

Municipal Employee's Retirement System
State of Rhode Island and Providence Plantations



ANNUAL REPORT
OF THE
RETIREMENT BOARD

JUNE 30, 1992

HON. NANCY J. MAYER
General Treasurer

**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND
Annual Report**

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<p>REPRESENTATIVE ROBERT S. TUCKER House Finance Chairman</p>		

REPORT OF THE RETIREMENT BOARD

The Thirty-fifth Annual Report of the Retirement Board for the fiscal year ending June 30, 1992 covers in detail through the exhibits, schedules and statistics, the operations for the year and its condition at June 30th, together with the Actuary's valuation and recommendations.

FINANCIAL FACTS

Total reserves at the end of the year were 11.3 percent or \$31,111,736 higher than the previous year, for a total of \$305,677,374.

Revenues from all sources for the year amounted to \$40,498,924 for Municipal employees and \$7,717,450 for Police and Fire. Expenditures for the year amounted to \$15,340,952 for Municipal employees and \$1,763,687 for Police and Fire.

Income from investments for the year amounted to \$30,910,471, including a capital gain of \$14,131,407. This represents 64 percent of the total revenues. This income is equal to a return of 6.33 percent.

Pension benefits which represents the major expenditure item, amounted to \$14,185,998 for Municipal employees and \$1,618,730 for Police and Fire.

CONCLUDING COMMENT

Consistent with prior years, a normal increase in reserves was recorded. In keeping with established procedures, an actuarial valuation was made which illustrates current operational results and the financial condition of the System at the end of the fiscal year. The results of operations were satisfactory.

A sincere thanks is extended to the officials of our State government and members of the administrative staff for their cooperation and dedicated service rendered during the year.

Retirement Board of the
Employees' Retirement System of the
State of Rhode Island

COMPARATIVE FINANCIAL BALANCE SHEET
FISCAL YEAR ENDED JUNE 30TH

<u>ASSETS</u>	<u>1992</u>	<u>1991</u>
Cash	1,954,023	2,521,315
Accrued Interest Receivable	3,030,435	2,451,575
Investments (at average cost)	<u>300,692,916</u>	<u>269,592,748</u>
TOTAL ASSETS	<u>305,677,374</u>	<u>274,565,638</u>
<u>LIABILITIES & RESERVES</u>		
<u>Current Liabilities</u>		
Unclaimed Benefits	<u>39,347</u>	<u>39,092</u>
<u>RESERVES - GENERAL EMPLOYEES</u>		
Members' Contributions	40,312,405	35,637,037
Employer's Accumulation	(38,931,477)	(34,696,824)
Retirement	261,754,153	237,040,435
TOTAL RESERVES	<u>263,135,081</u>	<u>237,980,648</u>
<u>RESERVES - POLICE & FIRE</u>		
Members' Contributions	6,996,139	5,698,162
Employers' Accumulation	(2,982,961)	(3,975,866)
Retirement	<u>38,489,768</u>	<u>34,823,602</u>
TOTAL RESERVES- POLICE & FIRE	<u>42,502,946</u>	<u>36,545,898</u>
 TOTAL LIABILITIES & RESERVES	 <u>305,677,374</u>	 <u>274,565,638</u>

ANALYSIS OF REVENUES AND EXPENDITURES

FISCAL YEAR ENDED JUNE 30, 1992

<u>REVENUES</u>	<u>GENERAL EMPLOYEES</u>		<u>POLICE & FIRE</u>		<u>TOTAL</u>
	<u>AMOUNT</u>	<u>PERCENT</u>	<u>AMOUNT</u>	<u>PERCENT</u>	
Member Contributions	7,138,239	17.64	1,451,029	18.81	8,589,268
Employer Contributions	6,484,671	16.01	2,044,593	26.49	8,529,264
Investment Earnings	26,698,858	65.92	4,211,613	54.57	30,910,471
Other	177,156	00.43	10,215	00.13	187,371
TOTAL REVENUES	40,498,924	100.00	7,717,450	100.00	48,216,374
<u>EXPENDITURES</u>					
Monthly Pensions	14,129,957	34.89	1,618,641	20.97	15,748,598
Survivor Benefits	-----	--	81,026	01.05	81,026
Death Benefits	547,678	01.35	8,000	00.10	555,678
Refunds-Contributions	626,792	01.54	56,020	00.73	682,812
Miscellaneous	36,525	00.09	-----	--- --	36,525
TOTAL EXPENDITURES	15,340,952	37.87	1,763,687	22.85	17,104,639
<u>EXCESS REVENUES OVER</u>					
<u>EXPENDITURES TO RESERVE</u>	25,157,972	62.13	5,953,763	77.15	31,111,735

DISTRIBUTION OF EXCESS REVENUE

<u>Unclaimed Benefits</u>	255
<u>General Members' Reserves:</u>	
Members' Contribution	6,523,959
Employer's Accumulated Retirement	6,364,893
	12,268,864
 <u>POLICE & FIRE RESERVE</u>	
Members' Contribution	1,399,698
Employer's Accumulated Retirement	2,035,904
	2,518,162
 TOTAL	31,111,735

ANALYSIS OF INVESTMENT INCOME
FISCAL YEAR ENDED JUNE 30, 1992

INVESTMENT INTEREST \$12,397,227

ADD:

Accrued Interest 06/30/92 3,030,435
 Accrued Interest 07/01/91 (2,451,575)
578,860

Discounts Amortized 578,860

TOTAL ADDITIONS 12,976,087

LESS:

Accrued Interest Purchased -0-
 Premiums Amortized -0-

TOTAL DEDUCTIONS -0-

NET INTEREST EARNED 12,976,087

Dividends 4,834,696

TOTAL EARNED ON INVESTMENTS 17,810,783

CAPITAL GAIN 14,131,407

Investment Income 31,942,190

Less Administrative Expense (1,031,719)

NET INVESTMENT INCOME --- 30,910,471

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

RESERVE ACCOUNTS -- ALLOCATION OF FUND BALANCES

FISCAL YEAR ENDED JUNE 30, 1992

	GENERAL EMPLOYEES	MEMBERS RESERVES	EMPLOYERS' RESERVES	RETIREMENT RESERVES
01	Barrington	1,199,794.62	(1,864,558.04)	9,602,243.24
02	Bristol	1,142,359.31	(975,016.14)	8,009,108.48
03	Burrillville	963,970.67	(138,229.89)	4,954,595.66
04	Central Falls	236,269.90	(662,098.78)	982,521.83
05	Charlestown	22,684.30	(238,139.85)	260,731.35
07	Cranston	6,792,782.17	(248,939.44)	37,421,600.85
08	Cumberland	979,347.68	(85,106.69)	4,516,369.51
09	East Greenwich	993,934.96	(652,607.28)	6,062,541.35
10	East Providence	3,465,892.76	(9,271,363.41)	35,360,120.83
11	Exeter-W. Greenwich	197,446.43	288,982.21	479,743.60
12	Foster	170,919.12	(119,181.93)	650,327.52
13	Glocester	182,245.83	(8,340.63)	587,698.27
14	Hopkinton	130,488.91	99,277.51	573,404.85
15	Jamestown	330,960.94	(316,929.68)	1,928,952.77
16	Johnston	1,642,298.56	(2,087,206.16)	11,937,941.79
21	Newport	2,974,466.70	(2,954,946.07)	17,024,669.16
22	New Shreham	156,984.22	(40,033.24)	509,353.78
23	North Kingstown	1,751,392.70	(3,019,547.98)	11,426,051.98
24	North Providence	1,616,011.82	(701,764.76)	7,958,467.96
25	North Smithfield	549,107.95	(492,187.51)	4,156,245.99
26	Pawtucket	5,726,105.04	(7,818,272.05)	36,720,371.32
29	Richmond	45,047.89	7,469.99	167,361.27
30	Scituate	478,026.47	59,559.62	2,492,328.80
31	Smithfield	993,652.07	(465,190.53)	6,220,786.31
32	South Kingstown	1,753,783.42	(18,891.93)	7,119,761.55
33	Tiverton	563,259.58	(611,932.02)	4,498,919.33
34	Warren	503,932.59	(1,276,753.48)	5,250,587.16
36	Westerly	96,661.12	(100,037.44)	569,678.59
37	West Greenwich	66,310.40	(37,119.09)	265,121.26
39	Woonsocket	2,826,048.88	(4,119,492.83)	24,143,558.31
40	Chariho	406,459.07	217,018.12	961,017.32
41	Foster-Glocester	181,052.99	104,182.63	496,386.43
44	So. RI Coll Sch. Dist.	591.14	553.71	160.13
45	Coventry Fire & Light	9,842.85	41,208.50	5,153.99
51	Cranston Hs Authority	107,483.66	(173,955.06)	856,825.69
52	East Providence Hs. Auth	96,999.78	(129,759.32)	751,247.64
53	Pawtucket Hs. Auth	385,361.61	(536,981.82)	3,160,140.87
56	Cumberland Hs. Auth	50,936.65	(250,414.18)	630,630.28
57	Lincoln Hs. Auth	53,264.94	(128,484.90)	554,093.70
59	Bristol Hs. Auth	71,494.71	34,764.16	327,439.66
65	Burrillville Hs. Auth	27,068.74	8,599.33	121,288.83
66	No. Providence Hs. Auth	67,948.81	45,649.46	141,843.83
67	Ea. Smithfield Water	15,555.25	29,070.93	63,859.14
68	Greenville Water	69,359.31	61,674.69	124,293.12
71	Warren Hs. Authority	61,773.01	67,202.44	141,494.03
72	Johnston Hs. Auth.	22,335.23	(74,966.55)	341,322.60
79	Coventry Hs. Auth	39,182.03	(55,009.15)	305,332.24
80	So. Kingstown Hs. Auth	-0-	(14,125.77)	42,484.88
83	West Warwick Hs. Auth	51,583.47	(7,705.62)	211,241.92
84	Smithfield Hs. Auth.	7,692.88	(39,530.68)	95,871.05
96	Central Falls Hs.	33,755.71	(268,004.80)	570,459.07
98	Lime Rock Admin. Sys.	1,166.96	6,134.15	401.84
		<u>40,313,095.81</u>	<u>(38,931,477.25)</u>	<u>261,754,152.93</u>

