------------------|-----------|
| 87 | Hopkinton Police | D | 0 | 186,300 | 84,500 | 123,800 | 394,600 |
| 88 | Glocester Police | C,D | 43,400 | 189,800 | 99,300 | 265,300 | 597,800 |
| 89 | West Greenwich Police/Rescue | | 0 | 93,300 | 156,000 | 108,200 | 357,500 |
| 90 | Burntville Police | C,D | 953,900 | 230,600 | 0 | 352,700 | 1,537,200 |
| 91 | Cumberland Rescue | D | 4,800 | 133,700 | 14,200 | 115,900 | 268,600 |
| 92 | Washington Fire | D | 0 | 84,100 | 47,900 | 131,600 | 263,600 |
| 93 | Woonsocket Fire | C,D,4 | 0 | 894,900 | 47,400 | 880,600 | 1,822,900 |
| 94 | Bristol Fire | | 0 | 11,900 | 0 | 14,500 | 26,400 |
| 95 | Cumberland Hill Fire | C,D | 0 | 106,300 | 375,500 | 306,500 | 788,300 |
| 98 | Coventry Fire | | 322,100 | 82,400 | 76,900 | 199,800 | 681,200 |
| 100 | Tiogue Fire | | 0 | 27,800 | 37,800 | 39,300 | 104,900 |
| 101 | North Cumberland | D | 0 | 109,900 | 181,600 | 235,800 | 527,300 |
| 102 | Central Coventry Fire | | 0 | 76,000 | 206,300 | 107,800 | 390,100 |
| 103 | Hopkins Hill Fire | | 1,700 | 19,900 | 0 | 8,800 | 30,400 |
| 106 | Cumberland Fire | D | 0 | 74,200 | 332,000 | 200,000 | 606,200 |
| 107 | Lincoln Rescue | | 0 | 66,300 | 66,400 | 155,200 | 287,900 |
| 108 | New Shoreham Police | 2 | 0 | 0 | 22,400 | 87,000 | 109,400 |
| 109 | Warren Fire | D,2 | 0 | 0 | 0 | 41,900 | 41,900 |

NOTES

- B - Municipality has adopted COLA Plan B
- C - Municipality has adopted COLA Plan C
- D - Municipality has adopted the "20-year" optional Police & Fire Plan
- 1 - No data was reported for Lime Rock Fire last year.
- 2 - New unit.
- 3 - Closed unit.



Statistical Information

Employees' Retirement System

Municipal Employees' Retirement System

Employees' Retirement System Statistics

Active Employees

State Employees

Teachers

| | <u>June 30, 1995</u> | <u>June 30, 1994</u> | <u>June 30, 1995</u> | <u>June 30, 1994</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Number of Covered Employees | 13,550 | 14,211 | 12,079 | 11,378 |
| Average Annual Salary | \$33,300 | \$31,300 | \$41,100 | \$41,700 |
| Average Age (years) | 45.1 | 44.7 | 44.8 | 44.8 |
| Average Service (years) | 13.0 | 11.8 | 15.9 | 15.5 |
| Number of Vested Employees | 7,656 | 7,628 | 7,474 | 7,290 |
| Number of Employees Eligible for Retirement | 1,343 | 1,309 | 1,053 | 1,268 |
| <u>Pensioners</u> | | | | |
| Number | 7,967 | 7,838 | 4,804 | 4,701 |
| Average Age | 71.6 | 71.4 | 69.9 | 69.8 |
| Average Monthly Benefit | \$991 | \$954 | \$1,977 | \$1,886 |
| <u>Beneficiaries</u> | | | | |
| Number | 682 | 656 | 207 | 197 |
| Average Age | 71.9 | 71.5 | 68.8 | 69.1 |
| Average Monthly Benefit | \$736 | \$701 | \$1,062 | \$984 |

Distribution of State Employees in Active Service
Years of Service and Average Annual Earnings

| <u>Age</u> | <u>0-4</u> | <u>5-9</u> | <u>10-14</u> | <u>15-19</u> | <u>20-24</u> | <u>25-29</u> | <u>30-34</u> | <u>35-39</u> | <u>40+</u> | <u>Total</u> |
|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|-----------------|----------------|--------------------|
| 0-19 | 1 \$ 20,935 | | | | | | | | | 1 \$ 20,935 |
| 20-24 | 98 \$ 22,483 | 11 \$ 23,877 | | | | | | | | 109 \$ 22,624 |
| 25-29 | 359 \$ 27,771 | 458 \$ 27,528 | 5 \$ 25,264 | | | | | | | 822 \$ 27,621 |
| 30-34 | 330 \$ 29,863 | 789 \$ 29,791 | 269 \$ 28,928 | 50 \$ 27,967 | | | | | | 1,980 \$ 31,557 |
| 35-39 | 312 \$ 31,338 | 677 \$ 30,700 | 444 \$ 33,730 | 464 \$ 31,126 | 83 \$ 30,146 | | | | | 2,308 \$ 33,650 |
| 40-44 | 276 \$ 31,874 | 579 \$ 31,594 | 310 \$ 34,368 | 593 \$ 36,310 | 495 \$ 33,593 | 55 \$ 32,010 | | | | 2,464 \$ 37,028 |
| 45-49 | 236 \$ 31,201 | 517 \$ 30,827 | 346 \$ 34,433 | 501 \$ 38,747 | 588 \$ 42,475 | 264 \$ 42,552 | 12 \$ 33,389 | | | 1,704 \$ 35,726 |
| 50-54 | 145 \$ 33,025 | 382 \$ 30,854 | 282 \$ 33,171 | 340 \$ 36,207 | 302 \$ 39,380 | 200 \$ 42,299 | 47 \$ 43,816 | 6 \$ 37,725 | | 1,299 \$ 33,979 |
| 55-59 | 76 \$ 32,595 | 300 \$ 28,755 | 217 \$ 32,293 | 273 \$ 35,305 | 262 \$ 36,095 | 112 \$ 39,475 | 46 \$ 44,295 | 13 \$ 36,452 | | 903 \$ 33,323 |
| 60-64 | 42 \$ 26,468 | 177 \$ 28,990 | 164 \$ 31,844 | 226 \$ 32,833 | 162 \$ 36,267 | 91 \$ 37,565 | 20 \$ 41,596 | 15 \$ 51,519 | 6 \$ 51,144 | 371 \$ 33,244 |
| 65-69 | 14 \$ 23,529 | 82 \$ 31,396 | 72 \$ 28,826 | 90 \$ 32,331 | 70 \$ 34,491 | 16 \$ 43,224 | 17 \$ 47,681 | 4 \$ 67,107 | 6 \$ 43,231 | 110 \$ 32,529 |
| 70-74 | 3 \$ 17,971 | 13 \$ 34,054 | 27 \$ 25,128 | 37 \$ 36,387 | 9 \$ 38,691 | 13 \$ 32,287 | 5 \$ 32,047 | 1 \$ 31,306 | 2 \$ 48,641 | 41 \$ 23,331 |
| 75+ | 2 \$ 5,081 | 4 \$ 15,673 | 9 \$ 15,334 | 17 \$ 24,078 | 5 \$ 26,732 | | 1 \$ 92,450 | 2 \$ 37,176 | 1 \$ 35,903 | 15 \$ 46,629 |
| TOTAL | 1,894 | 3,989 | 2,145 | 2,591 | 1,976 | 751 | 148 | 41 | 15 | 13,550 |
| Average Pay | \$ 29,967 | \$ 30,086 | \$ 32,600 | \$ 35,052 | \$ 37,564 | \$ 40,486 | \$ 43,194 | \$ 45,051 | \$ 46,629 | \$ 33,291 |

