

EMPLOYEES' RETIREMENT SYSTEM OF
THE STATE OF RHODE ISLAND
Municipal Employees' Retirement System
Multiple-Employer Defined Benefit Agent Plan
GASB STATEMENT No. 68 REPORTS
FISCAL YEAR ENDED JUNE 30, 2021
(for Fiscal 2022 Employer Reporting)



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



Office of the Auditor General

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

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

October 7, 2022

JOINT COMMITTEE ON LEGISLATIVE SERVICES:

SPEAKER K. Joseph Shekarchi, Chairman

Senator Dominick J. Ruggerio

Senator Jessica de la Cruz

Representative Christopher R. Blazejewski

Representative Michael W. Chippendale

We have completed our audit of the Schedule of Changes in Fiduciary Net Position by Employer - Municipal Employees' Retirement System (MERS) plan for the fiscal year ended June 30, 2021. The Schedules are required for employers participating in the MERS multiple-employer defined benefit agent plan to meet their financial reporting responsibilities under generally accepted accounting principles – specifically the requirements of Governmental Accounting Standards Board Statement No. 68 – *Accounting and Financial Reporting for Pensions*.

We have also included our report on the MERS plan census data as of June 30, 2020, which was used as the basis for the actuarial valuation of the plan at that date rolled forward to June 30, 2021 – **the plan measurement date for fiscal 2022 financial reporting by participating employers in the MERS plan.**

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

Sincerely,

Dennis E. Hoyle, CPA
Auditor General

EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

Municipal Employees' Retirement System

Multiple-Employer Defined Benefit Agent Plan

GASB STATEMENT No. 68 REPORTS

FISCAL YEAR ENDED JUNE 30, 2021

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Municipal Employees' Retirement System

Multiple-Employer Defined Benefit Agent Plan

GASB STATEMENT No. 68 REPORTS

INTRODUCTION

The Municipal Employees' Retirement System (MERS) Plan covers certain employees of municipalities, fire districts, housing authorities, water and sewer districts, and municipal police and fire units that have elected to participate. MERS is an agent plan and accordingly separate actuarial valuations are performed for each employer unit.

We have previously audited the financial statements of the Employees' Retirement System of the State of Rhode Island for the year ended June 30, 2021 which includes the MERS plan financial statements. ERSRI has prepared and we have audited the Schedule of Changes in Fiduciary Net Position by Employer (the Schedules) for the fiscal year ended June 30, 2021. The amounts included in the Schedule are used by the actuary to determine the net pension liability or asset for each MERS participating employer at the June 30, 2021 measurement date.

The net pension liability and other measures for each MERS employer unit have been developed consistent with the requirements of GASB 68 – *Accounting and Financial Reporting for Pensions*. Such amounts are intended for accounting and financial reporting by governments which prepare their financial statements in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board. These amounts may and will likely differ from amounts reported in actuarial valuations used to measure actuarially determined contribution amounts consistent with the plan's adopted funding policies.

We have also issued our report on the reliability of the MERS census data at June 30, 2020 used by the actuary to measure the total pension liability for each MERS participating employer. The June 30, 2020 actuarial data, rolled forward to June 30, 2021, was used as the basis for determining the total pension liability at the measurement date (June 30, 2021). **Our report on the census data is intended to be used by each participating employer and their auditors in meeting the employer's fiscal 2022 financial reporting requirements.**

The System's actuary has provided separately issued actuarial valuation reports to each MERS participating employer which contains the beginning net pension liability (asset), ending net pension liability (asset), pension expense and related deferred inflows and outflows. The employer specific actuarial reports also detail actuarial methods and assumptions used by the actuary in measuring the net pension liability (asset) in accordance with the requirements of GASB Statement No. 68.

This audit report and the actuarial valuation reports provided by the actuary will allow employers participating in the MERS agent plan to meet their financial reporting responsibilities pursuant to GASB Statement No. 68.



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INDEPENDENT ACCOUNTANT'S REPORT

JOINT COMMITTEE ON LEGISLATIVE SERVICES, GENERAL ASSEMBLY
RETIREMENT BOARD OF THE EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND:

We have examined the Employees' Retirement System of Rhode Island's (the System's) management assertions related to the census data it maintained for the Municipal Employees' Retirement System (MERS) which was used by the System's actuary to prepare the actuarial valuations as of June 30, 2020 for the employers participating in MERS. The data in the 2020 valuations were rolled-forward to June 30, 2021 and used to prepare the GASB Statement No. 68 Accounting Valuation Reports as of June 30, 2021 for the employers participating in MERS. Those assertions are presented in accordance the laws governing MERS (Rhode Island General Law Title 45). The System's management is responsible for its assertions. Our responsibility is to express an opinion on management's assertions based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertions are fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertions. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertions, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

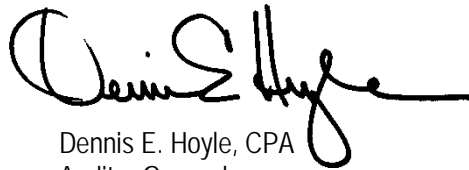
Management's assertions are:

1. The key census data elements as of June 30, 2020 provided by the System to its actuary are complete and accurate based on the accumulation of census data reported by the participating employers for the period July 1, 2019 through June 30, 2020. Key census data elements include: employer code, member name, gender, date of birth, date of hire, years of service, eligible compensation, date of termination, employment status (active, inactive or retired) and employee class (such as general employee, police, fire) and annual benefit payments for retirees as outlined in Title 45 of the General Laws of the State of Rhode Island.
2. The census data provided to the actuary as of June 30, 2020 properly reflects benefit provisions in effect through the measurement date of June 30, 2021 as outlined in Rhode Island General Law Title 45.
3. The census data provided to the actuary as of June 30, 2020 properly excludes deceased members based on the System's validation of the existence of plan members by cross matching social security numbers of plan members with the Social Security death file maintained by a private vendor (Pension Benefit Information) on a monthly basis for the period July 1, 2019 through June 30, 2020.

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

In our opinion, management's assertions referred to above are fairly stated, in all material respects, based on the law governing MERS (Rhode Island General Law Title 45).

Our report is intended solely for the information and use of the Employees' Retirement System of the State of Rhode Island's management, the Retirement Board of the Employees' Retirement System of the State of Rhode Island, the Municipal Employees' Retirement System participating employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Dennis Hoyle", with a long horizontal flourish extending to the right.

Dennis E. Hoyle, CPA
Auditor General

October 7, 2022



Office of the Auditor General

State of Rhode Island - General Assembly
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INDEPENDENT AUDITOR'S REPORT

JOINT COMMITTEE ON LEGISLATIVE SERVICES, GENERAL ASSEMBLY, STATE OF RHODE ISLAND:
RETIREMENT BOARD OF THE EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND:

Report on the Audit of the Schedule

Opinion

We have audited the fiduciary net position as of June 30, 2021, and the changes in fiduciary net position for the year then ended, included in the accompanying Schedule of Changes in Fiduciary Net Position by Employer ("Schedule") of the Municipal Employees' Retirement System (MERS), and the related notes. We have also audited the fiduciary net position of each individual employer as of June 30, 2021, and the changes in fiduciary net position of each individual employer for the year then ended, included in the accompanying Schedule and the related notes.

In our opinion, the accompanying Schedule of Changes in Fiduciary Net Position by Employer presents fairly, in all material respects, the fiduciary net position and the changes in fiduciary net position of the employers within the Municipal Employees' Retirement System as of and for the year ended June 30, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Schedule

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

Auditor's Responsibilities for the Audit of the Schedule

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

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

involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedule.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

Emphasis of Matter

The fair values of certain investments (hedge funds, private equity, real estate, private infrastructure, crisis protection class - trend following investments and emerging markets debt – collective unit trust) representing 34.6% of assets within the pooled investment trust, have been estimated by management in the absence of readily determinable fair values. Management's estimates are based on information provided by the fund managers or general partners.