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

RESERVE ACCOUNTS -- ALLOCATION OF FUND BALANCES

FISCAL YEAR ENDED JUNE 30, 1992

	MEMBERS		EMPLOYEES'		RETIREMENT	
	RESERVES	RESERVES	RESERVES	RESERVES		
42 Valley Falls Fire	24,805.11	(93,030.52)	167,364.71			
46 Lime Rock Fire	15,077.63	60,581.01	9,739.97			
47 N. Smithfield Vol. Fire	30,375.73	39,144.53	8,023.64			
50 East Greenwich Fire	232,809.12	(1,189,236.01)	3,376,547.86			
54 East Greenwich Police	421,141.03	20,603.55	2,664,493.29			
55 North Kingstown Fire	1,001,296.65	(2,518,109.07)	9,130,505.42			
58 North Providence Fire	948,067.50	854,529.82	2,672,346.40			
60 Barrington Police & Fire	933,406.29	(2,319,795.64)	8,644,385.69			
62 Warren Police	351,669.29	(354,940.24)	2,362,490.14			
63 South Kingstown P & F	717,058.82	(54,769.94)	4,108,793.47			
64 Primrose Volunteer Fire	75,775.33	125,505.33	280,720.02			
73 Scituate Police	-0-	-0-	85,862.20			
76 North Smithfield Police	253,926.08	45,009.82	1,277,110.42			
77 Tiverton Fire	335,489.98	74,290.20	1,670,541.10			
82 Foster Police	98,299.39	142,564.96	183,137.00			
85 Woonsocket Police	563,783.42	402,200.65	725,430.81			
86 Charlestown Police	101,214.98	120,196.25	193,923.62			
87 Hopkinton Police	93,618.53	102,979.90	121,548.10			
88 Gloucester Police	95,654.24	116,806.88	126,295.57			
89 W. Greenwich Pol & Res.	44,246.45	119,501.15	31,393.77			
90 Burrillville Police	119,000.96	616,517.33	375,493.68			
91 Cumberland Rescue	57,853.82	136,230.65	54,090.19			
92 Washington Fire	34,333.53	35,166.17	8,987.40			
93 Woonsocket Fire	309,634.37	200,294.51	79,595.64			
94 Bristol Fire	4,260.50	7,181.85	1,158.90			
95 Cumberland Hill Fire	37,295.21	172,555.93	26,719.66			
98 Coventry Fire	28,786.16	24,398.60	89,385.74			
99 Berkley Fire District	14,742.68	37,845.47	5,523.41			
100 Tiogue Fire	7,112.32	13,963.30	1,174.60			
101 North Cumberland Fire	29,000.99	41,707.85	3,987.45			
102 Central Coventry Fire	14,327.87	35,205.12	2,781.95			
103 Hopkins Hill Fire	2,254.79	1,939.15	216.37			
TOTALS:	<u>\$6,996,318.77</u>	<u>(2,982,961.44)</u>	<u>38,489,768.19</u>			

RESERVE ACCOUNTS -- DISTRIBUTION OF EARNINGS

FISCAL YEAR ENDED JUNE 30, 1992

<u>GENERAL EMPLOYEES</u>	<u>RESERVE</u>	<u>AVERAGE</u>	<u>PERCENT</u>	<u>DISTRIBUTION</u>	
01	Barrington	16,306,383.30	8,153,191.65	2.9688	
02	Bristol	14,686,427.23	7,343,213.61	2.6738	917,670.08
03	Burrillville	10,160,023.45	5,080,011.73	1.8498	826,484.19
04	Central Falls	807,075.97	403,537.98	.1470	571,781.90
05	Charlestown	42,864.78	21,432.39	.0078	45,438.39
07	Cranston	79,099,757.46	39,549,878.73	14.4012	2,411.02
08	Cumberland	9,409,589.05	4,704,794.52	1.7131	4,451,478.83
09	East Greenwich	11,504,700.26	5,752,350.13	2.0946	529,527.29
10	East Providence	54,242,662.22	27,121,331.11	9.8765	647,450.74
11	Ex-W. Greenwich	1,644,306.17	822,153.09	.2994	3,052,872.73
12	Foster	1,220,544.66	610,272.33	.2222	92,545.95
13	Glocester	1,310,479.74	655,239.87	.2386	68,683.06
14	Hopkinton	1,439,956.72	719,978.36	.2622	73,752.39
15	Jamestown	3,491,574.08	1,745,787.04	.6357	81,047.26
16	Johnston	20,730,389.52	10,365,194.76	3.7743	196,497.87
21	Newport	30,431,978.09	15,215,989.04	5.5405	1,166,653.93
22	New Shoreham	1,036,921.78	518,460.89	.1888	1,712,594.68
23	North Kingstown	18,462,298.31	9,231,149.16	3.3613	58,358.97
24	North Providence	15,976,467.94	7,988,233.97	2.9087	1,038,993.68
25	North Smithfield	7,643,082.05	3,821,541.03	1.3915	899,092.88
26	Pawtucket	62,993,465.62	31,496,732.81	11.4689	430,119.21
29	Richmond	374,782.38	187,391.19	.0682	3,544,998.39
30	Richmond	5,432,090.66	2,716,045.33	.9890	21,080.94
31	Smithfield	12,159,802.63	6,079,901.32	2.2139	305,704.56
32	South Kingstown	15,722,536.14	7,861,268.07	2.8625	684,326.93
33	Tiverton	8,038,891.76	4,019,445.88	1.4636	884,812.25
34	Warren	8,135,102.47	4,067,551.24	1.4811	452,405.66
36	Westerly	1,036,273.48	518,136.74	.1886	457,815.00
37	West Greenwich	467,132.48	233,566.24	.0850	58,297.14
39	Woonsocket	41,614,605.61	20,807,302.81	7.5765	26,273.90
40	Chariho	2,652,748.67	1,326,374.34	.4830	2,341,931.88
41	Foster Glocester	1,337,215.81	668,607.91	.2435	149,297.58
44	So. RI Coll Sch Dist	2,213.74	1,106.87	.0004	75,267.00
45	Coventry Fire & Lgt	76,602.99	38,301.50	.0139	123.64
51	Cranston Hs Auth	1,427,234.13	713,617.07	.2599	4,296.55
52	Ea. Providence Hs.	1,297,143.67	648,571.84	.2362	80,336.32
53	Pawtucket Hs. Auth	5,467,201.37	2,733,600.69	.9954	73,010.53
56	Cumberland Hs. Auth	797,105.04	398,552.52	.1451	307,682.83
57	Lincoln Hs. Auth	865,829.12	432,914.56	.1576	44,851.10
59	Bristol Hs. Auth	768,156.67	384,078.34	.1398	48,714.90
65	Burrillville Hs. Auth	276,715.96	138,357.98	.0504	43,212.84
66	No. Providence Hs. Au	446,171.00	223,085.50	.0812	15,578.88
67	Ea. Smithfield Wa Dist	202,332.19	101,166.10	.0368	25,099.30
68	Greenville Wa Dist	436,489.65	218,244.83	.0795	11,375.05
71	Warren Hs. Auth	471,036.27	235,518.13	.0857	24,573.82
72	Johnston Hs. Auth	528,395.88	264,197.94	.0962	26,490.27
79	Coventry Hs. Auth	515,264.56	257,632.28	.0938	29,735.87
80	So. Kingstown Hs Au	53,615.98	26,807.99	.0098	28,994.02
83	West Warwick Hs. Auth	451,737.23	225,868.62	.0822	3,029.22
84	Smithfield Hs. Auth	117,662.19	58,831.09	.0214	25,408.41
96	Central Falls Hs. Au	598,120.45	299,060.23	.1089	6,614.84
98	Lime Rock Admin Svs	7,301.11	3,650.55	.0013	33,661.50
	TOTALS	474,418,459.69	237,209,229.90	86.3751	401.84 26,698,858.01

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

RESERVE ACCOUNTS -- DISTRIBUTION OF EARNINGS

FISCAL YEAR ENDED JUNE 30, 1992

	RESERVE	AVERAGE	PERCENT	DISTRIBUTION
POLICE & FIRE				
42 Valley Falls Fire	93,853.60	46,926.80	.0171	5,285.70
46 Lime Rock Fire	136,960.77	68,480.38	.0249	7,696.71
47 North Smithfield	115,299.28	57,649.64	.0210	6,491.20
50 East Green. Fire	4,385,995.64	2,192,997.82	.7985	246,820.11
54 East Green. Pol.	5,537,542.10	2,768,771.05	1.0082	311,639.37
55 N. Kingstown P&F	13,780,984.88	6,890,492.44	2.5090	775,543.73
58 N. Providence Fire	7,639,594.17	3,819,797.08	1.3909	429,933.75
60 Barrington Police	13,248,935.10	6,624,467.55	2.4122	745,622.40
62 Warren Police	4,175,514.67	2,087,757.34	.7602	234,981.40
63 South Kings. P&F	8,530,649.85	4,265,324.93	1.5531	480,163.26
64 Primrose Vol. Fire	845,914.91	422,957.45	.1540	47,602.13
73 Scituate Police	159,700.66	79,850.33	.0291	8,994.95
76 N. Smith. Police	2,785,424.14	1,392,712.07	.5071	156,747.00
77 Riverton Fire	3,679,145.63	1,839,572.81	.6698	207,038.34
82 Foster Police	731,797.25	365,898.62	.1332	41,172.75
85 Woonsocket Police	2,734,759.09	1,367,379.54	.4980	153,934.15
86 Charlestown Police	714,632.47	357,316.23	.1301	40,214.52
87 Hopkinton Police	533,234.80	266,617.40	.0971	30,014.07
88 Gloucester Police	564,455.96	282,227.98	.1028	31,775.96
89 W. Green. Pol. & Res.	309,895.15	154,947.57	.0564	17,433.51
90 Burrillville Police	1,909,784.71	954,892.35	.3477	107,475.71
91 Cumberland Rescue	416,031.42	208,015.71	.0757	23,399.23
92 Washington Fire	117,167.70	58,583.85	.0213	6,583.93
93 Woonsocket Fire	872,691.99	436,345.99	.1589	49,116.74
94 Bristol Fire	17,336.13	8,668.06	.0031	958.22
95 Cumberland Hill Fire	376,476.74	188,238.37	.0685	21,173.67
98 Coventry Fire	196,796.10	98,398.05	.0358	11,065.95
99 Berkley Fire Dis.	81,323.17	40,661.58	.0148	4,574.75
100 Tioque Fire	21,075.62	10,537.81	.0038	1,174.60
101 N. Cumberland Fire	70,708.84	35,354.42	.0129	3,987.45
102 Central Coventry Fire	49,532.99	24,766.49	.0090	2,781.95
103 Hopkins Hill Fire	4,193.94	2,096.97	.0007	216.37
TOTALS	74,837,409.47	37,418,704.68	13.6249	4,211,613.58

*Report
of the
Actuary*

ACTUARIAL VALUATION OF THE
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
OF THE STATE OF RHODE ISLAND
AS OF JUNE 30, 1992

Prepared by:

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June, 1993

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- Exhibit III - Participant Information
- Exhibit IV - Actuarial Method and Assumptions
- Exhibit V - Summary of Plan Provisions

SECTION I - SUMMARY OF THE VALUATION

Contribution Requirements

The contribution rates for fiscal year 1994-1995 for each unit in the Municipal Retirement System are set out in Section IV. The rates are split into the normal cost percentage and the past service cost percentage. The past service cost percentage represents the amortization of the unfunded liability. For comparison the rates for fiscal years 1992-1993 and 1993-1994 are also shown.

The aggregate employer normal cost for all units of the general employees is 1.45% of total general employees payroll. The previous year percentage was 1.42% of payroll. The rate has remained steady since there has been only marginal changes in the participant group. The past service cost for general employees (the annual amount required to pay off the unfunded liabilities) has reduced from 0.65% in the previous year to 0.50% of payroll. The predominant factor causing the reduction was the favorable investment experience.

The combined employer normal cost for police and fire departments is 4.16% of police and fire payroll, an increase from 3.92% last year. The increase is due to a number of new units and recent hires with an average age at entry older than the current participant group. The past service cost for police and fire departments in aggregate (the annual amount required to pay off the unfunded liabilities) has decreased from 0.94% last year to 0.76% of payroll. As above, the most predominant factor causing this reduction was the favorable investment experience.