Distribution of Teachers in Active Service

| Age | <u>Years of Service and Average Annual Earnings</u> | | | | | | | | | Total | |
|-------------|---|------------------|------------------|------------------|--------------------|--------------------|------------------|-----------------|-----------------|-------|--------------------|
| | <u>0-4</u> | <u>5-9</u> | <u>10-14</u> | <u>15-19</u> | <u>20-24</u> | <u>25-29</u> | <u>30-34</u> | <u>35-39</u> | <u>40+</u> | | |
| 0-19 | | | | | | | | | | | 0 |
| 20-24 | 100 \$ 20,142 | | | | | | | | | | 100 \$ 20,142 |
| 25-29 | 512 \$ 24,037 | 238 \$ 30,836 | | | | | | | | | 750 \$ 26,195 |
| 30-34 | 219 \$ 26,923 | 579 \$ 34,739 | 51 \$ 39,846 | 1 \$ 48,120 | | | | | | | 850 \$ 33,046 |
| 35-39 | 218 \$ 27,899 | 479 \$ 37,702 | 204 \$ 42,096 | 137 \$ 41,706 | 4 \$ 38,641 | | | | | | 1,042 \$ 37,041 |
| 40-44 | 291 \$ 30,639 | 747 \$ 39,259 | 228 \$ 42,013 | 642 \$ 42,543 | 454 \$ 45,243 | 12 \$ 41,489 | | | | | 2,374 \$ 40,511 |
| 45-49 | 211 \$ 32,481 | 614 \$ 41,543 | 187 \$ 44,218 | 322 \$ 45,251 | 1,393 \$ 45,417 | 1,013 \$ 44,913 | 7 \$ 47,423 | | | | 3,747 \$ 43,847 |
| 50-54 | 95 \$ 35,065 | 276 \$ 43,181 | 113 \$ 44,944 | 170 \$ 47,153 | 296 \$ 46,497 | 787 \$ 46,081 | 228 \$ 47,806 | 1 \$ 33,407 | | | 1,966 \$ 45,425 |
| 55-59 | 37 \$ 38,332 | 119 \$ 44,066 | 53 \$ 45,936 | 106 \$ 45,815 | 149 \$ 46,993 | 187 \$ 46,836 | 135 \$ 50,592 | 31 \$ 48,640 | | | 817 \$ 46,574 |
| 60-64 | 10 \$ 38,369 | 36 \$ 45,383 | 19 \$ 44,690 | 40 \$ 48,112 | 57 \$ 45,902 | 64 \$ 47,293 | 19 \$ 50,040 | 17 \$ 49,783 | 5 \$ 44,033 | | 267 \$ 46,635 |
| 65-69 | 2 \$ 34,312 | 10 \$ 40,807 | 6 \$ 44,201 | 19 \$ 43,517 | 23 \$ 47,552 | 35 \$ 45,067 | 11 \$ 46,240 | 10 \$ 47,850 | 11 \$ 46,299 | | 127 \$ 45,167 |
| 70-74 | | 1 \$ 51,421 | 2 \$ 48,319 | 6 \$ 52,368 | 5 \$ 48,564 | 13 \$ 41,790 | 2 \$ 48,783 | 1 \$ 50,180 | 5 \$ 49,138 | | 35 \$ 46,908 |
| 75+ | | | 1 \$ 46,332 | | 2 \$ 46,929 | | | | 1 \$ 65,037 | | 4 \$ 51,307 |
| TOTAL | 1,695 | 3,099 | 864 | 1,443 | 2,383 | 2,111 | 402 | 60 | 22 | | 12,079 |
| Average Pay | \$ 27,888 | \$ 38,594 | \$ 43,099 | \$ 44,063 | \$ 45,645 | \$ 45,555 | \$ 48,802 | \$ 48,604 | \$ 47,281 | | \$ 41,080 |