Our opinion is not modified with respect to these matters.

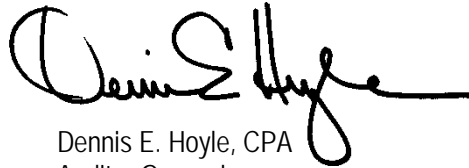
Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Municipal Employees' Retirement System Plan within the Employees' Retirement System of Rhode Island as of and for the year ended June 30, 2021, and our report thereon, dated December 22, 2021, expressed an unmodified opinion on those financial statements.

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

Restriction on Use

Our report is intended solely for the information and use of the Employees' Retirement System of the State of Rhode Island's management, the Retirement Board of the Employees' Retirement System of the State of Rhode Island, the Municipal Employees' Retirement System participating employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.



Dennis E. Hoyle, CPA
Auditor General

October 7, 2022

**Municipal Employees' Retirement System
Fiduciary Net Position by Employer
Fiscal Year Ended June 30, 2021**

<i>Employer Unit Type</i>	Barrington (COLA)	Barrington	Barrington	Barrington	Bristol	Bristol	Bristol
<i>General Employees</i>	•				•		
<i>Police</i>		•				•	
<i>Fire</i>			•	•			•
<i>Police and Fire</i>							
<i>Current Employer Unit Number(s)</i>	1002 1003 1007 1009	1004	1005	1008	1012 1019	1014	1015
<i>Legacy Employer Unit Number</i>	3078	4060	4061	4059	3002	4096	4094

Additions

Contributions

Member contributions	\$ 211,908	\$ 194,965	\$ 556	\$ 195,127	\$ 155,582	\$ 316,460	\$ 14,866
Employer contributions	949,314	682,903	310,491	208,592	826,914	240,510	25,141
Other (net)	-	-	-	-	183	-	-
Service credit transfers (net)	42,460	-	-	-	94,246	-	-
Net investment income	9,587,448	3,034,313	1,379,414	1,280,527	5,055,494	3,016,363	170,976
Total Additions	10,791,130	3,912,181	1,690,461	1,684,246	6,132,419	3,573,333	210,983

Deductions

Retirement benefits and refunds	2,487,942	721,770	799,971	103,351	1,532,665	39,228	17,356
Administrative expense	36,530	11,561	5,256	4,879	19,262	11,493	651
Service credit transfers (net)	-	-	-	-	84,839	47,636	-
Total Deductions	2,524,472	733,331	805,227	108,230	1,636,766	98,357	18,007

Net Increase

	8,266,658	3,178,850	885,234	1,576,017	4,495,653	3,474,976	192,975
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**Net position held in trust
for pension benefits**

Beginning of year	36,060,962	10,850,315	5,492,493	4,344,509	18,878,454	10,471,194	597,532
End of year	\$ 44,327,620	\$ 14,029,165	\$ 6,377,727	\$ 5,920,526	\$ 23,374,107	\$ 13,946,170	\$ 790,507

**Municipal Employees' Retirement System
Fiduciary Net Position by Employer
Fiscal Year Ended June 30, 2021**

<i>Employer Unit Type</i>	Bristol Housing	Bristol/Warren Regional School	Burrillville	Burrillville	Burrillville Housing	Central Coventry Fire District	Central Falls
<i>General Employees</i>	•	•	•		•		•
<i>Police</i>				•			
<i>Fire</i>						•	
<i>Police and Fire</i>							
<i>Current Employer Unit Number(s)</i>	1016	1023	1032 1033	1034	1036	1045 1235 1525 1585	1052
<i>Legacy Employer Unit Number</i>	3059	3100	3003	4090	3065	4102	3004

Additions							
Contributions							
Member contributions	\$ 13,866	\$ 107,505	\$ 163,637	\$ 183,336	\$ 4,587	\$ 183,179	\$ 32,703
Employer contributions	3,757	731,087	513,316	414,889	25,940	603,388	275,290
Other (net)	-	-	-	-	-	-	-
Service credit transfers (net)	-	6,788	49,111	-	-	-	192,302
Net investment income	600,861	4,537,845	7,900,951	3,187,297	233,137	2,737,061	1,433,646
Total Additions	618,484	5,383,225	8,627,015	3,785,522	263,664	3,523,628	1,933,941
Deductions							
Retirement benefits and refunds	123,309	1,677,900	1,972,747	684,940	90,713	841,088	518,938
Administrative expense	2,289	17,290	30,104	12,144	888	10,429	5,462
Service credit transfers (net)	-	1,826	-	-	-	186,995	14,977
Total Deductions	125,598	1,697,016	2,002,851	697,084	91,601	1,038,512	539,377
Net Increase	492,885	3,686,209	6,624,164	3,088,438	172,063	2,485,116	1,394,564
Net position held in trust for pension benefits							
Beginning of year	2,285,198	17,294,544	29,905,929	11,648,048	905,847	10,169,699	5,233,908
End of year	\$ 2,778,083	\$ 20,980,753	\$ 36,530,093	\$ 14,736,486	\$ 1,077,910	\$ 12,654,815	\$ 6,628,472

**Municipal Employees' Retirement System
Fiduciary Net Position by Employer
Fiscal Year Ended June 30, 2021**

<i>Employer Unit Type</i>	Central Falls Police and Fire (new)	Central Falls Police and Fire (legacy)	Central Falls School District	Central Falls Housing	Chariho School District	Charlestown	Charlestown
<i>General Employees</i>			•	•	•	•	
<i>Police</i>							•
<i>Fire</i>							
<i>Police and Fire</i>	•	•					
<i>Current Employer Unit Number(s)</i>	1054	1055	1063	1056	1073	1082	1084
<i>Legacy Employer Unit Number</i>	1054	1055	3099	3096	3040	3005	4086

Additions							
Contributions							
Member contributions	\$ 58,507	\$ 542,581	\$ 107,317	\$ 28,806	\$ 149,681	\$ 96,350	\$ 160,716
Employer contributions	62,368	3,010,213	313,370	156,412	612,732	198,762	1,574,879
Other (net)	-	-	-	-	-	-	-
Service credit transfers (net)	-	-	-	1,032	-	34,856	-
Net investment income	43,791	3,938,311	4,346,740	695,321	5,715,991	2,418,762	3,116,785
Total Additions	164,666	7,491,105	4,767,427	881,571	6,478,404	2,748,730	4,852,380
Deductions							
Retirement benefits and refunds	-	2,622,920	994,354	180,071	1,318,824	277,495	785,781
Administrative expense	167	15,006	16,562	2,649	21,779	9,216	11,876
Service credit transfers (net)	-	-	10,106	-	13,686	92,367	-
Total Deductions	167	2,637,926	1,021,022	182,720	1,354,289	379,078	797,657
Net Increase	164,499	4,853,179	3,746,405	698,851	5,124,115	2,369,652	4,054,724
Net position held in trust for pension benefits							
Beginning of year	37,967	13,355,624	16,350,772	2,515,971	21,303,803	8,813,509	10,355,750
End of year	\$ 202,466	\$ 18,208,803	\$ 20,097,177	\$ 3,214,822	\$ 26,427,918	\$ 11,183,161	\$ 14,410,474

**Municipal Employees' Retirement System
Fiduciary Net Position by Employer
Fiscal Year Ended June 30, 2021**

<i>Employer Unit Type</i>	Coventry Fire District	Coventry Housing	Coventry Lighting District	Cranston	Cranston	Cranston	Cranston Housing
<i>General Employees</i>		•	•	•			•
<i>Police</i>					•		
<i>Fire</i>	•					•	
<i>Police and Fire</i>							
<i>Current Employer Unit Number(s)</i>	1095	1096	1098	1112 1113	1114	1115	1116
<i>Legacy Employer Unit Number</i>	4098	3079	3045	3007	4104	4105	3051