Please refer to Section IV for a more detailed discussion of these results.

SECTION I - SUMMARY OF THE VALUATION (Cont'd)

Funded Status

Of the 54 municipalities covering general employees, 12 have unfunded liabilities. Many of the unfunded units were recent participants in the System with prior service credits. The total unfunded liability on the valuation date for these units was \$5,016,708.

Of the 32 police and fire departments, 13 had unfunded liabilities. As above most of the units with unfunded liabilities were recent participants in the System with prior service credits or have recently improved the level of benefits offered. The total unfunded liability for this group on the valuation date was \$2,298,400.

The recent change in valuing assets for valuation purposes (effective as of the June 30, 1991 valuation) which recognizes a portion of the unrealized gains or losses in the market value of assets, has reduced or eliminated the unfunded liabilities for most units. (Previously, the book value of assets was used for valuation purposes.)

The value of the System's vested benefits for both general employees and policemen and firemen is approximately \$217.4 million. The market value of assets on June 30, 1992 exceeded this amount by \$164.5 million. Last year the market value of assets exceeded vested benefit liabilities by \$122.9 million. However there are 14 units in total with unfunded vested liabilities. It should be noted that because each unit is individually evaluated the surplus plan assets from one unit may not be used to offset the unfunded liabilities from another unit.

Section IV and Exhibit II provide details for each unit and also show vested liabilities and benefit obligations for disclosure as required by Governmental Accounting Standards Board Statement No. 5.

SECTION I - SUMMARY OF THE VALUATION (Cont'd)

Assets of the Retirement System

As of June 30, 1992 the market value of assets for the general employee units was \$328.9 million and for police and fire units the market value of assets was \$53.1 million. Section III shows an income statement and provides a breakdown of the investments of the System into investment categories.

The table below provides a summary for recent plan years of certain key statistics of the performance and transactions of the retirement fund:

	<u>7/1/91 to 6/30/92</u>	<u>7/1/90 to 6/30/91</u>	<u>7/1/89 to 6/30/90</u>
Investment yield	13.50%	7.36%	8.33%
Market Value of Assets at end of period	\$ 381,973,000	\$ 334,701,000	\$ 255,038,300*
Total Contributions	17,305,900	16,995,000	15,267,800
Investment Income	<u>30,910,500</u>	<u>18,243,400</u>	<u>19,478,200</u>
Total Income	48,216,400	35,238,400	34,746,000
Total Benefit Payments	\$ 17,104,700	\$ 15,780,400	\$ 11,957,400

*Book Value is presented.

The investment yields should be compared with the assumed return of 8%. In recent years, the total benefit payments have grown at a faster rate than the contributions to the plan. However the total income to the fund, including investment income, still exceeds the benefit outgo.

SECTION I - SUMMARY OF THE VALUATION (Cont'd)

Actuarial Method and Assumptions

Exhibit IV describes the actuarial method adopted to calculate the contribution rates for each unit and also describes the actuarial assumptions utilized.

The assumptions remained unaltered since the previous valuation of June 30, 1991. At that time, the Retirement Board approved changes to both the asset valuation method and salary scale assumption.

Participant Data

Section II discusses the participant data in detail and Exhibit III provides charts showing key statistics for each unit's participant data.

We received the participant data from the Retirement System. There were 5,421 current active participants in the general employee units and 695 police and firemen. These figures represent increased participation and result from a combination of new units participating in the System and the fact that there were more new hires than retirements and terminations during the year. The number of current retirees reported was 2,638, up from 2,562 in the previous year.

New Units in the Retirement System

The following units have been included in the valuation of the Municipal Retirement System for the first time as of June 30, 1992:

	<u>Unit</u>	<u>Date of Entry</u>
3099	Central Falls Schools	7/1/92
4106	Cumberland Fire	7/1/92
4107	Lincoln Rescue	7/1/92

SECTION I - SUMMARY OF THE VALUATION (Cont'd)

The Cumberland Fire unit was created by the merger of the Berkley and Ashton fire departments.

Plan Benefits

Plan provisions are summarized in Exhibit V. In the valuation results, Section IV, we have listed which units have adopted a COLA benefit or the 20 year police and fire plan.

The following units adopted benefit changes:

<u>Unit</u>	<u>Benefit Change</u>
3016	Johnston
3066	North Providence Housing
3067	East Smithfield Water
4063	South Kingstown Police and Fire
	COLA C effective 1/1/93
	COLA B effective 1/1/93
	COLA C effective 1/1/93
	COLA C effective 1/1/93

If certain units, prior to fiscal 1995, reach a decision to adopt a new benefit structure, the contribution rates incorporated in this report will be altered accordingly.

Smoothed Contribution Rate

Exhibit IV describes the smoothed contribution rate option. The following units are eligible to elect the option for the 1994-1995 fiscal year:

<u>Unit</u>	<u>Contribution Rate</u>	<u>Smoothed Contribution Rate</u>
3005	Charlestown	14.84%
3045	Coventry Lighting District	11.95%
3046	Hope Valley Fire	63.41%
3096	Central Falls Housing	22.60%
4088	Glocester Police	25.50%
		16.60%
		6.22%

SECTION II - EMPLOYEE DATA

Active Employees

A summary of the key employee statistics as of June 30, 1992 is as follows:

	<u>General Employees</u>		<u>Policemen and Firemen</u>	
	<u>June 30, 1992</u>	<u>June 30, 1991</u>	<u>June 30, 1992</u>	<u>June 30, 1991</u>
Number of Covered Employees	5,422	5,191	700	624
Average Annual Salary	\$19,400	\$19,500	\$28,100	\$26,600
Average Age (years)	46.0	45.9	34.4	34.4
Average Service (years)	8.8	8.7	8.2	8.0
Number of Vested Employees	2,072	1,816	201	175
Number of Employees Eligible for Retirement	562	570	40	49

The average annual salary for general employees has remained approximately level. This is a combination of several factors. Average salaries for continuing members increased by 1.6%. However, this increase was offset by the addition of new employees earning less than current members or retirees whom they replaced.

A number of new police and fire units joined the Retirement System. In addition, there were few policemen and firemen who retired or terminated during the period. The annual salary for continuing policemen and firemen rose by 8.6%. The total average annual salary rose by 5.6% due to the new entrants earning less than current members. The large number of new entrants to both groups also reduced the expected increases in average age and service.

SECTION II - Employee Data (Cont'd)

Missing data was estimated by using an average for employees with similar available data. For example, a person missing a date of hire, would be given an estimated date of hire based on his date of birth. Active employees missing salaries were given the average salary of employees within the same municipal group who had no data missing. For active general employees there were 267 missing salaries, 232 missing dates of birth, and 447 missing dates of hire. For policemen and firemen there were approximately 8 missing salaries, 9 missing dates of birth and 45 missing hire dates. The impact varies depending on the individual unit and the data missing from that unit.

Tables 1A and 1B provide a distribution of employees by age and service for general employees and policemen and firemen, respectively.

Retirees and Beneficiaries

The data provided for retirees and beneficiaries included dates of hire and retirement, sex, monthly benefit, type of benefit, and payment option. The more significant statistics for retirees and beneficiaries are summarized as follows:

	<u>June 30, 1992</u>	<u>June 30, 1991</u>
Pensioners		
Number	2,530	2,449
Average Age	69.6	69.0
Average Monthly Benefit	\$ 511	\$ 492
Beneficiaries		
Number	108	113
Average Age	68.1	66.5
Average Monthly Benefit	\$ 388	\$ 372

SECTION II - Employee Data (Cont'd)

The increase in the average monthly benefit can be attributed in large part to the characteristics of the 176 new pensioners who retired in the 1991-1992 plan year. The average new pensioner had a monthly benefit of \$678. The increase in average monthly benefits can also be partly attributed to increases caused by cost of living adjustments.

Table 2 shows distributions for pensions in payment status as of June 30, 1992 by age and pension type. This table also indicates total monthly pension payments by age, average payments by age, and total monthly payments by type.

Exhibit III shows a summary of key data statistics for each municipality as of June 30, 1992 and June 30, 1991.

Table 1A - Distribution of Municipal General Employees in Active Service

Years of Service and Average Annual Earnings

Age	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
0-19										0
20-24	105	8								113
	\$17,418	20,603								17,844
25-29	235	91	7							333
	19,525	20,225	20,177							19,731
30-34	240	152	60	8						460
	19,147	21,049	22,422	20,566						20,227
35-39	320	182	110	63	9					684
	17,153	20,561	22,880	22,016	21,868					19,491
40-44	399	239	120	80	68	10				916
	16,306	19,141	23,362	26,612	24,242	25,660				19,561
45-49	228	298	171	76	48	21	7			849
	18,045	16,903	20,569	23,371	28,072	26,335	24,221			19,452
50-54	166	155	141	123	64	19	4	7		679
	17,192	18,106	19,703	20,491	21,173	30,620	26,633	21,479		19,371
55-59	144	137	99	119	102	35	10	2	3	651
	18,237	18,245	20,298	21,529	18,992	20,875	26,054	27,995	24,860	19,595
60-64	87	130	79	91	62	33	4	3	2	491
	17,118	18,213	19,629	20,286	17,606	18,469	25,457	23,630	22,360	18,681
65-69	34	34	29	32	39	19		3	1	191
	16,162	15,303	21,411	22,174	18,433	15,086		23,658	45,669	18,442
70-74	8	4	7	5	12	9			2	47
	15,290	10,401	16,233	25,867	14,340	13,253			21,098	15,754
75+	4			1	1		1	1		8
	7,576			23,691	1,500		17,257	19,541		11,536
TOTAL	1,970	1,430	823	598	405	146	26	16	8	5,422
	17,660	18,733	21,134	22,147	20,905	21,416	25,470	24,446	23,533	19,378

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Table 1B - Distribution of Policemen and Firemen 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 \$18,913									1 18,913
20-24	54 23,626	2 28,957								56 23,817
25-29	124 26,132	59 28,207								183 26,761
30-34	78 25,976	66 27,941	26 29,803							170 27,324
35-39	23 27,487	41 28,733	49 29,705	17 33,089						130 29,450
40-44	12 26,480	6 30,055	12 27,216	18 32,513	11 32,157	2 32,740				61 29,986
45-49	4 30,119	5 31,498	4 27,908	15 30,002	17 31,341	3 34,126	1 48,667			49 31,091
50-54	2 36,784		2 39,439	5 29,621	10 32,406	5 33,608	3 31,343			27 32,840
55-59	2 31,491	1 36,750		2 13,194	5 28,429	4 32,415				14 28,423
60-64	1 28,305				1 30,794	2 32,466	1 29,312	1 40,566		6 32,318
65-69		1 40,517			2 30,794					3 34,035
70-74										
75+										
TOTAL	301 25,902	181 28,513	93 29,544	57 31,095	46 31,415	16 33,215	5 34,402	1 40,566	0 0	700 28,091

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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	0.04%
	\$ 0	\$ 290	\$ 0	\$ 0	\$ 290	\$ 290
30-39	0	3	4	3	10	0.38%
	0	1,254	6,094	1,127	8,475	848
40-49	22	4	8	14	48	1.82%
	31,833	3,229	10,003	5,847	50,912	1,061
50-54	35	8	8	13	64	2.43%
	60,951	4,200	5,236	4,933	75,320	1,177
55-59	90	8	10	25	133	5.04%
	102,756	5,014	9,535	7,922	125,227	942
60-64	380	23	13	26	442	16.76%
	271,404	8,853	11,005	7,798	299,060	677
65-69	659	24	7	25	715	27.10%
	351,682	9,967	4,943	6,859	373,451	522
70-74	546	24	7	13	590	22.37%
	219,866	7,752	4,171	2,569	234,358	397
75-79	313	19	2	4	338	12.81%
	95,250	5,796	789	699	102,534	303
80-84	189	11	0	1	201	7.62%
	46,809	3,755	0	304	50,868	253
85-89	71	2	1	1	75	2.84%
	13,210	666	459	52	14,387	192
90-94	18	0	0	1	19	0.72%
	2,651	0	0	54	2,705	142
95+	2	0	0	0	2	0.08%
	273	0	0	0	273	137
Total	2,325	127	60	126	2,638	
	\$ 1,196,686	\$ 50,776	\$ 52,234	\$ 38,165	\$ 1,337,861	\$ 507

SECTION III - PLAN ASSETS

The Fund receives all member and employer contributions. The assets are invested by the State Investment Commission, with the investment earnings being added to the Fund and available for reinvestment. Payments from the Fund are primarily for refunds of employee contributions, lump sum death benefits, and pension payments. Contribution refunds occur when an employee terminates employment before completing 10 years of service and elects to take a refund, or when he or she dies after retirement without having received payments from the Fund equal to his or her total contributions.