Distribution of Pensioners - Teachers

Number of Pensioners and Total Monthly Pensions Paid by Age

| Age | Pension Type | | | | Total by Age | Percent of Pensioners/ Average Pension |
|-------|---------------------|---------------|-------------------------|-----------------------|--------------|---|
| | Service Retirements | Beneficiaries | Accidental Disabilities | Ordinary Disabilities | | |
| < 30 | 0 | 2 | 0 | 0 | 2 | 0.04% |
| 30-39 | \$ 0 | \$ 1,735 | \$ 0 | \$ 0 | \$ 1,735 | \$ 867.50 |
| 40-49 | \$ 0 | \$ 4,260 | \$ 0 | \$ 0 | \$ 4,260 | \$ 852.00 |
| 50-54 | 13 | 11 | 4 | 24 | 52 | 1.04% |
| 55-59 | \$ 30,228 | \$ 9,983 | \$ 7,589 | \$ 27,517 | \$ 75,317 | \$ 1,448.40 |
| 60-64 | 271 | 18 | 6 | 18 | 313 | 6.25% |
| 65-69 | \$ 744,844 | \$ 19,724 | \$ 10,728 | \$ 21,422 | \$ 796,718 | \$ 2,545.42 |
| 70-74 | 527 | 14 | 3 | 16 | 560 | 11.18% |
| 75-79 | \$ 1,632,723 | \$ 17,721 | \$ 4,764 | \$ 30,011 | \$ 1,675,219 | \$ 2,991.46 |
| 80-84 | 707 | 27 | 5 | 23 | 762 | 15.21% |
| 85-89 | \$ 1,826,095 | \$ 34,839 | \$ 11,448 | \$ 26,116 | \$ 1,898,497 | \$ 2,491.47 |
| 90-94 | 842 | 26 | 8 | 24 | 900 | 17.95% |
| 95-99 | \$ 1,738,310 | \$ 32,149 | \$ 14,408 | \$ 25,571 | \$ 1,810,438 | \$ 2,011.60 |
| 100+ | 690 | 25 | 3 | 22 | 740 | 14.77% |
| Total | \$ 1,168,097 | \$ 28,927 | \$ 3,539 | \$ 20,645 | \$ 1,221,208 | \$ 1,650.28 |
| | 599 | 23 | 1 | 11 | 634 | 12.65% |
| | \$ 842,572 | \$ 21,312 | \$ 1,708 | \$ 9,779 | \$ 875,371 | \$ 1,380.71 |
| | 432 | 28 | 2 | 4 | 466 | 9.30% |
| | \$ 590,424 | \$ 30,012 | \$ 2,540 | \$ 2,847 | \$ 625,823 | \$ 1,342.97 |
| | 364 | 15 | 0 | 3 | 382 | 7.62% |
| | \$ 489,542 | \$ 11,356 | \$ 0 | \$ 2,374 | \$ 503,272 | \$ 1,317.47 |
| | 146 | 9 | 0 | 1 | 156 | 3.11% |
| | \$ 181,200 | \$ 5,437 | \$ 0 | \$ 1,202 | \$ 187,839 | \$ 1,204.10 |
| | 29 | 4 | 0 | 1 | 34 | 0.68% |
| | \$ 34,463 | \$ 2,278 | \$ 0 | \$ 692 | \$ 37,433 | \$ 1,100.97 |
| | 5 | 0 | 0 | 0 | 5 | 0.10% |
| | \$ 6,283 | \$ 0 | \$ 0 | \$ 0 | \$ 6,283 | \$ 1,256.60 |
| Total | 4,625 | 207 | 32 | 147 | 5,011 | 100.00% |
| | \$ 9,284,781 | \$ 219,733 | \$ 56,724 | \$ 158,176 | \$ 9,719,414 | \$ 1,939.62 |

Municipal Employees' Retirement System Statistics

Active Employees

| | <u>General Employees</u> | | <u>Police and Fire</u> | |
|---|--------------------------|----------------------|------------------------|----------------------|
| | <u>June 30, 1995</u> | <u>June 30, 1994</u> | <u>June 30, 1995</u> | <u>June 30, 1994</u> |
| Number of Covered Employees | 5,919 | 5,387 | 723 | 656 |
| Average Annual Salary | \$21,500 | \$20,900 | \$33,300 | \$31,200 |
| Average Age (years) | 46.9 | 46.9 | 35.9 | 35.2 |
| Average Service (years) | 10.4 | 10.0 | 9.9 | 9.1 |
| Number of Vested Employees | 2,586 | 1,992 | 263 | 213 |
| Number of Employees Eligible for Retirement | 615 | 615 | 68 | 59 |

Pensioners

| | <u>June 30, 1995</u> | <u>June 30, 1994</u> |
|-------------------------|----------------------|----------------------|
| Number | 2,746 | 2,661 |
| Average Age | 70.4 | 70.2 |
| Average Monthly Benefit | \$591 | \$562 |

Beneficiaries

| | <u>June 30, 1995</u> | <u>June 30, 1994</u> |
|-------------------------|----------------------|----------------------|
| Number | 155 | 142 |
| Average Age | 68.8 | 69.0 |
| Average Monthly Benefit | \$439 | \$423 |

Distribution of Municipal General Employees in Active Service

| Age | Years of Service and Average Annual Earnings | | | | | | | | | Total |
|-------|--|-----------------|-----------------|---------------|---------------|---------------|--------------|--------------|-------------|-----------------|
| | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40+ | |
| 0-19 | 1 \$ 2,835 | | | | | | | | | 1 2,835 |
| 20-24 | 40 15,512 | 7 21,085 | | | | | | | | 47 16,342 |
| 25-29 | 112 19,615 | 146 22,504 | 2 27,878 | | | | | | | 260 21,301 |
| 30-34 | 119 19,388 | 262 22,659 | 57 26,051 | 4 23,646 | | | | | | 442 22,225 |
| 35-39 | 140 18,268 | 313 22,372 | 89 26,303 | 63 26,220 | 10 22,275 | | | | | 615 22,399 |
| 40-44 | 231 17,733 | 420 20,370 | 143 24,235 | 108 28,918 | 69 29,209 | 11 27,230 | | | | 982 21,951 |
| 45-49 | 159 18,420 | 423 20,744 | 581 15,039 | 114 25,776 | 77 30,331 | 41 33,226 | 2 26,176 | | | 1,397 19,420 |
| 50-54 | 78 21,878 | 252 20,801 | 167 21,411 | 116 24,470 | 82 26,448 | 32 30,767 | 14 37,120 | | | 741 22,990 |
| 55-59 | 57 17,953 | 167 21,154 | 132 23,130 | 150 22,356 | 103 23,279 | 42 24,802 | 20 31,236 | 4 24,186 | | 675 22,405 |
| 60-64 | 33 18,604 | 145 21,804 | 85 23,007 | 71 22,799 | 73 25,032 | 45 24,767 | 14 21,712 | 3 12,234 | | 469 22,670 |
| 65-69 | 11 18,091 | 61 19,547 | 41 18,834 | 36 21,574 | 26 21,377 | 22 21,000 | 8 17,851 | 2 19,509 | 1 60,172 | 208 20,192 |
| 70-74 | 3 14,751 | 8 17,558 | 11 17,499 | 11 24,539 | 11 22,079 | 15 17,698 | 3 7,385 | 2 12,039 | | 64 18,777 |
| 75+ | | 7 13,164 | 1 19,001 | 4 21,843 | 1 19,915 | 2 30,528 | 2 9,815 | | | 18 17,915 |
| TOTAL | 984 18,594 | 2,211 21,286 | 1,309 19,597 | 677 24,745 | 452 26,075 | 210 26,624 | 63 26,751 | 11 17,868 | 2 41,757 | 5,919 21,475 |