Additions							
Contributions							
Member contributions	\$ 61,786	\$ 6,395	\$ 950	\$ 717,805	\$ 1,253,877	\$ 1,603,059	\$ 35,590
Employer contributions	207,847	42,275	-	2,516,380	1,982,333	1,244,667	69,091
Other (net)	-	-	-	10	-	177	-
Service credit transfers (net)	-	-	-	291,331	-	-	-
Net investment income	877,342	419,411	319,127	36,868,366	14,534,254	22,702,257	1,485,192
Total Additions	1,146,975	468,081	320,077	40,393,892	17,770,464	25,550,160	1,589,873
Deductions							
Retirement benefits and refunds	364,768	42,189	63,572	10,033,650	1,378,711	1,698,086	406,553
Administrative expense	3,343	1,598	1,216	140,476	55,378	86,500	5,659
Service credit transfers (net)	-	1,561	-	106,464	-	-	-
Total Deductions	368,111	45,348	64,788	10,280,590	1,434,089	1,784,586	412,212
Net Increase	778,864	422,733	255,289	30,113,302	16,336,375	23,765,574	1,177,662
Net position held in trust for pension benefits							
Beginning of year	3,277,531	1,516,415	1,220,195	140,347,795	50,862,831	81,198,438	5,689,134
End of year	\$ 4,056,395	\$ 1,939,148	\$ 1,475,484	\$ 170,461,097	\$ 67,199,206	\$ 104,964,012	\$ 6,866,796

**Municipal Employees' Retirement System
Fiduciary Net Position by Employer
Fiscal Year Ended June 30, 2021**

<i>Employer Unit Type</i>	Cumberland	Cumberland Fire District	Cumberland Housing	Cumberland Hill Fire District	Cumberland Rescue	East Greenwich	East Greenwich
<i>General Employees</i>	•		•			•	
<i>Police</i>							•
<i>Fire</i>		•		•	•		
<i>Police and Fire</i>							
<i>Current Employer Unit Number(s)</i>	1122 1123	1125	1126	1135	1148	1152 1153	1154
<i>Legacy Employer Unit Number</i>	3008	4106	3056	4095	4091	3009	4054

Additions							
Contributions							
Member contributions	\$ 175,443	\$ 136,063	\$ 11,698	\$ 78,701	\$ 118,358	\$ 42,347	\$ 234,092
Employer contributions	1,170,643	311,452	34,161	266,797	138,478	82,459	721,232
Other (net)	-	-	15	-	-	-	-
Service credit transfers (net)	449,910	6,606,738	-	-	-	257,734	-
Net investment income	7,842,964	3,306,980	415,819	445,279	2,113,857	2,062,408	4,539,901
Total Additions	9,638,960	10,361,233	461,693	790,777	2,370,693	2,444,948	5,495,225
Deductions							
Retirement benefits and refunds	1,944,931	355,372	55,732	406,878	346,076	454,581	1,276,607
Administrative expense	29,883	12,600	1,584	1,697	8,054	7,858	17,298
Service credit transfers (net)	46,551	-	-	3,140,746	-	-	-
Total Deductions	2,021,365	367,972	57,316	3,549,321	354,130	462,439	1,293,905
Net Increase	7,617,595	9,993,261	404,376	(2,758,544)	2,016,563	1,982,508	4,201,320
Net position held in trust for pension benefits							
Beginning of year	28,644,395	5,296,581	1,518,164	4,817,292	7,756,868	7,553,045	16,788,938
End of year	\$ 36,261,990	\$ 15,289,842	\$ 1,922,540	\$ 2,058,748	\$ 9,773,431	\$ 9,535,553	\$ 20,990,258

**Municipal Employees' Retirement System
Fiduciary Net Position by Employer
Fiscal Year Ended June 30, 2021**

<i>Employer Unit Type</i>	East Greenwich	East Greenwich Housing	East Greenwich (COLA)	East Greenwich (Fire)	East Providence	East Providence Housing	East Smithfield Water
<i>General Employees</i>		•	•	•	•	•	•
<i>Police</i>							
<i>Fire</i>	•						
<i>Police and Fire</i>							
<i>Current Employer Unit Number(s)</i>	1155	1156	1157 1158	1159	1162 1163	1166	1177
<i>Legacy Employer Unit Number</i>	4050	3050	3101	3150	3010	3052	3067

Additions							
Contributions							
Member contributions	\$ 274,776	\$ 10,774	\$ 163,621	\$ 807	\$ 491,550	\$ 16,361	\$ -
Employer contributions	888,892	61,574	297,327	7,420	4,302,014	104,545	-
Other (net)	-	-	-	-	135	-	-
Service credit transfers (net)	2,181	-	24,295	-	8,595	-	-
Net investment income	4,260,764	422,685	6,434,725	35,613	17,540,788	812,631	169,854
Total Additions	5,426,613	495,033	6,919,968	43,840	22,343,082	933,537	169,854
Deductions							
Retirement benefits and refunds	1,115,959	95,302	1,284,570	21,485	7,704,142	243,341	51,769
Administrative expense	16,234	1,611	24,518	136	66,834	3,096	647
Service credit transfers (net)	-	-	81,852	-	21,921	-	-
Total Deductions	1,132,193	96,913	1,390,940	21,621	7,792,897	246,437	52,416
Net Increase	4,294,420	398,121	5,529,028	22,219	14,550,185	687,100	117,438
Net position held in trust for pension benefits							
Beginning of year	15,405,247	1,556,167	24,221,958	142,436	66,549,748	3,070,105	667,882
End of year	\$ 19,699,667	\$ 1,954,288	\$ 29,750,986	\$ 164,655	\$ 81,099,933	\$ 3,757,205	\$ 785,320

**Municipal Employees' Retirement System
Fiduciary Net Position by Employer
Fiscal Year Ended June 30, 2021**

<i>Employer Unit Type</i>	Exeter/West Greenwich School District	Foster	Foster	Foster/Glocester Regional School District	Glocester	Glocester	Greenville Water
<i>General Employees</i>	•	•		•	•		•
<i>Police</i>			•			•	
<i>Fire</i>							
<i>Police and Fire</i>							
<i>Current Employer Unit Number(s)</i>	1183	1192 1193	1194	1203	1212 1213	1214	1227
<i>Legacy Employer Unit Number</i>	3011	3012	4082	3041	3013	4088	3068

Additions

Contributions

Member contributions	\$ 73,055	\$ 26,792	\$ 52,533	\$ 47,220	\$ 79,869	\$ 125,411	\$ 7,674
Employer contributions	422,882	159,105	156,863	223,764	321,059	304,498	11,395
Other (net)	-	-	-	-	-	-	-
Service credit transfers (net)	31,622	-	-	13,566	-	-	-
Net investment income	2,962,338	1,065,446	836,014	2,064,105	2,587,566	2,076,120	391,100
Total Additions	3,489,897	1,251,343	1,045,410	2,348,655	2,988,494	2,506,029	410,169

Deductions

Retirement benefits and refunds	669,108	307,600	247,534	583,082	576,756	459,690	38,810
Administrative expense	11,287	4,060	3,185	7,865	9,859	7,910	1,490
Service credit transfers (net)	122,606	38,291	9,508	-	-	-	-
Total Deductions	803,001	349,951	260,227	590,947	586,615	467,600	40,300

Net Increase	2,686,896	901,392	785,182	1,757,708	2,401,879	2,038,429	369,868
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**Net position held in trust
for pension benefits**

Beginning of year	11,009,491	4,024,703	3,080,131	7,785,691	9,561,746	7,560,525	1,438,383
End of year	\$ 13,696,387	\$ 4,926,095	\$ 3,865,313	\$ 9,543,399	\$ 11,963,625	\$ 9,598,954	\$ 1,808,251

