
Auditor's Summary

Financial Audit of the Hawai'i Employer-Union Health Benefits Trust Fund

Financial Statements, Fiscal Year Ended June 30, 2025



PHOTO: ISTOCK.COM

The primary purpose of the audit was to form an opinion on the fairness of the presentation of the financial statements for the Hawai'i Employer-Union Health Benefits Trust Fund, as of and for the fiscal year ended June 30, 2025. The audit was conducted by KKDLY LLC.

About the Fund

The Hawai'i Employer-Union Health Benefits Trust Fund (EUTF) is a state agency that provides eligible State of Hawai'i and county (Honolulu, Hawai'i, Maui, and Kaua'i) employees and retirees and their eligible dependents with health and life insurance benefits. EUTF is administered by a board of trustees composed of ten trustees appointed by the Governor. The trust fund currently provides medical, prescription drug, dental, vision, chiropractic, supplemental medical and prescription drug, and group life insurance benefits. Effective June 30, 2013, the board established a separate trust fund (the OPEB Trust Fund) to receive employer contributions to pre-fund other post-employment benefits (OPEB) for retirees and their beneficiaries. EUTF is administratively attached to the State of Hawai'i Department of Budget and Finance.

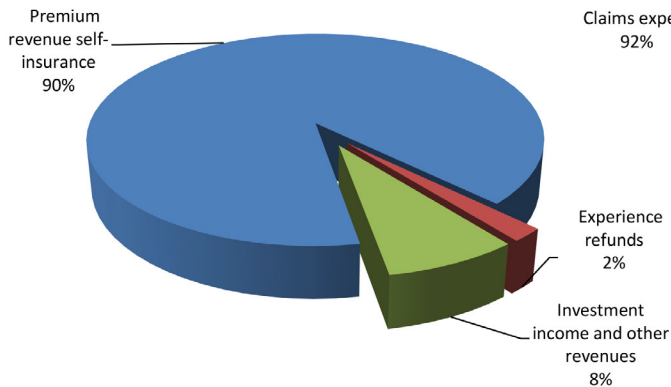
Financial Highlights

EUTF uses the OPEB Trust Fund to account for OPEB assets, liabilities, net position, and operations related to post-employment health benefits for retirees and their beneficiaries, including all employer OPEB contributions for retirees and their beneficiaries. An enterprise fund is used to account for active employee healthcare benefits.

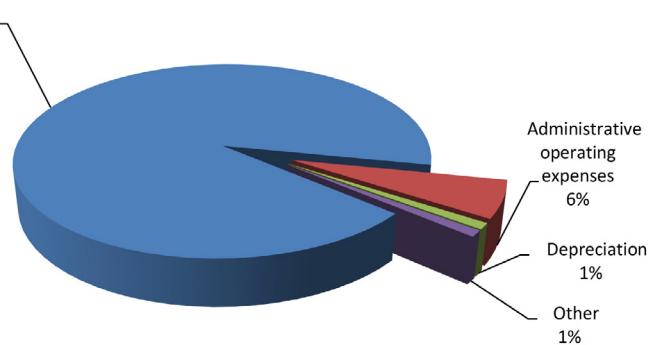
Enterprise Fund: For the fiscal year ended June 30, 2025, revenues totaled \$135.9 million and expenses totaled \$142.4 million, resulting in a net loss of \$6.5 million. Revenues consisted of premium revenue self-insurance of \$122.7 million, experience refunds of \$2.2 million, and investment earnings and other revenues of \$11 million.

Expenses consisted of benefit claims expenses of \$130.4 million, administrative operating expenses of \$9 million, depreciation of \$2 million, and other operating expenses of \$1 million.

Enterprise Fund Revenues



Enterprise Fund Expenses



As of June 30, 2025, assets and deferred outflows of resources totaled \$270.8 million and liabilities and deferred inflows of resources totaled \$86.7 million, resulting in a net position of \$184.1 million.

OPEB Trust Fund: For the fiscal year ended June 30, 2025, total additions of \$1.75 billion, included \$1.14 billion from employer contributions and \$608.8 million from net investment earnings. Total deductions were \$600 million, resulting in a change of fiduciary net position of \$1.15 billion.

As of June 30, 2025, the OPEB Trust Fund net position balance totaled \$9.52 billion. The OPEB Trust Fund held \$9.64 billion in assets and \$120 million in liabilities.

Auditors' Opinion

EUTF received an unmodified opinion that its financial statements were presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Findings

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*.



Link to the complete report:

https://files.hawaii.gov/auditor/Reports/2025_Audit/EUTF2025.pdf