106

Distribution of Police and Fire in Active Service

Years of Service and Average Annual Earnings

Years of Service and Average Annual Earnings

| <u>Age</u> | <u>0-4</u> | <u>5-9</u> | <u>10-14</u> | <u>15-19</u> | <u>20-24</u> | <u>25-29</u> | <u>30-34</u> | <u>35-39</u> | <u>40+</u> | <u>Total</u> |
|------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|
| 0-19 | | | | | | | | | | 0 |
| | | | | | | | | | | 10 |
| 20-24 | 8 28,221 | 2 26,300 | | | | | | | | 27,837 |
| | | | | | | | | | | 151 |
| 25-29 | 59 30,157 | 88 32,122 | 4 29,092 | | | | | | | 31,274 |
| | | | | | | | | | | 193 |
| 30-34 | 35 30,873 | 122 32,973 | 35 34,693 | 1 29,326 | | | | | | 32,665 |
| | | | | | | | | | | 183 |
| 35-39 | 8 28,419 | 85 29,362 | 65 36,295 | 22 33,794 | 3 35,322 | | | | | 32,414 |
| | | | | | | | | | | 88 |
| 40-44 | 1 30,097 | 16 30,918 | 28 34,503 | 30 36,645 | 12 39,388 | 1 42,343 | | | | 35,286 |
| | | | | | | | | | | 50 |
| 45-49 | 1 31,260 | 9 33,505 | 6 34,863 | 5 37,569 | 19 37,687 | 10 38,329 | | | | 36,583 |
| | | | | | | | | | | 28 |
| 50-54 | | | 3 33,241 | 5 32,085 | 10 39,595 | 7 38,770 | 3 48,752 | | | 38,348 |
| | | | | | | | | | | 5 |
| 55-59 | | 3 41,363 | 2 47,235 | 3 40,589 | 2 33,297 | 4 34,268 | 1 46,804 | | | 39,386 |
| | | | | | | | | | | 4 |
| 60-64 | | 2 30,059 | | | | 2 32,212 | | | | 31,36 |
| | | | | | | | | | | 1 |
| 65-69 | | | 1 43,403 | | | | | | | 43,403 |
| | | | | | | | | | | 0 |
| 70-74 | | | | | | | | | | 0 |
| | | | | | | | | | | 0 |
| 75+ | | | | | | | | | | 723 |
| TOTAL | 112 30,128 | 327 31,738 | 144 35,435 | 66 35,488 | 46 38,200 | 24 37,438 | 4 48,265 | 0 | 0 | 33,259 |

Distribution of Pensioners

Number of Pensioners and Total Monthly Pensions Paid by Age

| Age | Pension Type | | | | Total by Age | Percent of Pensioners/ Average Pension |
|-------|---------------------|---------------|-------------------------|-----------------------|--------------|---|
| | Service Retirements | Beneficiaries | Accidental Disabilities | Ordinary Disabilities | | |
| < 30 | 0 | 1 | 0 | 0 | 1 | 0.03% |
| 30-39 | \$ 0 | \$ 290 | \$ 0 | \$ 0 | \$ 290 | \$ 290 |
| 40-49 | 0 | 3 | 4 | 3 | 10 | 0.34% |
| 50-54 | \$ 0 | \$ 1,415 | \$ 6,253 | \$ 980 | \$ 8,648 | \$ 865 |
| 55-59 | 19 | 7 | 15 | 12 | 53 | 1.83% |
| 60-64 | \$ 28,598 | \$ 3,932 | \$ 22,122 | \$ 6,859 | \$ 61,511 | \$ 1,161 |
| 65-69 | 38 | 2 | 8 | 17 | 65 | 2.24% |
| 70-74 | \$ 66,942 | \$ 972 | \$ 9,544 | \$ 8,005 | \$ 85,463 | \$ 1,315 |
| 75-79 | 88 | 12 | 10 | 26 | 136 | 4.69% |
| 80-84 | \$ 131,260 | \$ 9,381 | \$ 8,791 | \$ 11,343 | \$ 160,774 | \$ 1,182 |
| 85-89 | 372 | 24 | 13 | 22 | 431 | 14.86% |
| 90-94 | \$ 304,047 | \$ 13,729 | \$ 10,700 | \$ 7,150 | \$ 335,626 | \$ 779 |
| 95+ | 659 | 29 | 7 | 25 | 720 | 24.82% |
| Total | \$ 419,381 | \$ 12,849 | \$ 6,875 | \$ 7,002 | \$ 446,107 | \$ 620 |
| | 632 | 32 | 10 | 19 | 693 | 23.89% |
| | \$ 310,968 | \$ 10,494 | \$ 7,161 | \$ 5,114 | \$ 333,737 | \$ 482 |
| | 400 | 24 | 4 | 7 | 435 | 14.99% |
| | \$ 149,681 | \$ 7,021 | \$ 2,037 | \$ 1,362 | \$ 160,101 | \$ 368 |
| | 216 | 15 | 2 | 1 | 234 | 8.07% |
| | \$ 60,028 | \$ 5,631 | \$ 789 | \$ 326 | \$ 66,775 | \$ 285 |
| | 85 | 6 | 0 | 0 | 91 | 3.14% |
| | \$ 23,880 | \$ 2,280 | \$ 0 | \$ 0 | \$ 26,160 | \$ 287 |
| | 28 | 0 | 0 | 1 | 29 | 1.00% |
| | \$ 4,339 | \$ 0 | \$ 0 | \$ 57 | \$ 4,396 | \$ 152 |
| | 3 | 0 | 0 | 0 | 3 | 0.10% |
| | \$ 635 | \$ 0 | \$ 0 | \$ 0 | \$ 635 | \$ 212 |
| Total | 2,540 | 155 | 73 | 133 | 2,901 | 100% |
| | \$ 1,499,757 | \$ 67,994 | \$ 74,270 | \$ 48,198 | \$ 1,690,220 | \$ 583 |