**Municipal Employees' Retirement System
Fiduciary Net Position by Employer
Fiscal Year Ended June 30, 2021**

<i>Employer Unit Type</i>	Hope Valley - Wyoming Fire District	Hopkins Hill Fire District	Hopkinton	Hopkinton	Jamestown	Johnston	Johnston
<i>General Employees</i>	•		•		•	•	
<i>Police</i>				•			•
<i>Fire</i>		•					
<i>Police and Fire</i>							
<i>Current Employer Unit Number(s)</i>	1242	1255	1262	1264	1272 1273	1282 1283	1284
<i>Legacy Employer Unit Number</i>	3046	4103	3014	4087	3015	3016	1284

Additions							
Contributions							
Member contributions	\$ 3,361	\$ 92,618	\$ 40,876	\$ 108,059	\$ 130,464	\$ 180,496	\$ 134,957
Employer contributions	2,807	155,227	69,703	354,866	491,144	1,276,570	135,257
Other (net)	-	-	-	-	-	-	-
Service credit transfers (net)	-	73	-	8,969	14,463	3,299	1,956
Net investment income	128,985	1,051,573	1,604,598	1,630,491	4,156,479	8,379,483	460,680
Total Additions	135,153	1,299,491	1,715,177	2,102,385	4,792,550	9,839,848	732,850
Deductions							
Retirement benefits and refunds	22,021	89,317	287,497	476,202	858,952	3,347,412	-
Administrative expense	491	4,007	6,114	6,213	15,837	31,928	1,755
Service credit transfers (net)	-	-	80,405	-	220,227	11,681	-
Total Deductions	22,512	93,324	374,016	482,415	1,095,016	3,391,021	1,755
Net Increase	112,640	1,206,168	1,341,161	1,619,970	3,697,534	6,448,827	731,093
Net position held in trust for pension benefits							
Beginning of year	483,722	3,655,788	6,077,706	5,918,612	15,519,969	32,293,759	1,398,861
End of year	\$ 596,362	\$ 4,861,956	\$ 7,418,867	\$ 7,538,582	\$ 19,217,503	\$ 38,742,586	\$ 2,129,954

**Municipal Employees' Retirement System
Fiduciary Net Position by Employer
Fiscal Year Ended June 30, 2021**

<i>Employer Unit Type</i>	Johnston	Johnston Housing	Lime Rock Fire District (Administrative)	Lincoln	Lincoln Rescue	Lincoln Housing	Middletown
<i>General Employees</i>		•	•	•		•	•
<i>Police</i>							
<i>Fire</i>	•				•		
<i>Police and Fire</i>							
<i>Current Employer Unit Number(s)</i>	1285	1286	1293	1302 1303	1305	1306	1322 1323
<i>Legacy Employer Unit Number</i>	4016	3072	3098	3017	4107	3057	3019

Additions							
Contributions							
Member contributions	\$ 456,625	\$ 4,859	\$ 5,127	\$ 9,685	\$ 85,246	\$ 12,580	\$ 141,468
Employer contributions	539,324	65,494	15,950	116,798	208,769	56,420	599,771
Other (net)	-	-	-	-	-	-	-
Service credit transfers (net)	-	-	-	-	-	-	-
Net investment income	3,391,126	327,483	110,522	751,253	1,162,860	446,211	5,445,969
Total Additions	4,387,075	397,836	131,599	877,736	1,456,875	515,211	6,187,208
Deductions							
Retirement benefits and refunds	228,461	112,905	14,541	109,573	352,812	140,247	1,267,096
Administrative expense	12,921	1,248	421	2,862	4,431	1,700	20,750
Service credit transfers (net)	-	-	-	106,028	-	30,681	137,146
Total Deductions	241,382	114,153	14,962	218,463	357,243	172,628	1,424,992
Net Increase	4,145,693	283,684	116,637	659,273	1,099,633	342,583	4,762,216
Net position held in trust for pension benefits							
Beginning of year	11,533,198	1,230,438	394,363	2,814,150	4,276,859	1,720,475	20,417,254
End of year	\$ 15,678,891	\$ 1,514,122	\$ 511,000	\$ 3,473,423	\$ 5,376,492	\$ 2,063,058	\$ 25,179,470

**Municipal Employees' Retirement System
Fiduciary Net Position by Employer
Fiscal Year Ended June 30, 2021**

<i>Employer Unit Type</i>	Middletown	Narragansett Housing	New Shoreham	New Shoreham	Newport	Newport Housing	Newport Police Department
<i>General Employees</i>		•	•		•	•	
<i>Police</i>				•			•
<i>Fire</i>							
<i>Police and Fire</i>	•						
<i>Current Employer Unit Number(s)</i>	1324	1336	1342 1343	1344	1352 1353 1354	1356	1364
<i>Legacy Employer Unit Number</i>	4109	3043	3022	4108	3021	3069	1364

Additions							
Contributions							
Member contributions	\$ 485,213	\$ 4,120	\$ 60,141	\$ 39,539	\$ 410,748	\$ 34,643	\$ 140,407
Employer contributions	484,242	5,500	194,798	85,089	2,987,420	291,273	138,225
Other (net)	-	-	-	-	-	99	-
Service credit transfers (net)	3,478	-	498,539	-	148,690	-	-
Net investment income	3,219,400	211,834	2,230,750	472,392	13,706,867	1,770,916	358,706
Total Additions	4,192,333	221,454	2,984,228	597,020	17,253,725	2,096,931	637,338
Deductions							
Retirement benefits and refunds	92,763	-	515,702	78,805	5,275,334	749,917	-
Administrative expense	12,267	807	8,500	1,800	52,226	6,748	1,367
Service credit transfers (net)	-	-	-	148,690	10,982	-	-
Total Deductions	105,030	807	524,202	229,295	5,338,542	756,665	1,367
Net Increase	4,087,303	220,647	2,460,026	367,725	11,915,183	1,340,266	635,971
Net position held in trust for pension benefits							
Beginning of year	10,797,610	758,769	7,853,857	1,816,381	51,458,593	6,847,573	1,022,508
End of year	\$ 14,884,913	\$ 979,416	\$ 10,313,883	\$ 2,184,106	\$ 63,373,776	\$ 8,187,839	\$ 1,658,479

**Municipal Employees' Retirement System
Fiduciary Net Position by Employer
Fiscal Year Ended June 30, 2021**

<i>Employer Unit Type</i>	North Cumberland Fire District	North Kingstown	North Kingstown	North Kingstown	North Providence	North Providence	North Providence Housing
<i>General Employees</i>		•			•		•
<i>Police</i>			•				
<i>Fire</i>	•			•		•	
<i>Police and Fire</i>							
<i>Current Employer Unit Number(s)</i>	1365	1372 1373	1374	1375	1382 1383	1385	1386
<i>Legacy Employer Unit Number</i>	4101	3023	4056	4055	3024	4058	3066

Additions							
Contributions							
Member contributions	\$ 62,719	\$ 308,309	\$ 425,279	\$ 519,057	\$ 144,982	\$ 586,615	\$ 6,054
Employer contributions	167,083	2,150,148	1,338,351	1,614,784	551,929	1,760,484	83,188
Other (net)	-	6,613	-	-	-	-	-
Service credit transfers (net)	-	82,700	-	-	63,588	-	-
Net investment income	620,200	13,363,165	6,884,633	9,633,736	7,934,032	9,903,795	229,151
Total Additions	850,002	15,910,935	8,648,263	11,767,577	8,694,531	12,250,894	318,393
Deductions							
Retirement benefits and refunds	311,853	4,526,989	1,581,729	2,636,023	1,956,546	3,019,059	148,738
Administrative expense	2,363	50,916	26,232	36,706	30,230	37,735	873
Service credit transfers (net)	3,459,812	501,349	-	489,583	14,625	-	-
Total Deductions	3,774,028	5,079,254	1,607,961	3,162,312	2,001,401	3,056,794	149,611
Net Increase	(2,924,026)	10,831,681	7,040,302	8,605,265	6,693,130	9,194,100	168,782
Net position held in trust for pension benefits							
Beginning of year	5,791,525	50,952,988	24,790,838	35,936,369	29,989,913	36,596,152	890,698
End of year	\$ 2,867,499	\$ 61,784,669	\$ 31,831,140	\$ 44,541,634	\$ 36,683,043	\$ 45,790,252	\$ 1,059,480

See notes to schedules.