As of the July 1, 1991 actuarial valuation, the value of assets utilized to assess the contribution rates, referred to as the actuarial value of assets, was altered from the book value of assets to a market related value of assets. The actuarial value recognizes investment gains and losses, relative to the assumed 8% return, over a three year period, and is developed in Table 3. The actuarial value of assets for each unit is assessed in proportion to the amount of reserves allocated to each unit relative to the total reserves, refer to Table 6.

During fiscal 1992 the investment earnings represented 13.50% of the average market value assets of the Fund during the fiscal year. The yield for the previous fiscal year was 7.36%.

Table 4 provides a summary of income and expenses for the years ended June 30, 1992 and 1991. For the plan year ended June 30, 1992 the market value of the Municipal Employees' Retirement Fund showed a net increase of \$47,272,144 from \$334,701,177 to \$381,973,321. The increase is represented by net income of \$31,111,735 and unrealized assets gains during the year of \$16,160,409.

Table 5 provides a distribution of the assets by category of investment. As of June 30, 1992, the Fund was comprised of 50.8% equities, 37.3% fixed income securities, 3.7% real estate, with the balance, 8.2%, held in cash, short term paper, and other highly liquid assets.

The financial statements indicate that 87% of the assets are allocated to general employees and 13% are for police and firemen. There is also a small unallocated reserve for unclaimed benefits.

SECTION III - PLAN ASSETS (Cont'd)

Table 3 - Calculation of Actuarial Asset Value at June 30, 1992

1.	Actuarial Asset Value at June 30, 1992 (revised report - equal to market value)	\$	334,701,177
2.	Contributions		
	a. Employees		8,589,268
	b. Employers		8,529,264
	c. Miscellaneous		187,371
	d. Total	\$	<u>17,305,903</u>
3.	Disbursements		
	a. Pensions in payment		15,829,624
	b. Death Benefits		555,678
	c. Refund of Employee Contributions		<u>719,337</u>
	d. Total	\$	<u>17,104,639</u>
4.	Assumed Return at 8.00%		
	a. On Beginning of Year Assets		26,776,094
	b. On Contributions		692,236
	c. On Benefit Payments		<u>(684,186)</u>
	d. Total	\$	<u>26,784,144</u>
5.	Tentative Actuarial Asset Value June 30, 1992 1. + 2.d. - 3.d. + 4.d.		361,686,585
6.	Market Value June 30, 1992		381,973,321
7.	Excess of Market Value over Tentative Actuarial Asset Value		20,286,736
8.	Prior Adjustments not Recognized		0
9.	Current Year Investment Gain/(Loss)		20,286,736
10.	Current Year Adjustment to be recognized (1/3 of Gain/(Loss))		6,762,245
11.	Deferred Gain/(Loss)		13,524,491
12.	Prior Year Adjustments to be recognized		0
13.	Asset Value on June 30, 1992 5. + 10. + 12.		368,448,830

Table 4
Summary Statement of Income and Expenses

	1992	1991
Employer contributions	\$ 8,589,268	\$ 9,556,174
Member contributions	<u>8,529,264</u>	<u>7,438,860</u>
Total contributions	\$ 17,118,532	\$ 16,995,034
Net miscellaneous items	187,371	69,150
Investment income:		
Dividends	\$ 4,834,697	\$ 4,769,066
Interest	12,976,086	12,666,894
Capital gains	14,131,407	1,432,728
Net transfers less expenses	<u>(1,031,719)</u>	<u>(625,297)</u>
Net investment income	<u>30,910,471</u>	<u>18,243,391</u>
Total income available for		
benefit payments	\$ 48,216,374	\$ 35,307,575
Benefit payments:		
Pension benefits	\$ 15,829,624	\$ 15,094,511
Death benefits	555,678	121,600
Contribution refunds	<u>719,337</u>	<u>564,308</u>
Total benefit payments	<u>17,104,639</u>	<u>15,780,419</u>
Excess of income over expenses	\$ <u>31,111,735</u>	\$ <u>19,527,156</u>

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

Table 5
Composition of Plan Assets at Market Value
June 30, 1992

Cash/Short Term Investments		
Short Term Investment Fund		
Money Market Instruments	\$ 31,291,100	8.2%
Equities - Domestic	187,990,200	49.2%
Equities - International	3,783,900	1.0%
Fixed Income - Government	134,294,700	35.2%
Fixed Income - Corporate	8,222,700	2.1%
Real Estate	14,079,400	3.7%
Venture Capital	<u>2,311,300</u>	<u>0.6%</u>
TOTAL FUND INVESTMENTS	\$ 381,973,300	100.0%

SECTION IV - RESULTS OF THE VALUATION

The purpose of the actuarial valuation of the System as of July 1, 1992 is to calculate the contribution requirements for the 1995 fiscal year.

The table below sets out the results of the valuation in the aggregate.

General Employees

The costs for general employees computed as of June 30, 1992 for the 1994/1995 fiscal year are developed as follows:

<u>Item</u>	1994/1995 Fiscal Year		<u>Previous Year</u>
	<u>Amount</u>	<u>% of 1992 Payroll</u>	
1. Participating payroll	\$ 105,047,500	---	
2. Total normal cost	8,254,700	7.86%	7.83%
3. Employee Contributions	6,732,100	6.41%	6.41%
4. Employer Normal Cost 2. - 3.	1,522,600	1.45%	1.42%
5. Amortization of unfunded actuarial liability	529,400	0.50%	0.65%
6. Total annual cost = 4. + 5.	2,052,000	1.95%	2.07%
7. Total annual cost payable monthly = 5. plus 1/2 year interest	2,134,100	2.03%	2.15%

The funding method calculates a normal cost which remains level as a percentage of payroll over each participant's working life. The normal cost for the whole System will remain stable if the average age at entry remains stable. The total normal cost percentage for general employees remained stable at 7.86%. This result reflects the underlying stability of the participant group, the average age and service of the group has remained constant.

SECTION IV - RESULTS OF THE VALUATION (Cont'd)

The change to the asset valuation method reduces the unfunded liability and therefore the amortization cost. As a result the aggregate amortization cost for the general employees units for the 1994 fiscal year was reduced from 2.37% to 0.65%. The aggregate amortization cost for the 1995 fiscal year was reduced further to 0.50% mainly as a result of the favorable investment return during the July 1, 1991 to June 30, 1992 period. The market value of assets returned 13.5%. One third of the gain, representing the excess of 13.5% over the expected return of 8.0% was recognized in the actuarial value of assets. The remaining unrecognized gain will be reflected in subsequent years.

Police and Fire

The costs for police and fire units computed as of June 30, 1992 for the 1994/1995 fiscal year are developed as follows:

<u>Item</u>	<u>1994/1995 Fiscal Year</u>		<u>Previous Year</u>
	<u>Amount</u>	<u>% of 1992 Payroll</u>	
1. Participating payroll	\$ 18,973,800	---	
2. Total normal cost	2,298,400	12.11%	11.82%
3. Employee Contributions	1,508,600	7.95%	7.90%
4. Employer Normal Cost 2. - 3.	789,800	4.16%	3.92%
5. Amortization of unfunded actuarial liability	143,700	0.76%	0.94%
6. Total annual cost 4. + 5.	933,500	4.92%	4.86%
7. Total annual cost payable monthly = 5. plus 1/2 year interest	970,800	5.12%	5.05%

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

SECTION IV - RESULTS OF THE VALUATION (Cont'd)

The total normal cost percentage for police and fire units increased from 11.87% to 12.11%. This result is due to a number of new units joining the System with a marginally older workforce and the adoption of COLA's and 20-year benefit plans by existing units since the last year.

As a result of the asset valuation method change the aggregate amortization cost for the police and fire units for fiscal 1994 reduced from 1.53% to 0.94%. The amortization costs for fiscal 1995 for the police and fire units reduced further from 0.94% to 0.76% of payroll mainly due to the favorable investment experience.

Exhibit 1 shows that the total unfunded liability for general employees was \$5,016,708 and for police and firemen was \$2,298,400. These figures equal the sum of the individual unit's unfunded liabilities with negative unfunded liabilities (i.e. assets exceed liabilities) for certain units set equal to zero.

Table 6 shows the normal cost and past service cost for each unit and also the employer costs produced by the previous two actuarial valuations.

Table 7 shows each unit's reserves, accrued liabilities and vested liabilities. In aggregate the assets cover the value of vested liabilities. However there are a number of units which have large unfunded vested liabilities such as Central Falls and East Providence.

GASB Disclosure Information

Exhibit II provides the pension benefit obligation amounts required for disclosure by the Governmental Accounting Standards Board (GASB) Statement No. 5. Liabilities are shown in the aggregate and for each unit separately.

SECTION IV - RESULTS OF THE VALUATION (Cont'd)

GASB Statement #5 requires the calculation of a standardized measure called the "pension benefit obligation" which is independent of the actuarial funding method. This amount is the actuarial present value of projected benefits prorated by service credited to date. It differs from the "value of vested benefits" due to:

- future salary increases,
- inclusion of non-vested benefit, and
- proration of benefits over projected service.

For the entire Retirement System, the "pension benefit obligation" as of June 30, 1992 has been determined to be \$258,807,500. Approximately 49% of this amount is attributable to benefits on behalf of active employees with the balance 51% attributable to the benefits of pensioners and inactive employees not yet receiving benefits.

