

Auditor's Summary

Financial Audit of the Employees' Retirement System of the State of Hawai'i

Financial Statements, Fiscal Year Ended June 30, 2016



PHOTO: THINKSTOCK.COM

The primary purpose of the audit was to form an opinion on the fairness of the presentation of the financial statements for the Employees' Retirement System of the State of Hawai'i as of and for the fiscal year ended June 30, 2016. The audit was conducted by KPMG LLP.

About the System

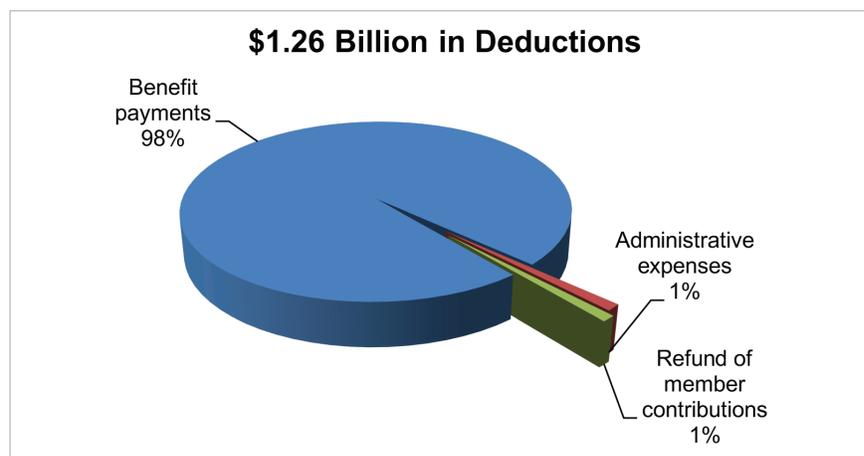
THE EMPLOYEES' RETIREMENT SYSTEM

of the State of Hawai'i (ERS) is a cost-sharing, multiple-employer public employee retirement system established as a defined-benefit pension plan to administer a pension benefits program for all state and county employees, including teachers, professors, police officers, firefighters, correction officers, judges and elected officials. ERS is governed by a Board of Trustees, which consists of eight members.

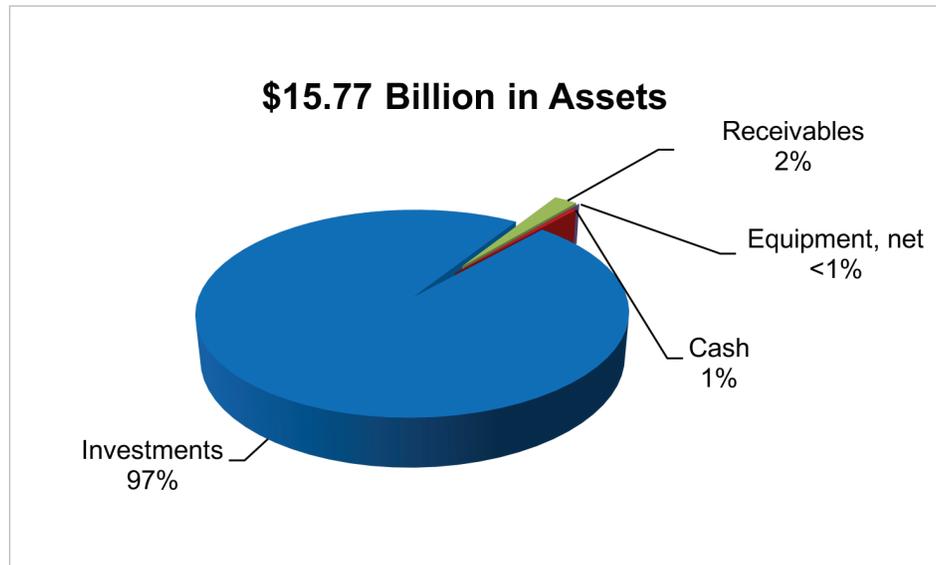
Financial Highlights

For the fiscal year ended June 30, 2016, ERS reported total net additions of approximately \$824 million. Additions consisted of \$993 million from contributions decreased by \$169 million in net investment losses.

Total deductions of approximately \$1.26 billion consisted of \$1.23 billion for benefit payments, \$14 million for administrative expenses, and \$13 million for refund of member contributions.



As of June 30, 2016, assets totaled \$15.77 billion and liabilities totaled \$1.70 billion, leaving a net position balance of \$14.07 billion. Total assets included investments of \$15.36 billion, receivables of \$332 million, cash of \$72 million, and net equipment of \$6 million.



Auditors' Opinion

ERS RECEIVED AN UNMODIFIED OPINION that the financial statements were presented fairly, in all material respects, in accordance with generally accepted accounting principles.

There were no reported deficiencies in internal control over financial reporting that were considered to be material weaknesses and no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

For the complete report and financial statements, visit our website at:
http://files.hawaii.gov/auditor/Reports/2017_Audit/ERS2016.pdf