Active Participant Information by Plan

MUNICIPALITY

General Employees

| | Active Employees as of June 30, 1995 | | | | Active Employees as of June 30, 1994 | | | |
|----------------------------|---|----------------|--------------------|-------------------|---|----------------|--------------------|-------------------|
| | Number | Average Age | Average Service | Average Salary | Number | Average Age | Average Service | Average Salary |
| 1 Barrington | 153 | 47.2 | 11.3 | \$23,820 | 129 | 47.2 | 10.6 | \$22,800 |
| 2 Bristol | 86 | 45.4 | 12.4 | 24,226 | 82 | 44.1 | 11.9 | 23,500 |
| 3 Burnsville | 143 | 47.6 | 10.3 | 21,034 | 144 | 47.4 | 9.3 | 21,700 |
| 4 Central Falls | 47 | 42.9 | 10.6 | 24,783 | 53 | 42.3 | 9.1 | 25,800 |
| 5 Charlestown | 30 | 39.9 | 7.3 | 24,233 | 25 | 43.1 | 7.7 | 24,600 |
| 7 Cranston | 812 | 46.9 | 10.9 | 22,115 | 823 | 47.1 | 11 | 20,900 |
| 8 Cumberland | 210 | 48.8 | 8.7 | 20,543 | 201 | 48.8 | 7.7 | 19,600 |
| 9 East Greenwich | 132 | 47.4 | 11 | 20,420 | 124 | 47.1 | 10.1 | 20,500 |
| 10 East Providence | 418 | 47 | 10 | 24,736 | 389 | 47.3 | 9.5 | 23,500 |
| 11 Exeter/West Greenwich | 59 | 46 | 7.8 | 17,156 | 51 | 45.1 | 6.8 | 19,700 |
| 12 Foster | 37 | 44.2 | 9.4 | 16,837 | 39 | 47.2 | 9.2 | 16,900 |
| 13 Gloucester | 58 | 45.5 | 8.2 | 19,056 | 51 | 44.4 | 5.8 | 17,900 |
| 14 Hopkinton | 25 | 46.3 | 8.8 | 20,984 | 29 | 44.7 | 8.1 | 21,800 |
| 15 Jamestown | 45 | 43.8 | 10.5 | 26,972 | 43 | 42.7 | 9.5 | 25,400 |
| 16 Johnston | 223 | 48.8 | 11.5 | 19,305 | 220 | 48.8 | 10.8 | 19,500 |
| 17 Lincoln | 9 | 43 | 9 | 22,322 | 8 | 38.1 | 6.1 | 33,300 |
| 21 Newport | 351 | 45.2 | 11.6 | 23,475 | 335 | 45.3 | 11.4 | 23,400 |
| 22 New Shoreham | 42 | 44.1 | 8.2 | 22,610 | 42 | 43.1 | 7.2 | 26,200 |
| 23 North Kingstown | 301 | 47.4 | 10.3 | 20,503 | 206 | 46.9 | 9.8 | 22,900 |
| 24 North Providence | 290 | 47.2 | 11.3 | 18,329 | 197 | 49.2 | 11.5 | 15,300 |
| 25 North Smithfield | 79 | 48.7 | 9.6 | 20,115 | 73 | 48.5 | 9.8 | 20,900 |
| 26 Pawtucket | 673 | 47.1 | 11.6 | 22,140 | 614 | 47.4 | 11.4 | 21,500 |
| 28 Richmond | 23 | 45.5 | 8.5 | 21,294 | 21 | 42.4 | 6.7 | 20,000 |
| 30 Scituate | 94 | 49.2 | 10.3 | 16,778 | 79 | 50.4 | 10.1 | 16,200 |
| 31 Smithfield | 128 | 47.6 | 10.1 | 24,899 | 126 | 49.3 | 10.5 | 23,700 |
| 32 South Kingstown | 287 | 45.6 | 10 | 21,032 | 258 | 45.2 | 9.1 | 20,100 |
| 33 Tiverton | 61 | 49.5 | 11 | 21,939 | 71 | 50.6 | 9.8 | 22,500 |
| 34 Warren | 32 | 47 | 10.1 | 23,149 | 30 | 46.3 | 10.3 | 21,500 |
| 36 Westerly | 3 | 59 | 16.8 | 31,558 | 3 | 59.4 | 9.3 | 27,200 |
| 37 West Greenwich | 21 | 48 | 6.8 | 18,763 | 20 | 47.4 | 5.1 | 19,100 |
| 39 Woonsocket | 431 | 46.9 | 9.5 | 19,269 | 385 | 47 | 9.5 | 18,900 |
| 40 Chariho School District | 117 | 45.4 | 8.7 | 19,305 | 110 | 44.3 | 7.5 | 18,100 |
| 41 Foster/Glocester | 47 | 48.6 | 8.1 | 19,044 | 42 | 48.2 | 6.6 | 17,900 |
| 42 Tiogue Fire & Lighting | 2 | 53 | 17.4 | 5,939 | 1 | 46.3 | 12.8 | 5,700 |
| 43 Narragansett Housing | 3 | 46.9 | 6.6 | 16,817 | 2 | 46.2 | 3.4 | 19,500 |