Rates

Table 6 - Recommended Employer Contribution Rates

MUNICIPALITY		EMPLOYEE CONTRIBUTION RATE	FISCAL 1995			Total Employer Rates for the Fiscal Years	
			EMPLOYER NORMAL COST	PAST SERVICE COST	TOTAL EMPLOYER RATE	1994	1993
General Employees							
1	Barrington	6.00%	1.60%	0.00%	1.60%	2.01%	3.72%
2	Bristol	B 7.00%	0.82%	0.00%	0.82%	0.86%	4.04%
3	Burrillville	C 7.00%	3.75%	0.00%	3.75%	3.81%	11.78%
4	Central Falls	6.00%	1.37%	11.63%	13.00%	15.26%	12.94%
5	Charlestown	C 7.00%	0.52%	14.32%	14.84%	9.95%	8.25%
7	Cranston	B 7.00%	1.54%	0.00%	1.54%	1.74%	4.42%
8	Cumberland	6.00%	3.08%	0.10%	3.18%	4.53%	10.31%
9	East Greenwich	6.00%	1.29%	0.00%	1.29%	1.91%	3.81%
10	East Providence	B 7.00%	2.19%	0.00%	2.19%	4.58%	6.10%
11	Exeter/West Greenwich	6.00%	3.62%	0.00%	3.62%	3.83%	9.39%
12	Foster	6.00%	1.64%	1.63%	3.27%	4.38%	8.16%
13	Glocester	6.00%	3.32%	0.00%	3.32%	3.41%	6.29%
14	Hopkinton	6.00%	2.31%	0.00%	2.31%	1.72%	3.85%
15	Jamestown	C 7.00%	1.09%	0.00%	1.09%	0.77%	3.68%
16	Johnston	C 7.00%	1.99%	0.00%	1.99%	2.18%	3.94%
21	Newport	B 7.00%	0.45%	0.00%	0.45%	1.39%	12.71%
22	New Shoreham	6.00%	1.29%	1.92%	3.21%	3.03%	4.26%
23	North Kingstown	6.00%	1.75%	0.00%	1.75%	1.87%	3.53%
24	North Providence	6.00%	0.66%	0.00%	0.66%	1.72%	3.89%
25	North Smithfield	6.00%	3.03%	0.00%	3.03%	3.03%	4.67%
26	Pawtucket	6.00%	0.72%	0.00%	0.72%	1.34%	4.84%
29	Richmond	6.00%	1.88%	0.00%	1.88%	4.93%	9.26%
30	Scituate	B 7.00%	2.24%	0.00%	2.24%	2.49%	9.10%
31	Smithfield	6.00%	2.33%	0.00%	2.33%	2.69%	4.31%
32	South Kingstown	6.00%	1.38%	0.00%	1.38%	1.37%	3.42%
33	Tiverton	6.00%	3.34%	0.00%	3.34%	3.34%	4.74%
34	Warren	6.00%	1.73%	0.00%	1.73%	2.11%	4.48%
36	Westerly	6.00%	0.38%	41.77%	42.15%	59.56%	42.89%
37	West Greenwich	6.00%	3.90%	0.78%	4.68%	4.71%	17.93%
39	Woonsocket	6.00%	1.99%	0.00%	1.99%	2.25%	3.98%
40	Chariho School Dist.	6.00%	2.18%	0.00%	2.18%	2.52%	6.39%
41	Foster/Glocester	6.00%	4.82%	0.00%	4.82%	5.93%	12.09%
44	Southern RI Collaborative	1 6.00%	0.00%	0.00%	0.00%	0.00%	5.62%
45	Coventry Lighting Dist.	6.00%	0.00%	63.41%	63.41%	75.64%	25.12%
46	Hope Valley Fire	C 7.00%	6.80%	15.80%	22.60%	19.72%	26.36%
51	Cranston Housing	6.00%	3.49%	0.00%	3.49%	3.72%	4.70%
52	East Providence Housing	6.00%	2.93%	0.00%	2.93%	4.12%	5.96%
53	Pawtucket Housing	6.00%	1.20%	0.00%	1.20%	1.44%	3.38%
56	Cumberland Housing	6.00%	2.51%	0.00%	2.51%	2.62%	3.10%
57	Lincoln Housing	B 7.00%	5.60%	0.00%	5.60%	5.92%	6.35%
59	Bristol Housing	6.00%	0.77%	0.00%	0.77%	2.48%	4.40%
65	Burrillville Housing	6.00%	3.23%	0.00%	3.23%	3.25%	4.17%
66	North Providence Housing	B 7.00%	4.84%	0.00%	4.84%	3.47%	4.55%
67	East Smithfield Water	C 7.00%	4.63%	2.12%	6.75%	6.21%	9.10%
68	Greenville Water	6.00%	0.00%	0.00%	0.00%	10.03%	2.46%
71	Warren Housing	6.00%	1.75%	0.00%	1.75%	3.89%	4.69%
72	Johnston Housing	6.00%	4.87%	0.00%	4.87%	3.72%	5.29%
79	Coventry Housing	6.00%	4.38%	0.00%	4.38%	4.28%	10.19%
83	West Warwick Housing	6.00%	3.11%	0.00%	3.11%	3.11%	7.60%
84	Smithfield Housing	6.00%	0.00%	0.00%	0.00%	0.00%	2.24%
96	Central Falls Housing	6.00%	1.60%	23.90%	25.50%	23.80%	12.60%
98	Lime Rock Administrative Svcs	6.00%	0.00%	0.00%	0.00%	1.58%	1.36%
99	Central Falls Schools	6.00%	2.95%	8.09%	11.04%		
100	Bristol/Warren Schools	6.00%	2.63%	0.00%	2.63%	3.15%	3.72%

Table 6 - Recommended Employer Contribution Rates (Cont'd)

MUNICIPALITY	EMPLOYEE CONTRIBUTION RATE	FISCAL 1995			Total Employer Rates for the Fiscal Years	
		EMPLOYER NORMAL COST	PAST SERVICE COST	TOTAL EMPLOYER RATE	1994	1993
Police and Fire						
42 Valley Falls Fire	7.00%	2.82%	15.32%	18.14%	20.39%	27.56%
46 Lime Rock Fire	7.00%	1.68%	2.06%	3.74%	3.74%	8.24%
47 North Smithfield Vol. Fire	8.00%	5.57%	1.40%	6.97%	7.38%	9.16%
50 East Greenwich Fire	8.00%	5.46%	0.00%	5.46%	5.63%	9.37%
54 East Greenwich Police	8.00%	5.02%	0.00%	5.02%	5.73%	9.09%
55 North Kingstown Fire	8.00%	4.69%	0.00%	4.69%	4.60%	11.34%
58 North Providence Police & Fire	8.00%	4.60%	0.00%	4.60%	5.10%	11.56%
60 Barrington Police & Fire	7.00%	2.94%	0.00%	2.94%	2.85%	5.99%
62 Warren Police	8.00%	5.65%	0.00%	5.65%	7.10%	18.75%
63 South Kingstown Police & Fire	8.00%	3.69%	0.00%	3.69%	2.93%	6.14%
64 Primrose Volunteer Fire	8.00%	5.57%	0.00%	5.57%	5.40%	9.28%
76 North Smithfield Police	8.00%	5.54%	0.00%	5.54%	5.04%	9.30%
77 Tiverton Fire	8.00%	4.54%	0.00%	4.54%	6.06%	13.72%
82 Foster Police	8.00%	3.44%	0.00%	3.44%	4.59%	9.81%
85 Woonsocket Police	9.00%	6.23%	0.00%	6.23%	6.24%	12.04%
86 Charlestown Police	7.00%	3.96%	0.00%	3.96%	4.20%	9.36%
87 Hopkinton Police	8.00%	5.05%	0.00%	5.05%	3.05%	9.19%
88 Gloucester Police	8.00%	6.48%	0.00%	6.48%	4.22%	9.55%
89 West Greenwich Police	7.00%	2.93%	2.01%	4.94%	6.71%	15.63%
90 Burrillville Police	8.00%	7.00%	0.00%	7.00%	9.59%	14.79%
91 Cumberland Police	7.00%	2.80%	0.00%	2.80%	2.91%	5.40%
92 Washington Fire	7.00%	2.93%	1.61%	4.54%	5.31%	10.95%
93 Woonsocket Fire	9.00%	5.84%	1.27%	7.11%	9.26%	6.76%
94 Bristol Fire	7.00%	6.42%	0.00%	6.42%	6.42%	11.80%
95 Cumberland Hill Fire	7.00%	3.15%	1.86%	5.01%	5.88%	12.76%
98 Coventry Fire	7.00%	2.83%	7.91%	10.74%	10.01%	21.65%
100 Tiogue Fire	7.00%	3.20%	7.11%	10.31%	11.25%	14.10%
101 North Cumberland	7.00%	1.99%	6.21%	8.20%	8.31%	11.37%
102 Central Coventry Fire	7.00%	2.97%	7.75%	10.72%	11.34%	17.20%
103 Hopkins Hill Fire	7.00%	2.61%	0.72%	3.33%	3.13%	6.02%
106 Cumberland Fire	7.00%	4.28%	8.22%	12.50%	10.84%	17.97%
107 Lincoln Rescue	7.00%	2.99%	6.16%	9.15%		

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 either Souther RI Collaborative or Lime Rock Fire.
- 2 - By special agreement, the Woonsocket Firefighters are currently contributing 8.0% of salary; please note that the above employer costs assume an employee contribution of 9.0%.

Table 7 - Liabilities and Funded Status as of June 30, 1992

MUNICIPALITY		ACTUARIAL VALUE OF ASSETS	TOTAL ACCRUED LIABILITY	VESTED LIABILITY	TOTAL UNFUNDED LIABILITY	UNFUNDED VESTED LIABILITY
General Employees						
1 Barrington		\$10,774,165	\$7,940,942	\$6,142,579	\$0	\$0
2 Bristol	B	7,732,758	4,973,498	3,762,745	0	0
3 Burrillville	C	6,968,217	5,305,009	3,747,207	0	0
4 Central Falls		671,095	2,185,839	1,624,992	1,514,744	953,897
5 Charlestown	C	54,580	704,776	423,574	650,196	368,994
7 Cranston	B	53,000,506	38,420,364	27,322,176	0	0
8 Cumberland		6,522,511	6,623,292	4,863,748	100,781	0
9 East Greenwich		7,719,888	5,257,258	3,992,338	0	0
10 East Providence	B	35,628,241	28,774,915	23,058,669	0	0
11 Exeter/West Greenwich		1,164,724	774,866	479,037	0	0
12 Foster		846,342	932,927	636,641	86,585	0
13 Glocester		918,116	814,615	568,071	0	0
14 Hopkinton		968,226	569,931	388,119	0	0
15 Jamestown	C	2,342,275	1,924,121	1,248,495	0	0
16 Johnston	C	13,854,896	12,085,636	9,000,653	0	0
21 Newport	B	20,546,834	18,984,073	13,092,408	0	0
22 New Shoreham		755,013	898,667	548,165	143,654	0
23 North Kingstown		12,245,382	10,724,504	8,023,524	0	0
24 North Providence		10,696,091	8,621,698	6,477,972	0	0
25 North Smithfield		5,078,988	3,234,554	2,565,950	0	0
26 Pawtucket		41,744,430	31,550,956	26,145,405	0	0
29 Richmond		265,065	257,357	193,859	0	0
30 Scituate	B	3,652,574	3,103,965	2,179,272	0	0
31 Smithfield		8,136,243	5,525,904	4,168,694	0	0
32 South Kingstown		10,674,317	7,636,987	4,805,051	0	0
33 Tiverton		5,364,799	3,836,214	3,067,788	0	0
34 Warren		4,171,396	3,386,110	2,979,203	0	0
36 Westerly		682,680	1,170,453	1,070,548	487,773	387,866
37 West Greenwich		354,795	380,746	306,249	25,951	0
39 Woonsocket		27,545,898	18,707,186	15,080,164	0	0
40 Charho School Dist.		1,910,114	1,818,895	1,020,326	0	0
41 Foster/Glocester		942,248	828,747	502,605	0	0
44 Southern RI Collaborative	1	1,573	1,555	0	0	0
45 Coventry Lighting Dist.		67,756	380,624	308,698	312,868	240,942
46 Hope Valley Fire	C	0	50,710	30,741	50,710	30,741
51 Cranston Housing		952,775	659,037	507,899	0	0
52 East Providence Housing		866,140	731,892	568,791	0	0
53 Pawtucket Housing		3,626,783	1,983,237	1,660,935	0	0
56 Cumberland Housing		519,756	495,154	426,684	0	0
57 Lincoln Housing	B	577,284	457,522	395,172	0	0
59 Bristol Housing		522,825	350,269	219,890	0	0
65 Burrillville Housing		189,212	77,903	26,391	0	0
66 North Providence Housing	B	307,936	201,109	134,094	0	0
67 East Smithfield Water	C	130,779	144,777	73,269	13,998	0
68 Greenville Water		307,798	231,720	161,926	0	0
71 Warren Housing		326,052	228,369	149,881	0	0
72 Johnston Housing		348,018	316,793	263,205	0	0
79 Coventry Housing		349,000	309,845	259,525	0	0
83 West Warwick Housing		307,548	264,154	186,334	0	0
84 Smithfield Housing		77,192	61,883	59,582	0	0
96 Central Falls Housing		405,302	1,094,147	957,939	688,945	552,637
98 Lime Rock Administrative Svcs		9,286	6,250	1,167	0	0
99 Central Falls Schools		0	940,603	200,382	940,603	200,382
100 Bristol/Warren Schools		3,350,551	3,054,247	1,756,371	0	0