**Municipal Employees' Retirement System
Fiduciary Net Position by Employer
Fiscal Year Ended June 30, 2021**

<i>Employer Unit Type</i>	North Smithfield	North Smithfield	North Smithfield Fire and Rescue	Northern RI Collaborative	Pawtucket	Pawtucket Housing	Portsmouth
<i>General Employees</i>	•			•	•	•	
<i>Police</i>		•					•
<i>Fire</i>			•				
<i>Police and Fire</i>							
<i>Current Employer Unit Number(s)</i>	1392 1393	1394	1395 1435	1403	1412 1413	1416	1424
<i>Legacy Employer Unit Number</i>	3025	4076	4047	3081	3026	3053	1424

Additions

Contributions

Member contributions	\$ 97,357	\$ 201,437	\$ 154,255	\$ 24,011	\$ 601,243	\$ 105,133	\$ 148,847
Employer contributions	228,401	498,153	249,919	103,482	3,041,226	-	1,358,873
Other (net)	-	11	-	-	404	-	-
Service credit transfers (net)	159,981	-	-	-	71,266	-	-
Net investment income	4,164,880	2,902,689	2,381,092	788,393	25,608,647	4,233,614	415,657
Total Additions	4,650,619	3,602,290	2,785,266	915,886	29,322,786	4,338,747	1,923,377

Deductions

Retirement benefits and refunds	987,100	774,035	476,435	214,461	7,472,458	600,097	-
Administrative expense	15,869	11,060	9,072	3,004	97,574	16,131	1,584
Service credit transfers (net)	31,622	-	-	-	298,626	18,421	-
Total Deductions	1,034,591	785,095	485,507	217,465	7,868,658	634,649	1,584

Net Increase	3,616,028	2,817,195	2,299,758	698,421	21,454,128	3,704,098	1,921,793
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**Net position held in trust
for pension benefits**

Beginning of year	15,640,318	10,603,403	8,709,233	2,946,718	96,947,594	15,870,041	-
End of year	\$ 19,256,346	\$ 13,420,598	\$ 11,008,991	\$ 3,645,139	\$ 118,401,722	\$ 19,574,139	\$ 1,921,793

**Municipal Employees' Retirement System
Fiduciary Net Position by Employer
Fiscal Year Ended June 30, 2021**

<i>Employer Unit Type</i>	Portsmouth	Richmond	Richmond	Scituate	Scituate	Smithfield	Smithfield
<i>General Employees</i>		•		•			•
<i>Police</i>			•		•		
<i>Fire</i>	•					•	
<i>Police and Fire</i>							
<i>Current Employer Unit Number(s)</i>	1425	1452	1454	1462 1463	1464	1465	1472 1473
<i>Legacy Employer Unit Number</i>	1425	3029	4029	3030	4073	1465	3031

Additions							
Contributions							
Member contributions	\$ 105,620	\$ 27,891	\$ 80,177	\$ 97,452	\$ -	\$ 200,226	\$ 85,197
Employer contributions	105,943	117,144	108,507	586,545	-	181,811	363,487
Other (net)	-	-	-	-	-	-	-
Service credit transfers (net)	652,185	188,557	-	-	-	-	-
Net investment income	349,983	763,959	748,231	3,005,876	67,567	729,681	3,397,195
Total Additions	1,213,731	1,097,551	936,915	3,689,873	67,567	1,111,718	3,845,879
Deductions							
Retirement benefits and refunds	-	174,499	26,392	874,508	3,609	-	910,204
Administrative expense	1,333	2,911	2,851	11,453	257	2,780	12,944
Service credit transfers (net)	-	8,969	-	-	-	-	-
Total Deductions	1,333	186,379	29,243	885,961	3,866	2,780	923,148
Net Increase	1,212,398	911,172	907,672	2,803,912	63,700	1,108,938	2,922,731
Net position held in trust for pension benefits							
Beginning of year	405,752	2,620,997	2,551,779	11,093,773	248,695	2,264,747	12,784,220
End of year	\$ 1,618,150	\$ 3,532,169	\$ 3,459,451	\$ 13,897,685	\$ 312,395	\$ 3,373,685	\$ 15,706,951

**Municipal Employees' Retirement System
Fiduciary Net Position by Employer
Fiscal Year Ended June 30, 2021**

<i>Employer Unit Type</i>	Smithfield	Smithfield Housing	Smithfield (COLA)	Scituate	South Kingstown	South Kingstown	South Kingstown Housing
<i>General Employees</i>		•	•		•		•
<i>Police</i>	•			•		•	
<i>Fire</i>							
<i>Police and Fire</i>							
<i>Current Employer Unit Number(s)</i>	1474	1476	1478	1484	1492 1493	1494	1496
<i>Legacy Employer Unit Number</i>	4031	3084	3094	1484	3032	4063	3080

Additions							
Contributions							
Member contributions	\$ 329,627	\$ 7,505	\$ 140,453	\$ 47,736	\$ 370,253	\$ 389,375	\$ 4,008
Employer contributions	395,220	2,025	444,713	42,342	1,655,036	1,080,517	1,202
Other (net)	-	-	8	-	-	-	-
Service credit transfers (net)	-	-	-	9,508	52,216	-	24,912
Net investment income	5,313,731	178,894	4,511,620	99,382	15,575,156	6,991,367	149,834
Total Additions	6,038,578	188,424	5,096,794	198,968	17,652,661	8,461,259	179,956
Deductions							
Retirement benefits and refunds	490,997	-	904,391	-	4,252,067	1,897,520	21,573
Administrative expense	20,246	682	17,190	379	59,345	26,639	571
Service credit transfers (net)	-	-	-	-	615,898	-	-
Total Deductions	511,243	682	921,581	379	4,927,310	1,924,159	22,144
Net Increase	5,527,335	187,742	4,175,213	198,589	12,725,351	6,537,100	157,812
Net position held in trust for pension benefits							
Beginning of year	19,040,732	639,374	16,684,287	260,903	59,286,469	25,787,524	534,945
End of year	\$ 24,568,067	\$ 827,116	\$ 20,859,500	\$ 459,492	\$ 72,011,820	\$ 32,324,624	\$ 692,757

**Municipal Employees' Retirement System
Fiduciary Net Position by Employer
Fiscal Year Ended June 30, 2021**

<i>Employer Unit Type</i>	South Kingstown (EMT)	Union Fire District	Tiogue Lighting and Fire District	Tiverton	Tiverton	Tiverton (Local 2670A)	Valley Falls Fire District
<i>General Employees</i>		•	•	•		•	
<i>Police</i>							
<i>Fire</i>	•				•		•
<i>Police and Fire</i>							
<i>Current Employer Unit Number(s)</i>	1505	1515	1528	1532 1533	1534	1538	1555
<i>Legacy Employer Unit Number</i>	4099	3027	3042	3033	4077	3077	4042

Additions

Contributions

Member contributions	\$ 108,297	\$ 3,391	\$ -	\$ 103,539	\$ 200,562	\$ 24,170	\$ 61,106
Employer contributions	37,579	21,546	-	138,575	473,099	113,353	180,739
Other (net)	11	-	-	-	95	-	-
Service credit transfers (net)	-	-	-	9,750	23,841	-	-
Net investment income	1,334,293	257,847	13,276	3,839,838	3,086,289	1,098,014	1,050,199
Total Additions	1,480,180	282,784	13,276	4,091,702	3,783,886	1,235,537	1,292,044