| | Number | Average Age | Average Service | Average Salary | Number | Average Age | Average Service | Average Salary |
|--------------------------------------|--------|-------------|-----------------|----------------|--------|-------------|-----------------|----------------|
| 45 Coventry Lighting District | 3 | 59.3 | 28.5 | 36,768 | 3 | 58.3 | 27.5 | 33,800 |
| 46 Hope Valley Fire | 1 | 59.8 | 14.5 | 34,709 | 1 | 58.8 | 13.5 | 32,100 |
| 51 Cranston Housing | 15 | 48 | 8.3 | 29,241 | 15 | 45.7 | 7.1 | 26,300 |
| 52 East Providence Housing | 12 | 47.9 | 8.6 | 27,464 | 9 | 47.3 | 6.5 | 24,300 |
| 53 Pawtucket Housing | 43 | 43.5 | 8.4 | 27,597 | 43 | 43 | 7.4 | 26,200 |
| 56 Cumberland Housing | 13 | 42.3 | 9 | 23,389 | 7 | 46 | 7.5 | 27,100 |
| 57 Lincoln Housing | 8 | 45.8 | 8.4 | 27,907 | 8 | 44.8 | 7.4 | 25,400 |
| 59 Bristol Housing | 8 | 47.8 | 10 | 24,087 | 8 | 46.8 | 9.6 | 23,900 |
| 65 Burrillville Housing | 3 | 48.2 | 9 | 28,809 | 3 | 47.2 | 7.5 | 21,600 |
| 66 North Providence Housing | 9 | 43.5 | 6.8 | 23,226 | 7 | 44.6 | 7 | 24,200 |
| 67 East Smithfield Water | 4 | 49 | 11.3 | 28,539 | 5 | 48 | 11.1 | 25,900 |
| 68 Greenville Water | 3 | 49.4 | 17.4 | 34,518 | 3 | 48.4 | 16.2 | 38,000 |
| 69 Newport Housing | 21 | 47.1 | 10.1 | 30,700 | --- | --- | --- | --- |
| 71 Warren Housing | 6 | 51.6 | 10.8 | 24,265 | 5 | 52 | 11.2 | 23,600 |
| 72 Johnston Housing | 6 | 47.6 | 9.2 | 25,741 | 5 | 43 | 6.5 | 18,700 |
| 77 Tiverton Local 2670A | 19 | 53.3 | 10.1 | 23,276 | --- | --- | --- | --- |
| 79 Coventry Housing | 8 | 52.3 | 7.4 | 26,731 | 8 | 51 | 5.3 | 21,800 |
| 80 South Kingston Housing | --- | --- | --- | --- | --- | --- | --- | --- |
| 83 West Warwick Housing | 7 | 49.7 | 11 | 22,365 | 7 | 48.7 | 10 | 26,300 |
| 84 Smithfield Housing | 3 | 41 | 8 | 16,987 | 1 | 31.1 | 5.3 | 24,100 |
| 96 Central Falls Housing | 15 | 46.9 | 6.2 | 25,469 | 13 | 48.4 | 6.4 | 26,800 |
| 98 Lime Rock Administrative Services | 2 | 41 | 8.8 | 20,048 | 1 | 34.5 | 6.3 | 25,100 |
| 99 Central Falls Schools | 102 | 44.5 | 7.8 | 16,599 | 96 | 44.7 | 7.4 | 16,100 |
| 100 Bristol/Warren Schools | 134 | 47.4 | 9.6 | 17,431 | 121 | 46.5 | 8.6 | 15,700 |
| Police and Fire | | | | | | | | |
| 42 Valley Falls Fire | 11 | 39.3 | 14.9 | 29,666 | 10 | 38.8 | 14.8 | 27,300 |
| 46 Lime Rock Fire | 5 | 33.9 | 12.1 | 14,458 | --- | --- | --- | --- |
| 47 North Smithfield Voluntary Fire | 9 | 35.4 | 6.9 | 26,546 | 9 | 34.4 | 5.9 | 25,300 |
| 50 East Greenwich Fire | 24 | 35.1 | 8.5 | 36,528 | 22 | 34.5 | 7.4 | 36,100 |
| 54 East Greenwich Police | 23 | 37.4 | 11.3 | 30,445 | 23 | 35.2 | 9.5 | 30,000 |
| 55 North Kingstown Fire | 67 | 37 | 11.3 | 32,563 | 63 | 36.1 | 10.7 | 30,100 |
| 58 North Providence Fire | 89 | 36.1 | 10 | 38,645 | 81 | 36.3 | 9.4 | 39,200 |
| 60 Barrington Police | 25 | 38.9 | 12.9 | 28,674 | 22 | 37.4 | 11.4 | 29,900 |
| 61 Barrington Fire | 22 | 38.2 | 12 | 43,607 | 20 | 38 | 11.5 | 16,200 |
| 62 Warren Police | 19 | 37.6 | 12.3 | 34,817 | 21 | 37 | 11.8 | 32,300 |
| 63 South Kingstown Police & Fire | 42 | 40.1 | 15.2 | 36,819 | 39 | 39.3 | 14.5 | 34,600 |
| 64 Primrose Volunteer Fire | 7 | 38.7 | 12.4 | 27,881 | 7 | 37 | 11.4 | 29,300 |
| 73 Scituate Police | --- | --- | --- | --- | --- | --- | --- | --- |
| 76 North Smithfield Police | 18 | 39.8 | 13.4 | 34,374 | 16 | 39.3 | 12.2 | 44,600 |
| 77 Tiverton Fire | 27 | 40.1 | 12.2 | 30,307 | 25 | 39.5 | 11.5 | 29,800 |
| 82 Foster Police | 4 | 32.2 | 10.5 | 31,052 | 6 | 33.1 | 11 | 27,700 |
| 85 Woonsocket Police | 83 | 31.4 | 6.6 | 34,723 | 74 | 30.3 | 5.7 | 32,000 |