Table 7 - Liabilities and Funded Status as of June 30, 1992 (Cont'd)

MUNICIPALITY		ACTUARIAL VALUE OF ASSETS	TOTAL ACCRUED LIABILITY	VESTED LIABILITY	TOTAL UNFUNDED LIABILITY	UNFUNDED VESTED LIABILITY
Police and Fire						
42 Valley Falls Fire		\$119,513	\$714,491	427,672	\$594,978	\$308,159
46 Lime Rock Fire	1	102,948	100,080	26,763	0	0
47 North Smithfield Vol. Fire	D	93,479	139,769	44,048	46,290	0
50 East Greenwich Fire	D	2,917,465	2,242,146	1,958,924	0	0
54 East Greenwich Police	D	3,744,581	2,507,564	1,966,730	0	0
55 North Kingstown Fire	D	9,178,335	8,062,105	6,469,157	0	0
58 North Providence Police & Fire	D	5,394,561	4,159,668	2,638,383	0	0
60 Barrington Police & Fire		8,749,542	6,698,120	5,603,502	0	0
62 Warren Police	D	2,844,048	2,424,267	1,869,522	0	0
63 South Kingstown Police & Fire	C	5,751,558	4,143,251	2,816,345	0	0
64 Primrose Volunteer Fire	D	581,054	267,265	155,105	0	0
76 North Smithfield Police	D	1,899,930	1,229,316	908,858	0	0
77 Tiverton Fire	D	2,507,835	1,956,837	1,531,753	0	0
82 Foster Police	D	511,135	293,725	157,133	0	0
85 Woonsocket Police	C,D	2,039,007	1,738,837	803,343	0	0
86 Charlestown Police		500,688	319,974	181,951	0	0
87 Hopkinton Police	D	383,527	213,742	72,950	0	0
88 Gloucester Police	D	408,372	284,767	141,236	0	0
89 West Greenwich Police		235,244	269,852	179,185	34,608	0
90 Burrillville Police	D	1,339,329	382,639	232,392	0	0
91 Cumberland Police		299,175	90,567	63,870	0	0
92 Washington Fire		94,616	125,226	45,866	30,610	0
93 Woonsocket Fire	C,D	710,674	996,803	316,057	286,129	0
94 Bristol Fire		15,191	7,700	4,261	0	0
95 Cumberland Hill Fire		285,187	353,270	143,675	68,083	0
98 Coventry Fire		171,869	364,877	195,480	193,008	23,611
100 Tiogue Fire		26,823	112,845	52,822	86,022	25,999
101 North Cumberland		90,047	368,240	115,868	278,193	25,821
102 Central Coventry Fire		63,066	242,745	155,131	179,679	92,065
103 Hopkins Hill Fire		5,317	13,642	2,255	8,325	0
106 Cumberland Fire		70,054	279,958	158,993	209,904	88,939
107 Lincoln Rescue		0	212,487	35,188	212,487	35,188

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 either Southern RI Collaborative or Lime Rock Fire.
- 2 - The above exhibit does not include the liabilities in respect of the closed South Kingstown Housing and Scituate Police units.

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

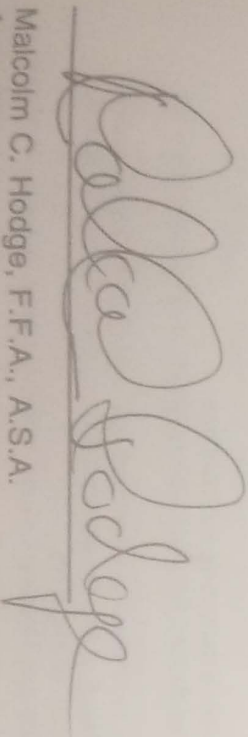
CERTIFICATE OF ACTUARIAL VALUATION

This is to certify that we have prepared an actuarial valuation of the plan as of June 30, 1992.

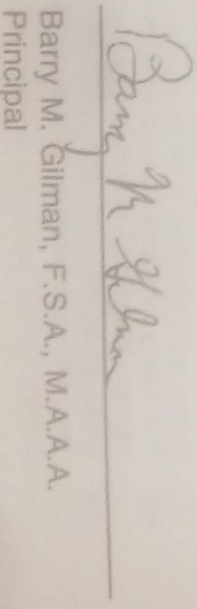
This certificate contains the following attached exhibits:

- EXHIBIT I - Actuarial Cost Factors as of June 30, 1992
 - 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.



Malcolm C. Hodge, F.F.A., A.S.A.
Associate



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

EXHIBIT I - ACTUARIAL COST FACTORS AS OF JUNE 30, 1992

A. GENERAL EMPLOYEES

The valuation was made with respect to the following data supplied to us by the Retirement Board:

- a. 5,422 active participants (including 2,072 fully vested) with total annual salaries of \$105,047,500)
- b. 755 inactive participants
- c. 2,491 pensioners (including 81 beneficiaries of deceased pensioners and active employees)

The cost factors as of the valuation date are as follows:

1. Total normal cost		\$	8,254,700
2. Projected employee contributions			6,732,100
3. Employer normal cost			1,522,600
4. Actuarial liability			
Active employees	\$	134,117,600	
Inactive employees		2,234,800	(a)
Pensioners (including beneficiaries of deceased pensioners and active employees)		113,673,300	
Total			250,025,700
5. Assets (Actuarial Value)			317,211,200
6. Unfunded actuarial liability			5,016,708 (b)
Liability for accrued vested benefits:	\$	187,872,700	(c)

- (a) The liability for inactive participants is equal to their outstanding contributions.
- (b) Equal to the sum of the individual municipalities unfunded liabilities with negative unfunded liabilities for certain units set equal to zero.
- (c) The liability for accrued vested benefits is based on the same retirement age assumptions as are costs, following the procedure required by Statement No. 5 of the Governmental Accounting Standards Board.
- (d) Detail figures may not add to totals shown because of rounding.
- (e) The assets and liabilities of the closed South Kingston Housing unit are included above, but are not shown in table 7.

EXHIBIT I - ACTUARIAL COST FACTORS AS OF JUNE 30, 1992 (Cont'd)

B. POLICE AND FIRE

The valuation was made with respect to the following data supplied to us by the Retirement Board:

- a. 700 active participants (including 201 fully vested) with total annual salaries of \$18,973,800)
- b. 25 inactive participants
- c. 147 pensioners (including 27 beneficiaries of deceased pensioners and active employees)

The cost factors as of the valuation date are as follows:

1. Total normal cost		\$	2,298,400
2. Projected employee contributions			1,508,600
3. Employer normal cost			789,800
4. Actuarial liability			
Active employees	\$	24,261,000	
Inactive employees		178,600	(a)
Pensioners (including beneficiaries of deceased pensioners and active employees)		16,352,300	
Total			40,791,900
5. Assets (Actuarial Value)			51,237,700
6. Unfunded actuarial liability			2,298,400 (b)
Liability for accrued vested benefits:	\$	29,567,500	(c)

- (a) The liability for inactive employees is equal to their outstanding contributions.
- (b) Equal to the sum of the individual municipalities unfunded liabilities with negative unfunded liabilities for certain units set equal to zero.
- (c) The liability for accrued vested benefits is based on the same retirement age assumptions as are costs, following the procedure required by Statement No. 5 of the Governmental Accounting Standards Board.
- (d) Detail figures may not add to totals shown because of rounding.
- (e) The assets and liabilities of the closed Scituate Police unit are included above, but are not shown in table 7.

EXHIBIT II - PENSION BENEFIT OBLIGATION

The value of the pension benefit obligation required for disclosure by Statement No. 5 of the Governmental Accounting Standards Board is shown below as of June 30, 1992.