Deductions

Retirement benefits and refunds	133,691	81,705	2,104	794,763	830,608	305,955	282,445
Administrative expense	5,084	982	51	14,631	11,759	4,184	4,001
Service credit transfers (net)	2,232	-	-	14,463	3,478	-	-
Total Deductions	141,007	82,687	2,155	823,857	845,845	310,139	286,446

Net Increase	1,339,173	200,097	11,122	3,267,845	2,938,040	925,399	1,005,598
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**Net position held in trust
for pension benefits**

Beginning of year	4,829,938	992,061	50,262	14,485,667	11,331,433	4,151,277	3,850,004
End of year	\$ 6,169,111	\$ 1,192,158	\$ 61,384	\$ 17,753,512	\$ 14,269,473	\$ 5,076,676	\$ 4,855,602

**Municipal Employees' Retirement System
Fiduciary Net Position by Employer
Fiscal Year Ended June 30, 2021**

<i>Employer Unit Type</i>	Warren	Warren	Warren Housing	West Greenwich	West Greenwich	West Warwick Housing	Westerly
<i>General Employees</i>	•		•	•		•	•
<i>Police</i>							
<i>Fire</i>							
<i>Police and Fire</i>		•			•		
<i>Current Employer Unit Number(s)</i>	1562	1564 1565	1566	1602	1604	1616	1622 1623
<i>Legacy Employer Unit Number</i>	3034	4062	3071	3037	4089	3083	3036

Additions							
Contributions							
Member contributions	\$ 76,052	\$ 195,289	\$ 9,038	\$ 29,449	\$ 107,773	\$ 11,403	\$ -
Employer contributions	274,364	547,814	19,475	191,861	254,666	136,242	181,261
Other (net)	-	-	-	-	-	-	-
Service credit transfers (net)	-	-	-	122,606	2,232	-	-
Net investment income	1,737,550	3,357,085	289,040	940,316	1,497,072	429,808	191,974
Total Additions	2,087,966	4,100,188	317,553	1,284,232	1,861,743	577,453	373,235
Deductions							
Retirement benefits and refunds	373,371	850,668	113,489	211,253	282,471	148,508	145,313
Administrative expense	6,620	12,791	1,101	3,583	5,704	1,638	731
Service credit transfers (net)	-	-	-	73	-	-	-
Total Deductions	379,991	863,459	114,590	214,909	288,175	150,146	146,044
Net Increase	1,707,975	3,236,729	202,963	1,069,323	1,573,568	427,308	227,191
Net position held in trust for pension benefits							
Beginning of year	6,325,599	12,284,773	1,133,417	3,278,232	5,348,152	1,559,913	660,404
End of year	\$ 8,033,574	\$ 15,521,502	\$ 1,336,380	\$ 4,347,555	\$ 6,921,720	\$ 1,987,221	\$ 887,595

**Municipal Employees' Retirement System
Fiduciary Net Position by Employer
Fiscal Year Ended June 30, 2021**

<i>Employer Unit Type</i>	Woonsocket	Woonsocket	Woonsocket	Albion Fire District	Albion Fire District	Harrisville Fire District	Harrisville Fire District
<i>General Employees</i>	•			•		•	
<i>Police</i>		•					
<i>Fire</i>			•		•		•
<i>Police and Fire</i>							
<i>Current Employer Unit Number(s)</i>	1632 1633	1634	1635	1702	1705	1712	1715
<i>Legacy Employer Unit Number</i>	3039	4085	4093	3103	4111	3102	4110

Additions

Contributions

Member contributions	\$ 332,255	\$ 712,704	\$ 762,841	\$ -	\$ 31,072	\$ 11,312	\$ 50,591
Employer contributions	1,458,978	2,071,704	1,039,052	-	58,975	14,663	36,072
Other (net)	56	712	-	-	-	-	-
Service credit transfers (net)	834,363	-	-	-	-	-	-
Net investment income	16,237,467	12,017,269	14,928,327	35,839	337,528	297,478	599,284
Total Additions	18,863,119	14,802,389	16,730,220	35,839	427,575	323,453	685,947

Deductions

Retirement benefits and refunds	5,158,856	2,903,379	2,427,802	9,474	93,261	-	-
Administrative expense	61,868	45,788	56,880	137	1,286	1,133	2,283
Service credit transfers (net)	1,026,406	-	1,630	-	-	-	-
Total Deductions	6,247,130	2,949,167	2,486,312	9,611	94,547	1,133	2,283

Net Increase	12,615,989	11,853,222	14,243,907	26,228	333,028	322,320	683,664
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**Net position held in trust
for pension benefits**

Beginning of year	62,458,029	43,708,690	54,777,294	139,473	1,227,534	1,053,073	2,087,131
End of year	\$ 75,074,018	\$ 55,561,912	\$ 69,021,201	\$ 165,701	\$ 1,560,562	\$ 1,375,393	\$ 2,770,795

**Municipal Employees' Retirement System
Fiduciary Net Position by Employer
Fiscal Year Ended June 30, 2021**

<i>Employer Unit Type</i>	Pascoag Fire District (Administrative)	Pascoag Fire District	Saylesville Fire District	Total
<i>General Employees</i>	•			
<i>Police</i>				
<i>Fire</i>		•	•	
<i>Police and Fire</i>				
<i>Current Employer Unit Number(s)</i>	1802	1805	1815	
<i>Legacy Employer Unit Number</i>	1802	1805	1815	

Additions

Contributions

Member contributions	\$ -	\$ 27,636	\$ 15,888	\$ 19,495,261
Employer contributions	-	69,753	21,996	61,636,329
Other (net)	-	-	-	8,529
Service credit transfers (net)	-	-	-	11,083,939
Net investment income	11,285	171,132	31,003	449,777,894
Total Additions	11,285	268,521	68,887	542,001,952

Deductions

Retirement benefits and refunds	-	-	-	\$ 113,448,170
Administrative expense	43	652	118	1,713,745
Service credit transfers (net)	-	-	-	11,254,958
Total Deductions	43	652	118	126,416,873

Net Increase	11,242	267,869	68,769	415,585,079
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**Net position held in trust
for pension benefits**

Beginning of year	40,933	523,362	74,574	1,663,965,518
End of year	\$ 52,175	\$ 791,231	\$ 143,343	\$ 2,079,550,597

EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

Municipal Employees' Retirement System - Multiple-Employer Defined Benefit Agent Plan

Notes to Schedule of Changes in Fiduciary Net Position by Employer

Fiscal Year Ended June 30, 2021

1. Plan Description and Governance

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

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

The Municipal Employees' Retirement System (MERS) was established by Rhode Island General Law and placed under the management of the Retirement Board to provide retirement allowances to employees of municipalities, housing authorities, water and sewer districts, and municipal police and fire persons that have elected to participate. MERS is a multiple-employer defined benefit agent plan.

2. Plan Membership and Benefit Provisions

Participating employers are summarized below:

Municipalities, housing authorities, water and sewer districts	69
Municipal police and fire departments	<u>52</u>
Total participating units as of the actuarial valuation at June 30, 2020	<u>121</u>

Plan members (as of the June 30, 2020 valuation date):

	<i>Retirees and beneficiaries</i>	<i>Terminated plan members entitled to but not yet receiving benefits</i>	<i>Active Vested</i>	<i>Active Non-vested</i>	<i>Total by Plan</i>
MERS					
General Employees	4,880	3,231	3,988	1,948	14,047
Public Safety	1,015	232	1,181	526	2,954
Total by type	5,895	3,463	5,169	2,474	17,001

Plan vesting provisions – after five years of service.