| | Number | Average Age | Average Service | Average Salary | Number | Average Age | Average Service | Average Salary |
|---------------------------------|--------|-------------|-----------------|----------------|--------|-------------|-----------------|----------------|
| 86 Charlestown Police | 17 | 35.6 | 6.7 | 33,037 | 19 | 34.6 | 5.7 | 28,800 |
| 87 Hopkinton Police | 11 | 36.4 | 8.3 | 33,616 | 9 | 36 | 7.1 | 34,300 |
| 88 Gloucester Police | 15 | 38.7 | 7.8 | 27,977 | 12 | 36.7 | 7.2 | 30,700 |
| 89 West Greenwich Police/Rescue | 8 | 39.5 | 13.8 | 29,192 | 7 | 39.8 | 12.4 | 27,300 |
| 90 Burrillville Police | 20 | 36 | 6.3 | 30,669 | 13 | 38.5 | 5.3 | 35,400 |
| 91 Cumberland Rescue | 15 | 31 | 6.1 | 28,854 | 14 | 29.2 | 4.9 | 25,800 |
| 92 Washington Fire | 10 | 33.4 | 8 | 27,142 | 8 | 33.2 | 7.1 | 28,400 |
| 93 Woonsocket Fire | 72 | 30.8 | 6.1 | 32,647 | 63 | 29.8 | 5.1 | 29,800 |
| 94 Bristol Fire | 1 | 45.9 | 5 | 43,535 | 1 | 44.9 | 4 | 37,600 |
| 95 Cumberland Hill Fire | 10 | 40 | 14 | 31,074 | 10 | 39 | 12.9 | 24,700 |
| 98 Coventry Fire | 12 | 36.9 | 11 | 28,029 | 12 | 34.4 | 10.9 | 23,500 |
| 100 Tiogue Fire | 4 | 35.2 | 8.9 | 25,641 | 5 | 38.9 | 10.3 | 27,700 |
| 101 North Cumberland | 14 | 34 | 11.9 | 28,634 | 13 | 33.4 | 11 | 28,100 |
| 102 Central Coventry Fire | 10 | 35.4 | 9.4 | 33,781 | 8 | 36.8 | 9.1 | 27,300 |
| 103 Hopkins Hill Fire | 4 | 29.3 | 4.7 | 21,103 | 3 | 28.9 | 3.2 | 11,900 |
| 106 Cumberland Fire | 9 | 42.6 | 11.7 | 36,300 | 9 | 41.6 | 10.7 | 23,200 |
| 107 Lincoln Rescue | 12 | 35.1 | 9.4 | 28,831 | 12 | 33.7 | 8.4 | 27,800 |
| 108 New Shoreham Police | 3 | 40.4 | 7.3 | 44,667 | --- | --- | --- | --- |
| 109 Warren Fire | 1 | 48.4 | 7 | 35,000 | --- | --- | --- | --- |

Retiree and Beneficiary Information by Plan

| <u>MUNICIPALITY</u> | Retirees and Beneficiaries as of June 30, 1995 | | | Retirees and Beneficiaries as of June 30, 1994 | | |
|----------------------------|---|----------------|-------------------------------|---|----------------|-------------------------------|
| | Number | Average Age | Average Monthly Benefit | Number | Average Age | Average Monthly Benefit |
| General Employees | | | | | | |
| 1 Barrington | 104 | 72.3 | \$427 | 109 | 72.1 | \$420 |
| 2 Bristol | 74 | 71.4 | 472 | 75 | 70.9 | 468 |
| 3 Burrillville | 57 | 70.3 | 537 | 52 | 70.5 | 554 |
| 4 Central Falls | 25 | 64 | 562 | 22 | 64.1 | 564 |
| 5 Charlestown | 4 | 65.8 | 803 | 3 | 65.5 | 860 |
| 7 Cranston | 396 | 71.4 | 542 | 372 | 72 | 494 |
| 8 Cumberland | 81 | 68.1 | 503 | 74 | 67.6 | 484 |
| 9 East Greenwich | 59 | 69.9 | 454 | 60 | 69.8 | 424 |
| 10 East Providence | 268 | 68.7 | 882 | 268 | 68.1 | 854 |
| 11 Exeter/West Greenwich | 7 | 68.8 | 291 | 7 | 67.8 | 292 |
| 12 Foster | 12 | 68.4 | 621 | 9 | 69 | 548 |
| 13 Glocester | 8 | 63.2 | 572 | 8 | 64.9 | 640 |
| 14 Hopkinton | 8 | 71 | 421 | 8 | 73.1 | 351 |
| 15 Jamestown | 17 | 70.5 | 502 | 17 | 69.5 | 499 |
| 16 Johnston | 112 | 70.1 | 598 | 103 | 69.8 | 542 |
| 17 Lincoln | --- | --- | --- | --- | --- | --- |
| 21 Newport | 175 | 71.2 | 650 | 165 | 71.6 | 609 |
| 22 New Shoreham | 8 | 65.3 | 400 | 8 | 64.3 | 401 |
| 23 North Kingstown | 99 | 70.9 | 551 | 98 | 69.8 | 570 |
| 24 North Providence | 107 | 71.4 | 363 | 103 | 70.9 | 359 |
| 25 North Smithfield | 55 | 71.2 | 335 | 53 | 70.8 | 325 |
| 26 Pawtucket | 391 | 72.1 | 496 | 389 | 71.9 | 482 |
| 29 Richmond | 6 | 68.6 | 203 | 6 | 67.6 | 204 |
| 30 Scituate | 38 | 72.8 | 422 | 38 | 71.8 | 412 |
| 31 Smithfield | 69 | 71.5 | 489 | 59 | 71.3 | 426 |
| 32 South Kingstown | 71 | 72.3 | 399 | 70 | 72.3 | 372 |
| 33 Tiverton | 51 | 71.1 | 425 | 50 | 70.5 | 429 |
| 34 Warren | 55 | 70.3 | 518 | 53 | 69.8 | 510 |
| 36 Westerly | 10 | 73.2 | 718 | 11 | 72.6 | 738 |
| 37 West Greenwich | 5 | 71.5 | 600 | 5 | 70.5 | 602 |
| 39 Woonsocket | 259 | 71.3 | 465 | 259 | 70.8 | 455 |
| 40 Chariho School District | 11 | 65.5 | 408 | 9 | 66.3 | 442 |
| 41 Foster/Glocester | 9 | 65.1 | 524 | 8 | 66.1 | 446 |
| 42 Tiogue Fire & Lighting | --- | --- | --- | --- | --- | --- |