	Pension Benefit Obligation		
	<u>General Employees</u>	<u>Police and Fire</u>	<u>Total</u>
1. Participants currently receiving benefits and terminated employees not yet receiving benefits	\$ 115,908,100	\$ 16,530,900	\$ 132,439,000
2. Current employees			
Accumulated employee contributions	40,314,400	6,996,400	47,310,800
Employer-financed vested	31,650,200	6,040,200	37,690,400
Employer-financed nonvested	<u>33,236,400</u>	<u>8,130,900</u>	<u>41,367,300</u>
3. Total pension benefit obligation	\$ 221,109,100	\$ 37,698,400	\$ 258,807,500

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

EXHIBIT II - PENSION BENEFIT OBLIGATION (Cont'd)

Pension Benefit Obligation as of June 30, 1991 by Plan

	MUNICIPALITY		Pension Benefit Obligation as of June 30, 1991 by Plan				TOTAL BENEFIT OBLIGATION
	RETIREE AND INACTIVE LIABILITY	ACCUMULATED EMPLOYEE CONTRIBUTION	EMPLOYER FINANCED VESTED	EMPLOYER FINANCED NON-VESTED			
General Employees							
1 Barrington	\$4,203,200	\$1,199,800	\$739,600	\$993,200	\$7,135,800		
2 Bristol	2,623,800	771,100	367,800	585,300	4,348,000		
3 Burrillville	2,060,000	964,000	723,200	905,700	4,652,900		
4 Central Falls	927,200	236,300	461,600	279,300	1,904,400		
5 Charlestown	239,700	22,700	161,200	160,700	584,300		
7 Cranston	14,590,500	6,792,800	5,938,900	5,898,700	33,220,900		
8 Cumberland	3,208,600	979,300	675,800	1,109,000	5,972,700		
9 East Greenwich	2,059,900	993,900	938,500	662,100	4,654,400		
10 East Providence	16,732,800	3,465,900	2,860,000	3,048,900	26,107,600		
11 Exeter/West Greenwich	185,900	197,400	95,600	168,600	647,500		
12 Foster	420,200	170,900	45,500	153,900	790,500		
13 Gloucester	385,800	182,200	0	137,200	705,200		
14 Hopkinton	251,500	130,500	6,100	104,500	492,600		
15 Jamestown	648,200	331,500	267,300	344,600	1,591,100		
16 Johnston	5,049,000	1,642,300	2,309,400	1,772,900	10,773,600		
21 Newport	7,715,400	2,974,500	2,402,500	3,077,200	16,169,600		
22 New Shoreham	272,000	157,000	119,200	170,000	718,200		
23 North Kingstown	5,343,400	1,751,400	928,700	1,415,700	9,439,200		
24 North Providence	3,361,700	1,616,000	1,500,300	1,124,800	7,602,800		
25 North Smithfield	1,729,400	549,100	287,500	368,100	2,934,100		
26 Pawtucket	17,812,200	5,726,100	2,607,100	2,455,700	28,601,100		
29 Richmond	147,700	45,000	1,100	29,000	222,800		
30 Scituate	1,204,300	478,000	497,000	539,100	2,718,400		
31 Smithfield	2,417,600	993,700	755,400	791,100	4,957,800		
32 South Kingstown	1,936,300	1,753,800	1,115,000	1,433,500	6,238,600		
33 Tiverton	2,088,700	563,300	415,900	448,000	3,515,900		
34 Warren	2,351,600	277,300	350,400	239,100	3,218,400		
36 Westerly	841,500	96,700	132,400	64,500	1,135,100		
37 West Greenwich	239,900	66,300	0	37,700	343,900		
39 Woonsocket	10,293,900	2,826,000	1,960,200	1,878,400	16,958,500		
40 Charho School Dist.	382,900	406,500	231,000	412,100	1,432,500		
41 Foster/Glocester	312,400	181,100	9,200	231,600	734,300		
44 Southern RI Collaborative	0	1,600	0	0	1,600		
45 Coventry Lighting Dist.	0	9,800	298,900	42,000	350,700		
46 Hope Valley Fire	0	0	30,700	14,800	45,500		
51 Cranston Housing	362,100	107,500	38,300	78,600	586,500		
52 East Providence Housing	392,500	97,000	79,300	111,500	680,300		
53 Pawtucket Housing	1,135,500	385,400	140,100	134,300	1,795,300		
56 Cumberland Housing	384,200	50,900	0	29,400	464,500		
57 Lincoln Housing	292,600	53,300	49,300	41,300	436,500		
59 Bristol Housing	69,200	71,500	79,200	78,100	298,000		
65 Burrillville Housing	0	27,100	0	31,900	59,000		
66 North Providence Housing	26,000	67,900	40,200	29,400	163,500		
67 East Smithfield Water	38,500	15,600	19,200	49,000	122,300		
68 Greenville Water	0	69,400	92,600	30,700	192,700		
71 Warren Housing	0	61,800	88,100	48,000	197,900		
72 Johnston Housing	183,200	22,300	57,600	33,700	286,800		
79 Coventry Housing	166,900	39,200	53,500	31,300	290,900		
83 West Warwick Housing	101,800	51,600	33,000	40,500	226,900		
84 Smithfield Housing	51,900	7,700	0	(2,400)	57,200		
96 Central Falls Housing	634,800	33,800	289,400	87,000	1,045,000		
98 Lime Rock Administrative Svcs	0	1,200	0	1,500	2,700		
99 Central Falls Schools	1,300	0	199,000	494,200	694,500		
100 Bristol/Warren Schools	0	697,900	1,158,400	791,400	2,547,700		

EXHIBIT II - PENSION BENEFIT OBLIGATION (Cont'd)

Pension Benefit Obligation as of June 30, 1991 by Plan

MUNICIPALITY		RETIREE AND INACTIVE LIABILITY	ACCUMULATED EMPLOYEE CONTRIBUTION	EMPLOYER FINANCED VESTED	EMPLOYER FINANCED NON-VESTED	TOTAL BENEFIT OBLIGATION
Police and Fire						
42 Valley Falls Fire		\$159,300	\$24,800	\$243,500	\$204,100	\$631,700
46 Lime Rock Fire	1	0	15,100	0	61,900	77,000
47 North Smithfield Vol. Fire	D	100	30,400	13,500	85,000	109,000
50 East Greenwich Fire	D	1,713,900	232,800	12,200	189,600	2,148,500
54 East Greenwich Police	D	931,600	421,100	613,900	363,400	2,330,000
55 North Kingstown Fire	D	4,754,200	1,001,300	713,600	1,081,500	7,550,600
58 North Providence Police & Fire	D	590,200	948,100	1,100,100	1,087,200	3,725,600
60 Barrington Police & Fire		4,150,900	933,400	519,200	737,600	6,341,100
62 Warren Police	D	1,277,400	351,700	240,500	390,500	2,260,100
63 South Kingstown Police & Fire	C	1,285,000	717,100	814,300	928,900	3,745,300
64 Primrose Volunteer Fire	D	22,200	75,800	57,100	73,500	228,600
76 North Smithfield Police	D	321,800	253,900	333,200	214,300	1,123,200
77 Tiverton Fire	D	654,800	335,500	541,500	296,300	1,828,100
82 Foster Police	D	0	98,300	58,800	83,500	240,600
85 Woonsocket Police	C,D	230,000	563,800	9,500	595,000	1,398,300
86 Charlestown Police		83,000	101,200	0	98,300	282,500
87 Hopkinton Police	D	14,200	93,600	0	108,900	216,700
88 Gloucester Police	D	45,600	95,700	0	106,000	247,300
89 West Greenwich Police		0	44,200	134,900	51,400	230,500
90 Burrillville Police	D	113,400	119,000	0	108,500	340,900
91 Cumberland Police		6,000	57,900	0	7,900	71,800
92 Washington Fire		0	34,300	11,500	54,000	99,800
93 Woonsocket Fire	C,D	0	309,600	6,400	441,900	757,900
94 Bristol Fire		0	4,300	0	3,700	8,000
95 Cumberland Hill Fire		0	37,300	106,400	153,100	296,800
98 Coventry Fire		109,200	28,800	57,500	117,300	312,800
100 Tiogue Fire		0	7,100	45,700	41,700	94,500
101 North Cumberland		0	29,000	86,900	171,300	287,200
102 Central Coventry Fire		300	14,300	140,500	63,600	218,700
103 Hopkins Hill Fire		0	2,300	0	8,900	11,200
106 Cumberland Fire		0	14,700	144,300	88,600	247,600
107 Lincoln Rescue		0	0	35,200	133,500	168,700

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 either Southern RI Collaborative or Lime Rock Fire.
- 2 - The above exhibit does not include the liabilities in respect of the closed South Kingstown Housing and Scituate Police units.

EXHIBIT III - PARTICIPANT INFORMATION

Active Employees as of June 30, 1992

Active Employees as of June 30, 1991

MUNICIPALITY	Active Employees as of June 30, 1992			Active Employees as of June 30, 1991				
	NUMBER	AVERAGE AGE	AVERAGE SERVICE	AVERAGE SALARY	NUMBER	AVERAGE AGE	AVERAGE SERVICE	AVERAGE SALARY
General Employees								
1 Barrington	130	47.2	10.4	\$22,000	136	46.8	9.6	\$20,500
2 Bristol	80	42.1	9.5	22,300	79	42.1	9.3	19,800
3 Burrillville	142	47	7.9	18,200	140	46.1	7.0	17,600
4 Central Falls	62	43.3	8.1	21,000	48	41.2	7.9	20,500
5 Charlestown	21	39.1	6.5	22,600	21	37.9	9.3	23,700
7 Cranston	776	46	9.7	19,900	757	45.9	9.7	19,900
8 Cumberland	229	47.9	6.1	19,000	220	47.6	5.6	17,000
9 East Greenwich	133	46.7	9.5	18,700	133	46.3	9.0	18,300
10 East Providence	402	46.6	8.4	22,600	385	46.5	8.4	23,900
11 Exeter/West Greenwich	43	45.9	6	15,800	47	44.5	5.3	15,400
12 Foster	38	42.8	6.6	16,000	35	42.1	6.0	15,600
13 Gloucester	57	43.9	4.1	15,200	47	44.0	3.9	16,000
14 Hopkinton	23	43.2	5.4	20,600	22	42.9	6.0	18,300
15 Jamestown	44	42	8.6	23,600	41	41.2	8.2	22,900
16 Johnston	221	48.1	9.4	18,700	236	47.8	9.1	17,800
21 Newport	312	44.2	10.5	21,800	302	44.2	10.4	21,800
22 New Shoreham	34	40.6	6.9	24,500	22	42.3	7.3	20,500
23 North Kingstown	219	45.6	8.5	22,100	225	45.0	7.6	20,700
24 North Providence	245	46.5	10.1	17,300	240	46.7	9.3	17,800
25 North Smithfield	76	46.1	7.6	19,800	75	46.9	8.0	18,100
26 Pawtucket	641	46.2	10.2	15,400	637	46.4	10.1	17,900
29 Richmond	18	39	2.9	18,700	13	43.6	4.7	19,000
30 Scituate	75	47.9	8.7	15,700	64	47.5	9.5	15,100
31 Smithfield	126	47.3	8.4	21,500	121	47.4	8.1	21,100
32 South Kingstown	265	44	8.1	19,600	257	43.3	7.8	20,000
33 Tiverton	82	48.6	7.9	19,400	83	48.6	8.1	18,300
34 Warren	32	47.4	10.7	21,600	35	48.4	10.8	17,400
36 Westerly	5	56.8	16	31,200	5	55.8	15.0	30,000
37 West Greenwich	21	45.5	3.3	17,100	19	46.4	2.9	16,900
39 Woonsocket	371	46.7	8.7	19,100	370	46.8	8.7	20,600
40 Charho School Dist.	115	42.6	5.6	15,900	115	41.8	4.7	13,700
41 Foster/Gloicester	40	48.1	5.5	16,800	35	49.7	4.7	16,400
44 Southern RI Collaborative	1	29.1	2.8	12,800	1	28.1	1.8	12,800
45 Coventry Lighting Dist.	3	56.3	25.5	29,100	3	55.3	24.5	29,200
46 Hope Valley Fire	1	56.8	9.9	31,300	1	55.8	8.9	31,300
51 Cranston Housing	15	47	6.5	24,700	14	46.2	5.6	23,700
52 East Providence Housing	13	48.9	7.3	22,100	10	52.7	8.3	22,700
53 Pawtucket Housing	39	42.8	6.9	26,100	35	42.1	6.3	26,700
56 Cumberland Housing	9	44.9	5	24,800	9	44.7	3.8	24,800
57 Lincoln Housing	8	47.3	5.8	20,900	7	48.0	5.6	23,500
59 Bristol Housing	8	45.9	9.2	22,700	8	44.9	8.2	21,300
65 Burrillville Housing	2	49.1	10.2	28,400	2	48.2	9.2	27,200
66 North Providence Housing	7	47.5	7.3	22,900	6	46.6	7.4	22,600
67 East Smithfield Water	2	49.4	9.6	33,500	2	54.8	7.4	32,400
68 Greenville Water	4	51	13.9	33,000	4	50.0	13.0	32,000
71 Warren Housing	6	52.9	11.4	22,000	6	55.6	10.2	21,200
72 Johnston Housing	5	49.8	7.5	20,200	3	46.8	6.5	18,200
79 Coventry Housing	5	50.3	8.3	22,400	7	47.7	5.2	19,100
83 West Warwick Housing	6	47.4	9.3	23,200	6	46.4	8.3	22,100
84 Smithfield Housing	2	35.3	3.8	18,100	2	34.3	2.8	18,900
96 Central Falls Housing	13	46.8	11.5	25,700	10	48.3	14.1	23,000
98 Lime Rock Administrative Svcs	1	32.5	4.3	20,400	2	29.2	2.8	16,700
99 Central Falls Schools	74	45.1	6.6	15,700	-	-	-	-
100 Bristol/Warren Schools	120	48.2	9.5	18,200	88	48.2	9.2	17,700