Retirement eligibility and plan benefits – For general employees prior to June 30, 2012 the plan provided 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. Benefits accrued at June 30, 2012 are protected under the Rhode Island Retirement Security Act until it is exceeded by the member's full years of service credit, including service after June 30, 2012, multiplied by the average of five consecutive years of compensation. Effective July 1, 2012 the retirement age mirrors the Social Security Normal Retirement Age not to exceed age 67. Members will receive a benefit accrual of 1.0% per year based on the five-year average compensation.

Municipal Employees' Retirement System - Multiple-Employer Defined Benefit Agent Plan

Notes to Schedule of Changes in Fiduciary Net Position by Employer

Fiscal Year Ended June 30, 2021

2. Plan Membership and Benefit Provisions (continued)

Effective July 1, 2015 general employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rates to 8.25% (9.25% for units with a cost of living adjustment provision) and will participate solely in the defined benefit plan. Members will receive a benefit accrual of 2% per year based on the five-year average compensation.

Effective July 1, 2015 general employees are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.

Joint and survivor options are available. For members with 10 years of service as of July 1, 2005, the Service Retirement Allowance (SRA) Plus option provides for the payment of a larger benefit before the attainment of age sixty-two (62) and a reduced amount thereafter. The reduced amount is equal to the benefit before age sixty-two (62), including cost-of-living increases, minus the member's estimated social security benefit payable at age sixty-two (62).

Prior to June 30, 2012, 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 option may be elected to provide a 20-year service pension with a benefit equal to 2.5% for each year of service up to a maximum of 75% for police and fire personnel. Benefits are based on the average of the highest three consecutive years' earnings, exclusive of overtime.

From June 30, 2012 to June 30, 2015, retirement age for police and fire personnel is 55 years old with 25 years of total service or for members with five years of service but less than 25 years of service the new retirement age will mirror the Social Security Normal Retirement Age not to exceed 67. Police officers or firefighters, that are at least 45 years old, have 10 or more years of contributing service and are eligible to retire prior to age 52 under the law in effect on June 30, 2012, may retire at age 52. Effective July 1, 2015, police and fire personnel may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS police and fire personnel will contribute 9.00% (10.00% for units with a cost of living adjustment).

As of June 30, 2012, members will continue to have a frozen benefit accrual of 2.0% per year for a standard 25 year with any age and out plan; 2.5% for a standard 20 year with any age and out plan. Effective July 1, 2012 the optional 20 and 25 year with retirement at any age plans have been eliminated. The benefit accrual for all plans will be 2.0% per year based on the five-year average compensation, exclusive of overtime. Police and fire employees may retire with a reduced pension benefit if they have 20 years of service and are within five years of their retirement eligibility. The actuarially reduced benefit will be calculated based on how close the member is to the eligibility date that is prescribed in the Rhode Island Retirement Security Act.

The plan also provides survivor's benefits; and certain lump sum death benefits.

Cost of Living Adjustments – An optional cost-of-living provision may be elected for police and fire personnel and general employees. The Cost of Living Adjustment (COLA) has been suspended for any unit whose funding level is less than 80%. The COLA provision will be reviewed in a four-year interval while the plans are less than 80% funded. When the funding level of a plan exceeds 80% funded eligible retirees may receive a COLA annually effective on the date of their retirement plus one month.

The COLA calculation is represented by the following formula: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5% (5-year return – 5.0%, with a max of 4%) and 50% calculated using the increase in the CPI-U from the prior September 30 (max of 3%) for a total maximum COLA of 3.5%.

Municipal Employees' Retirement System - Multiple-Employer Defined Benefit Agent Plan

Notes to Schedule of Changes in Fiduciary Net Position by Employer

Fiscal Year Ended June 30, 2021

2. Plan Membership and Benefit Provisions (continued)

The benefit adjustments are provided to all retirees entitled to receive a benefit adjustment as of June 30, 2012 under the law then in effect, and for all other retirees the benefit adjustments shall commence upon the third anniversary of the date of retirement or the date on which the retiree reaches his or her Social Security retirement age, whichever is later. For police and fire employees that retired under the provisions of § 45-21.2-5(b)(1)(A), the benefit adjustment provided shall commence on the later of the third anniversary of the date of retirement or the date on which the retiree reaches age fifty-five (55); or for police and fire employees retiring under the provisions of §45-21.2-5(b)(1)(B), the benefit adjustment shall commence on the later of the third anniversary of the date of retirement or the date on which the retiree reaches age fifty (50). For all present and former employees, active and retired members, and beneficiaries receiving any retirement, disability or death allowance or benefit of any kind, the annual benefit adjustment provided in any calendar year is equal to the lesser of either the member's retirement allowance or the first \$27,068 (indexed as of January 1, 2021) of retirement allowance, multiplied by the percentage resulting from the COLA calculation as outlined in the preceding paragraph. The retirement amount subject to the COLA calculation is indexed annually in the same percentage as the COLA determination and is run annually regardless of the collective funding status.

For members and/or beneficiaries of members who retired on or before June 30, 2015, the current indexed amount of \$27,608 is replaced with \$33,130 (indexed as of January 1, 2021) until the municipal plan's funded ratio, calculated by the system's actuary, exceeds eighty percent (80%). At such time, the benefit adjustments will then be provided on the lower amount (currently indexed at \$27,608).

The actual COLA paid to retirees effective January 1, 2021 within MERS units that had achieved an 80% funding status was 1.06%. Retirees within 58 MERS units received the COLA.

Disability retirement provisions - The plan also provides nonservice-connected disability benefits after 5 years of service and service-connected disability pensions with no minimum service requirement.

3. Relationship to the Plan Financial Statements

Contributions, benefits and net position are maintained for each MERS employer unit. Certain costs which are common to the administration of the overall pension system are allocated first to each plan and then to each MERS employer unit.

This report was prepared to provide participating employers with additional information needed to comply with the financial reporting requirements of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. Additional financial information for the Employees' Retirement System of Rhode Island (including the MERS plan) is available in the System's audited financial statements for the fiscal year ended June 30, 2021 at www.ersri.org.

Certain additions and deductions are presented differently on the Schedule of Changes in Fiduciary Net Position by Employer from the presentation in the System's audited financial statements for the fiscal year ended June 30, 2021.

Rounding results in minor differences between the Schedule of Changes in Fiduciary Net Position by Employer and the System's audited financial statements for the fiscal year ended June 30, 2021.

Municipal Employees' Retirement System - Multiple-Employer Defined Benefit Agent Plan

Notes to Schedule of Changes in Fiduciary Net Position by Employer

Fiscal Year Ended June 30, 2021

4. Summary of Significant Accounting Policies

Basis of Accounting –The financial statements of the System are prepared on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when incurred.

These financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles for defined benefit and defined contribution plans established and administered by governmental entities.

Cash and Cash Equivalents - Cash represents cash held in trust in a financial institution. Cash equivalents are highly liquid investments with a maturity of three months or less at the time of purchase.

Investments - Investment transactions are recorded on a trade date basis. Gains or losses on foreign currency exchange contracts are included in income consistent with changes in the underlying exchange rates. Dividend income is recorded on the ex-dividend date. MERS holds units in the System's Pooled Investment Trust. The number of units held by each plan within the System is a function of each plans' respective contribution to, or withdrawals from, the trust. Investment expense is allocated to each plan based on the plan's units in the Pooled Trust at the end of each month.

Method Used to Value Investments - Investments are recorded in the financial statements at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Short-term investments are generally carried at cost or amortized cost, which approximates fair value.

The fair value of fixed income securities and domestic and international equity securities is generally based on published market prices and quotations from national security exchanges and securities pricing services.

Commingled funds and collective unit trusts include institutional international equity index funds and an emerging markets debt fund. The fair value of these funds is based on the reported net asset value (NAV) based upon the fair value of the underlying securities or assets held in the fund.

Derivative investments (e.g., futures contracts and credit default swaps) are valued at the settlement price established each day by the board of trade or exchange on which they are traded.