| | Number | Average Age | Average Monthly Benefit | Number | Average Age | Average Monthly Benefit |
|--------------------------------------|--------|-------------|-------------------------|--------|-------------|-------------------------|
| 43 Narragansett Housing | --- | --- | --- | --- | --- | --- |
| 45 Coventry Lighting District | --- | --- | --- | --- | --- | --- |
| 46 Hope Valley Fire | --- | --- | --- | --- | --- | --- |
| 51 Cranston Housing | 8 | 72.8 | 437 | 8 | 71.9 | 2203 |
| 52 East Providence Housing | 10 | 74.1 | 395 | 8 | 75.3 | 363 |
| 53 Pawtucket Housing | 24 | 73 | 515 | 24 | 72 | 501 |
| 56 Cumberland Housing | 6 | 65.8 | 599 | 6 | 64.8 | 600 |
| 57 Lincoln Housing | 4 | 71.8 | 692 | 4 | 70.8 | 676 |
| 59 Bristol Housing | 2 | 67.8 | 553 | 2 | 66.8 | 555 |
| 65 Burrillville Housing | --- | --- | --- | --- | --- | --- |
| 66 North Providence Housing | 3 | 67.6 | 279 | 2 | 70.9 | 295 |
| 67 East Smithfield Water | 1 | 78.6 | 521 | 1 | 77.6 | 523 |
| 68 Greenville Water | 1 | 68 | 749 | 1 | 67 | 751 |
| 69 Newport Housing | --- | --- | --- | --- | --- | --- |
| 71 Warren Housing | 1 | 79.1 | 476 | 1 | 78.1 | 478 |
| 72 Johnston Housing | 3 | 72.5 | 560 | 3 | 71.5 | 562 |
| 77 Tiverton Local 2670A | --- | --- | --- | --- | --- | --- |
| 79 Coventry Housing | 5 | 66.7 | 337 | 5 | 65.7 | 337 |
| 80 South Kingston Housing | 1 | 74.4 | 246 | 1 | 73.4 | 246 |
| 83 West Warwick Housing | 2 | 65.8 | 570 | 2 | 64.8 | 572 |
| 84 Smithfield Housing | 1 | 71.5 | 572 | 1 | 70.5 | 574 |
| 96 Central Falls Housing | 7 | 63.1 | 1027 | 6 | 62 | 1104 |
| 98 Lime Rock Administrative Services | --- | --- | --- | --- | --- | --- |
| 99 Central Falls Schools | 5 | 64.2 | 473 | 3 | 62.9 | 544 |
| 100 Bristol/Warren Schools | --- | --- | --- | --- | --- | --- |
| Police and Fire | | | | | | |
| 42 Valley Falls Fire | 3 | 57.6 | 1437 | 3 | 56.6 | 1426 |
| 46 Lime Rock Fire | --- | --- | --- | --- | --- | --- |
| 47 North Smithfield Voluntary Fire | --- | --- | --- | --- | --- | --- |
| 50 East Greenwich Fire | 11 | 65.6 | 1243 | 11 | 64.6 | 1246 |
| 54 East Greenwich Police | 10 | 65.2 | 1332 | 9 | 66.8 | 1319 |
| 55 North Kingstown Fire | 34 | 61.3 | 1348 | 34 | 61.5 | 1310 |
| 58 North Providence Fire | 10 | 64.4 | 1706 | 7 | 64 | 1532 |
| 60 Barrington Police | 18 | 60.9 | 1201 | 17 | 60.7 | 1177 |
| 61 Barrington Fire | 27 | 60.7 | 1208 | 27 | 59.7 | 1211 |
| 62 Warren Police | 14 | 62.1 | 1065 | 13 | 61.6 | 937 |
| 63 South Kingstown Police & Fire | 12 | 59.8 | 1120 | 10 | 60.2 | 958 |
| 64 Primrose Volunteer Fire | 1 | 81.1 | 312 | 1 | 80.1 | 304 |
| 73 Scituate Police | 1 | 66 | 497 | 1 | 65 | 497 |
| 76 North Smithfield Police | 2 | 59.8 | 1359 | 2 | 58.8 | 1362 |
| 77 Tiverton Fire | 10 | 66.4 | 877 | 9 | 67.5 | 773 |
| 82 Foster Police | 2 | 54.4 | 1203 | 1 | 58.4 | 731 |

| | Number | Average Age | Average Monthly Benefit | Number | Average Age | Average Monthly Benefit |
|---------------------------------|---------------|--------------------|--------------------------------|---------------|--------------------|--------------------------------|
| 85 Woonsocket Police | 1 | 38.7 | 1710 | 1 | 37.7 | 1670 |
| 86 Charlestown Police | 2 | 36.7 | 1078 | 2 | 35.7 | 1081 |
| 87 Hopkinton Police | --- | --- | --- | --- | --- | --- |
| 88 Gloucester Police | 1 | 59.1 | 377 | 1 | 58.1 | 378 |
| 89 West Greenwich Police/Rescue | --- | --- | --- | --- | --- | --- |
| 90 Burrillville Police | 5 | 55.7 | 1666 | 4 | 52.7 | 1440 |
| 91 Cumberland Rescue | --- | --- | --- | --- | --- | --- |
| 92 Washington Fire | --- | --- | --- | --- | --- | --- |
| 93 Woonsocket Fire | --- | --- | --- | --- | --- | --- |
| 94 Bristol Fire | --- | --- | --- | --- | --- | --- |
| 95 Cumberland Hill Fire | --- | --- | --- | --- | --- | --- |
| 98 Coventry Fire | 2 | 44.5 | 1146 | 1 | 53.9 | 549 |
| 100 Tiogue Fire | --- | --- | --- | --- | --- | --- |
| 101 North Cumberland | --- | --- | --- | --- | --- | --- |
| 102 Central Coventry Fire | --- | --- | --- | --- | --- | --- |
| 103 Hopkins Hill Fire | --- | --- | --- | --- | --- | --- |
| 106 Cumberland Fire | --- | --- | --- | --- | --- | --- |
| 107 Lincoln Rescue | --- | --- | --- | --- | --- | --- |
| 108 New Shoreham Police | --- | --- | --- | --- | --- | --- |
| 109 Warren Fire | --- | --- | --- | --- | --- | --- |

*is the express intention of the legislature by the passage of this chapter to provide an
erially financed retirement system for municipal employees, properly integrated with
ederal Social Security Act, to the end that adequate benefits may be established for
employees of any municipality who become superannuated or otherwise incapacitated
in service, and whereby the employees may be assisted in accumulating reserves for
elves and their dependents to satisfactorily meet the conditions incidental to old age,
. disability, and termination of the employees, in the interest of maintaining and
rting efficiency and economy in the administration of government."*

—Section One of Chapter 2784 of the Public Laws of 1951

