

State of Rhode Island – General Assembly
Office of the Auditor General

AUDIT SUMMARY

Ernest A. Almonte, CPA, CFE – Auditor General

November 2000

Employees' Retirement System Fiscal Year Ended June 30, 2000

We completed an audit of the Employees' Retirement System of Rhode Island (the "System") for the fiscal year ended June 30, 2000. Benefits are provided under the following plans which comprise the System:

- Employees' Retirement System (ERS) - provides pension benefits to state employees as well as teachers and other employees of local school districts;
- Municipal Employees' Retirement System (MERS) - provides pension benefits to employees of participating municipalities, housing authorities, water and sewer districts, and municipal police and firemen;
- State Police Retirement Benefits Trust (SPRBT) – provides pension benefits to state police and superintendents hired after July 1, 1987; and
- Judicial Retirement Benefits Trust (JRBT) – provides pension benefits to judges appointed after December 31, 1989.

Each plan's assets may be used only for the payment of benefits to members of that plan.

We concluded that the System's financial statements present fairly, in all material respects, the net assets of the plans within the System as of June 30, 2000 and the changes in plan net assets for the year then ended in conformity with generally accepted accounting principles.

We did not find any material instances of noncompliance with laws, regulations and contracts that we are required to report under *Government Auditing Standards*. We also did not find any matters involving the System's internal control over financial reporting that we considered to be reportable conditions or material weaknesses.

At June 30, 2000, the combined net assets of the plans was approximately \$7 billion (fair value). Net investment income, including net appreciation in the fair value of the plans' investments during the year, was \$592 million.

Benefits paid to retirees and beneficiaries under the plans totaled \$365 million while contributions to all plans by both employers and members totaled \$281 million.

The financial statements include required supplementary information that provides the progress made, by plan, in accumulating sufficient assets to pay benefits when due.

Key financial highlights for each of the plans are summarized in the table below.

Copies of this audit report can be obtained by calling 222-2435.

Financial Highlights

(In Millions)

	<u>ERS</u>	<u>MERS</u>	<u>SPRBT</u>	<u>JRBT</u>
Net assets available for benefits (at fair value)	\$6,153	\$895	\$12	\$8
Pension benefits provided to retirees	334	31	-	-
Employer and member contributions	258	20	2	1
Net investment income	515	75	1	1