The System also trades in foreign exchange contracts to manage exposure to foreign currency risks. Such contracts are used to purchase and sell foreign currency at a guaranteed future price. The change in the estimated fair value of these contracts, which reflects current foreign exchange rates, is included in the determination of the fair value of the System's investments.

Other investments that are not traded on a national security exchange (primarily private equity, real estate, hedge funds, infrastructure investments, Crisis Protection Class – trend following, and emerging markets debt) investments) are valued based on the reported Net Asset Value (NAV) by the fund manager or general partner. Publicly traded investments held by the funds or partnerships are valued based on quoted market prices. If not publicly traded, the fair value is determined by the general partner following U.S. generally accepted accounting principles. Financial Accounting Standards Board ASC Topic 820, Fair Value Measurements and Disclosures, requires the limited partnership general partners for these investment types to value non-publicly traded assets at current fair value, taking into consideration the financial performance of the issuer, cash flow analysis, recent sales prices, market comparable

Municipal Employees' Retirement System - Multiple-Employer Defined Benefit Agent Plan

Notes to Schedule of Changes in Fiduciary Net Position by Employer

Fiscal Year Ended June 30, 2021

4. Summary of Significant Accounting Policies (continued)

transactions, a new round of financing, a change in economic conditions, and other pertinent information.

Hedge funds, private equity, real estate, private infrastructure and crisis protection class – trend following investments and emerging markets debt represented 6.2%, 14.4%, 5.2%, 2.4%, 4.6% and 1.8% respectively of the total reported fair value of all pooled trust investments at June 30, 2021.

Investment expenses – Investment expenses include investment consultant fees, custodial fees, direct investment expenses paid to managers, and certain indirect expenses allocated by managers to fund or partnership investors. Certain Office of the General Treasurer expenses associated with oversight of the pooled investment trust are also allocated and included as investment expenses. When indirect investment expenses for certain types of investments (e.g., hedge funds, private equity, real estate, infrastructure, emerging markets debt, and crisis protection class), are not reported separately to System management and the investment custodian, additional information is obtained to allow reporting of the System's share of such indirect investment expenses on a gross fee basis.

Contributions - Plan member contributions for the defined benefit plans are recognized in the period in which the wages, subject to required contributions, are earned for the performance of duties for covered employment. Employer contributions to each defined benefit plan are recognized when due and the employer has made a formal commitment to provide the contributions.

Benefits - Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Prepaid Assets – These assets represent the amounts paid to a vendor pursuant to a contract to design, transition, and implement new line-of-business, general ledger accounting system, and payroll administration systems. Under the new system development and operations contract, the vendor will supply and operate the system for the contract period. Consequently, no capital asset related to the new system are recognized or depreciated. The amounts paid before the system became operational have been accounted for as prepaid assets items in prior years. Beginning in fiscal year 2017, when system operations fully commenced, that prepaid amount is amortized ratably over the remaining contract period.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies. These estimates are subject to a certain amount of uncertainty in the near term, which could result in changes in the values reported for those assets in the statements of fiduciary net position. Because of the inherent uncertainty in the valuation of privately held securities, the fair value may differ from the values that would have been used if a ready market for such securities existed, and the difference can be material. Estimates also affect the reported amounts of income/additions and expenses/deductions during the reporting period. Actual results could differ from these estimates.

5. Contributions

Contribution requirements for plan members and employers are established pursuant to Rhode Island General Laws. Employers are required to contribute at an actuarially determined rate for the defined benefit plans. Plan member contributions for the defined benefit plan are fixed by statute. Member and employer contribution rates are subject to amendment by the General Assembly.

EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

Municipal Employees' Retirement System - Multiple-Employer Defined Benefit Agent Plan

Notes to Schedule of Changes in Fiduciary Net Position by Employer

Fiscal Year Ended June 30, 2021

5. Contributions (continued)

(a). Funding Policy

The funding policies, as set forth in Rhode Island General Law, Section 36-10-2 and 45-21-42 provide for actuarially determined periodic contributions to the plans. The actuarial valuation uses the Entry Age Normal actuarial cost method. Under this method, the employer contribution rate is the sum of (i) the employer normal cost rate, and (ii) a rate that will amortize the unfunded actuarial liability. The valuation is prepared on the projected benefit basis, under which the present value, at the assumed rate of return (currently 7.0 percent), of each participant's expected benefit payable at retirement or death is determined, based on age, service, gender and compensation.

The employer contributions required to support the benefits of the Plan are determined following a level funding approach, and consist of a normal contribution and an accrued liability contribution. The normal contribution is determined using the "entry age normal" method. Under this method, a calculation is made to determine the rate of contribution which, if applied to the compensation of each individual member during the entire period of anticipated covered service, would be required to meet the cost of all benefits payable on his behalf. This method is commonly referred to as the Individual Entry Age Actuarial Cost Method.

The unfunded actuarial accrued liability (UAAL) is amortized as a level percent of payroll over a closed period. For underfunded plans, the period is 25 years as measured from June 30, 2010, or 21 years as of the current valuation date for any existing UAAL. Beginning with the June 30, 2014 actuarial valuation, new experience gains and losses for underfunded plans are amortized over individual closed periods of 20 years using the process of "laddering". Overfunded plans will have an amortization rate calculated using a single base amortized over an open period of 20 years.

(b). Contribution rates

Employer contribution rates for fiscal 2021 for MERS employers were developed based on actuarial valuations performed as of June 30, 2018. Employee contribution rates are statutorily determined. The table below displays the contribution rates for the year ended June 30, 2021:

Plan	Employee	Employer
General Employees	1.00% (additional 1% with a cost-of-living adjustment) Effective July 1, 2015, members with 20 or more years of service at June 30, 2012 contribute an additional 7.25%	69 Municipalities, housing authorities, water and sewer districts contributed various actuarially determined rates.
Public Safety	9.00% (additional 1% with a cost-of-living adjustment)	52 Municipal police and fire departments contributed various actuarially determined rates.

Municipal Employees' Retirement System - Multiple-Employer Defined Benefit Agent Plan

Notes to Schedule of Changes in Fiduciary Net Position by Employer

Fiscal Year Ended June 30, 2021

6. Administrative Expenses

Pursuant to General Law section 36-8-10.1, administrative costs of the System are financed through investment earnings up to a maximum of 0.175% of the average total investments before lending activities as reported in the annual report of the Auditor General for the next preceding five (5) fiscal years. Such amounts are transferred to a restricted receipt account within the State's general fund. Any unencumbered funds on June 30 of any fiscal year are credited to the plans in the same proportion as their contributions to the restricted receipt account.

Administrative expenses of the System, financed as described in the preceding paragraph, include expenses within the Office of General Treasurer related to oversight of the System's investment portfolio. Consistent with generally accepted accounting principles, these expenses have been included with net investment income (loss) on the Schedule of Changes in Fiduciary Net Position by Employer.

7. Commitments

The State Investment Commission has committed to fund certain private equity, real estate, and infrastructure investment managers at a predetermined subscription amount. Outstanding unfunded investment commitments at June 30, 2021 totaled \$1.6 billion for the pooled investment trust. These commitments will be funded through cash available within the pooled investment trust generated through investment income and/or liquidation of other investments.

The system's investments in hedge funds are generally subject to "lock-up" provisions that limit (subject to certain exceptions) the ability to withdraw amounts previously invested for a period of one to three years after the initial investment. The System's investments in hedge fund assets are available for redemption either on a monthly, quarterly, semi-annual or annual basis, and are subject to notice periods which vary by fund and range from 30 days to 75 days. Some funds limit redemptions to 25% of invested capital on any one redemption date. At June 30, 2021 \$738,491 was in liquidation.

The System is committed under a ten-year development and operating agreement to design, transition, and implement new line-of-business, general ledger accounting system, and payroll administration systems. The contract requires monthly payments through fiscal 2025. Total payments over the contract period are estimated at \$22 million.