EXHIBIT III - PARTICIPANT INFORMATION (Cont'd)

Active Employees as of June 30, 1992

Active Employees as of June 30, 1991

MUNICIPALITY	Active Employees as of June 30, 1992			Active Employees as of June 30, 1991				
	NUMBER	AVERAGE AGE	AVERAGE SERVICE	AVERAGE SALARY	NUMBER	AVERAGE AGE	AVERAGE SERVICE	AVERAGE SALARY
Police and Fire								
42 Valley Falls Fire	13	38.3	13.6	\$25,300	9	38.3	13.4	\$24,100
46 Lime Rock Fire	5	30.9	8.9	23,200	5	29.9	8.9	23,200
47 North Smithfield Vol. Fire	9	31.8	4.4	24,300	9	30.8	4.5	24,400
50 East Greenwich Fire	24	32.1	4.9	30,000	24	31.9	4.4	25,400
54 East Greenwich Police	28	37.9	11	29,200	26	38.0	10.4	27,900
55 North Kingstown Fire	69	35.3	9.8	29,400	66	35.0	9.5	27,600
58 North Providence Police & Fire	93	35	8.2	29,700	86	35.1	6.9	24,700
60 Barrington Police & Fire	57	37.8	12.1	28,800	56	37.2	11.5	27,800
62 Warren Police	21	37.2	10.3	30,400	19	38.7	10.5	31,800
63 South Kingstown Police & Fire	43	37.6	12.5	32,800	43	36.6	11.4	30,700
64 Primrose Volunteer Fire	7	34.3	8.2	25,200	7	33.3	7.6	23,700
76 North Smithfield Police	17	37.8	10.4	30,900	17	36.3	9.5	27,900
77 Tiverton Fire	27	38.1	10	25,700	22	40.0	11.0	25,300
82 Foster Police	8	33.1	10.7	22,800	7	36.8	11.3	24,300
85 Woonsocket Police	73	28.8	4.2	26,900	55	28.9	4.4	27,300
86 Charlestown Police	14	34.8	5.9	25,700	13	35.2	5.0	23,800
87 Hopkinton Police	10	33.1	4.6	28,300	9	33.3	4.0	27,000
88 Gloucester Police	13	36.2	4.6	25,000	13	35.2	3.5	23,200
89 West Greenwich Police	8	36.5	10.4	25,000	7	37.2	10.7	25,100
90 Burrillville Police	17	39	3.8	27,400	17	38.0	2.8	24,800
91 Cumberland Police	12	27.3	2.7	26,200	12	27.3	2.0	23,900
92 Washington Fire	8	30.9	5.4	25,500	7	31.1	4.9	25,900
93 Woonsocket Fire	52	28.5	4.3	27,600	38	27.9	4.4	26,000
94 Bristol Fire	1	42.9	2	31,700	1	41.9	1.0	29,200
95 Cumberland Hill Fire	10	37	10.9	26,200	10	36.0	9.6	26,000
98 Coventry Fire	8	35.3	10.5	27,400	9	36.2	9.5	27,100
100 Tiogue Fire	6	38.1	8.7	18,100	6	37.1	7.7	16,900
101 North Cumberland	14	31.1	9.4	26,300	14	30.1	6.5	26,200
102 Central Coventry Fire	8	32.6	7.3	27,700	9	30.5	5.6	25,800
103 Hopkins Hill Fire	4	26.2	2.1	18,800	4	25.2	1.1	18,800
106 Cumberland Fire	9	39.6	8.7	26,000	-			
107 Lincoln Rescue	12	32.1	6.3	26,200	-			

NOTES

1 - No data was reported for either Southern RI Collaborative or Lime Rock Fire.

EXHIBIT III - PARTICIPANT INFORMATION (Cont'd)

Retirees and Beneficiaries

MUNICIPALITY	NUMBER	AVERAGE AGE	AVERAGE MONTHLY BENEFIT
General Employees			
1 Barrington	106	71.5	400
2 Bristol	68	70.7	410
3 Burrillville	43	70.0	515
4 Central Falls	12	60.8	762
5 Charlestown	1	59.4	1,798
7 Cranston	350	71.5	436
8 Cumberland	63	66.8	490
9 East Greenwich	52	68.6	394
10 East Providence	259	68.0	783
11 Exeter/West Greenwich	5	65.5	285
12 Foster	8	68.9	501
13 Gloucester	5	64.6	672
14 Hopkinton	7	73.0	326
15 Jamestown	16	69.3	430
16 Johnston	96	68.7	501
21 Newport	154	70.7	497
22 New Shoreham	7	66.4	306
23 North Kingstown	97	69.1	552
24 North Providence	96	69.9	340
25 North Smithfield	48	71.8	325
26 Pawtucket	393	71.0	449
29 Richmond	5	66.9	380
30 Scituate	39	70.8	349
31 Smithfield	57	69.7	440
32 South Kingstown	63	72.6	308
33 Tiverton	48	69.4	421
34 Warren	51	68.9	432
36 Westerly	12	72.3	694
37 West Greenwich	4	70.2	619
39 Woonsocket	246	70.3	418
40 Chariho School Dist.	8	64.7	434
41 Foster/Gloicester	6	65.1	550
44 Southern RI Collaborative	-	-	-
45 Coventry Lighting Dist.	-	-	-
45 Hope Valley Fire	-	-	-
51 Cranston Housing	7	71.6	2,413
52 East Providence Housing	9	72.5	425
53 Pawtucket Housing	23	69.9	491
56 Cumberland Housing	5	62.5	657
57 Lincoln Housing	4	68.8	641
59 Bristol Housing	1	64.8	572
65 Burrillville Housing	-	-	-
66 North Providence Housing	1	74.5	239
67 East Smithfield Water	1	75.6	523
68 Greenville Water	-	-	-
71 Warren Housing	-	-	-
72 Johnston Housing	3	69.5	562
79 Coventry Housing	4	65.9	350
83 West Warwick Housing	1	68.5	947
84 Smithfield Housing	1	68.5	574
86 Central Falls Housing	4	62.3	1,267
88 Lime Rock Administrative Svcs	-	-	-
89 Central Falls Schools	-	-	-
100 Bristol/Warren Schools	-	-	-

EXHIBIT III - PARTICIPANT INFORMATION (Cont'd)

Retirees and Beneficiaries			
MUNICIPALITY	NUMBER	AVERAGE AGE	AVERAGE MONTHLY BENEFIT
Police and Fire			
42 Valley Falls Fire	1	64.8	1,615
46 Lime Rock Fire	-		
47 North Smithfield Vol. Fire	-		
50 East Greenwich Fire	11	63.4	1,297
54 East Greenwich Police	9	67.2	987
55 North Kingstown Fire	35	61.4	1,147
58 North Providence Police & Fire	7	66.0	777
60 Barrington Police & Fire	39	60.9	933
62 Warren Police	14	61.9	801
63 South Kingstown Police & Fire	13	58.6	815
64 Primrose Volunteer Fire	1	78.1	304
76 North Smithfield Police	2	56.8	1,362
77 Tiverton Fire	9	64.3	698
82 Foster Police	-		
85 Woonsocket Police	1	35.7	1,580
86 Charlestown Police	1	39.5	583
87 Hopkinton Police	-		
88 Gloucester Police	1	56.1	378
89 West Greenwich Police	-		
90 Burrillville Police	1	49.3	836
91 Cumberland Police	-		
92 Washington Fire	-		
93 Woonsocket Fire	-		
94 Bristol Fire	-		
95 Cumberland Hill Fire	-		
98 Coventry Fire	1	51.9	836
100 Tropic Fire	-		
101 North Cumberland	-		
102 Central Coventry Fire	-		
103 Hopkins Hill Fire	-		
106 Cumberland Fire	-		
107 Lincoln Rescue	-		

NOTE: The above exhibit does not include the inactive participants of the closed South Kingstown Housing and Situate Police units.

EXHIBIT IV - ACTUARIAL METHOD AND ASSUMPTIONS

a. 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).

EXHIBIT IV - ACTUARIAL METHOD AND ASSUMPTIONS (Cont'd)

b. 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 Future Lifetime</u>	
	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>
20	.050%	.026%	55.3 yrs.	61.6 yrs.
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.

EXHIBIT IV - ACTUARIAL METHOD AND ASSUMPTIONS (Cont'd)

Disability - Sample Rates

<u>Municipal Employees</u>		<u>Police and Firemen</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	--	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.

EXHIBIT IV - ACTUARIAL METHOD AND ASSUMPTIONS (Cont'd)

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.

EXHIBIT V - SUMMARY OF PLAN PROVISIONS (Cont'd)

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.

EXHIBIT V - SUMMARY OF PLAN PROVISIONS (Cont'd)

**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.

EXHIBIT V - SUMMARY OF PLAN PROVISIONS (Cont'd)

**PRE-RETIREMENT DEATH
BENEFITS (Cont'd)**

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 66-2/3%.
 - (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.

EXHIBIT V - SUMMARY OF PLAN PROVISIONS (Cont'd)

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.

Investments

We are pleased to submit herewith the total Investments for the Municipal Employees' Retirement System for the 1991-92 Fiscal Year.

The summary of Investments schedule shows that the Invested Assets of the Retirement System are maintained in six (6) major areas. At least 80% of the Assets are invested in Fixed Income and Equities.

A detailed list of all Assets for each Investment Account is available for review at the Retirement Division.

SUMMARY OF INVESTMENTS

OPERATIONS: JULY 1, 1991 - JUNE 30, 1992

TOTAL INVESTMENTS - July 1, 1991	269,592,748
ADD: Purchases during the year	376,778,007
	646,370,755
DEDUCT: Redemptions and Sales during the year	-345,677,839
	300,692,916

INVESTMENT ACCOUNT: (By Type of Security)

<u>TYPE</u>	<u>COST OF PAR</u>	<u>PROPORTION OF TOTAL</u>
Fixed Income	132,054,864	43.92%
Short Term Paper	1,600,000	.53
State Street STIF	29,848,000	9.93
Venture Capital	2,247,339	.75
Real Estate	15,289,651	5.08
Equities	119,653,062	39.79
	300,692,916	100.00%