



# Legislative Post Audit Performance Audit Report Highlights

## Kansas Public Employees Retirement System: Financial Audit of Fiscal Year 2011

### Report Highlights

December 2011 • R-11-016

#### **Audit Concern**

*State law requires an annual financial audit of the Kansas Public Employees Retirement System. This year's audit was conducted by Cochran Head Vick & Co., P.A., a CPA firm under contract with the Legislative Division of Post Audit.*

#### **Relevant Facts**

*KPERS provides three statewide defined-benefit retirement plans for more than 260,000 active, inactive and retired state and local public employees:*

- *Kansas Public Employees Retirement System*
- *Kansas Police and Firemen's Retirement System*
- *Kansas Retirement System for Judges*

*In addition to retirement benefits, KPERS provides basic and optional life insurance and disability benefits for active members.*

**AUDIT OBJECTIVES:** Financial audits done in accordance with government audit standards assess (1) whether the audited organization's financial statements are fairly presented in accordance with applicable accounting principles, (2) whether there are any significant problems with the organization's internal controls, and (3) whether the organization complied with applicable legal requirements.

#### **AUDIT ANSWERS:**

- The auditors expressed an unqualified opinion on the Retirement System's financial statements, meaning that the financial statements present the Retirement System's financial position fairly in all material respects and in conformity with generally accepted accounting principles.
- The auditors did not report any significant deficiencies in the Retirement System's internal control over financial reporting.
- The audit disclosed no instances of noncompliance with applicable legal requirements that were material to the Retirement System's financial statements.

#### **THE AUDITORS RECOMMENDED**

- The auditors made no recommendations.

## **Relevant Facts (continued)**

### As of June 30, 2011:

Total Assets	\$ 17.6 billion
Total Liabilities	\$ 4.1 billion
Net Assets	\$13.5 billion

### Additions During Fiscal Year 2011:

Total Contributions	\$ 868.9 million
Net Investment Income	\$2,499.5 million
Other Additions	\$ 0.2 million
Net Total Additions	\$3,368.6 million

### Deductions During Fiscal Year 2011:

Retirement Benefits	\$1,147.2 million
Other Deductions	\$ 122.3 million
Total Deductions	\$1,269.5 million

Funded Ratio (at 12/31/2010) 62%

### **HOW DO I GET AN AUDIT APPROVED?**

By law, individual legislators, legislative committees, or the Governor may request an audit, but any audit work conducted by the Division must be approved by the Legislative Post Audit Committee, a 10-member committee that oversees the Division's work. Any legislator who would like to request an audit should contact the Division directly at (785) 296-3792.

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