

ETF Financial Reporting Update CY2019

Employee Trust Funds Board – Item 4D

Amelia Slaney, CPA
Director of the Financial Compliance Bureau

Division of Trust Finance

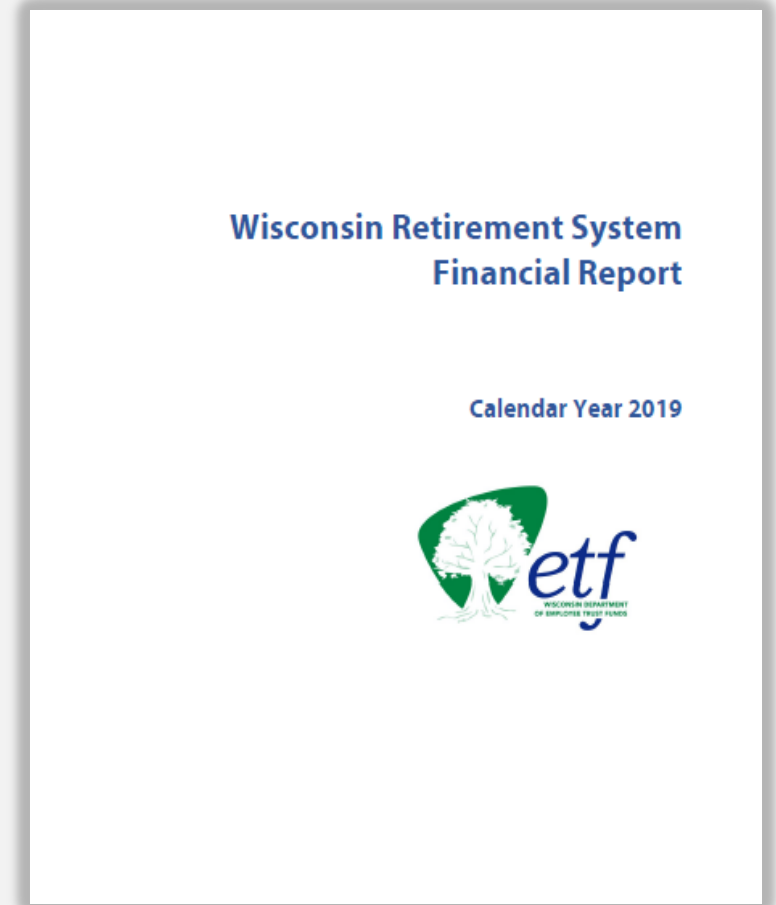


Agenda

- Wisconsin Retirement System (WRS)
 - Audit Results
 - Financial Statistics
- Comprehensive Annual Financial Report (CAFR) Update
 - Preview of Reporting Changes

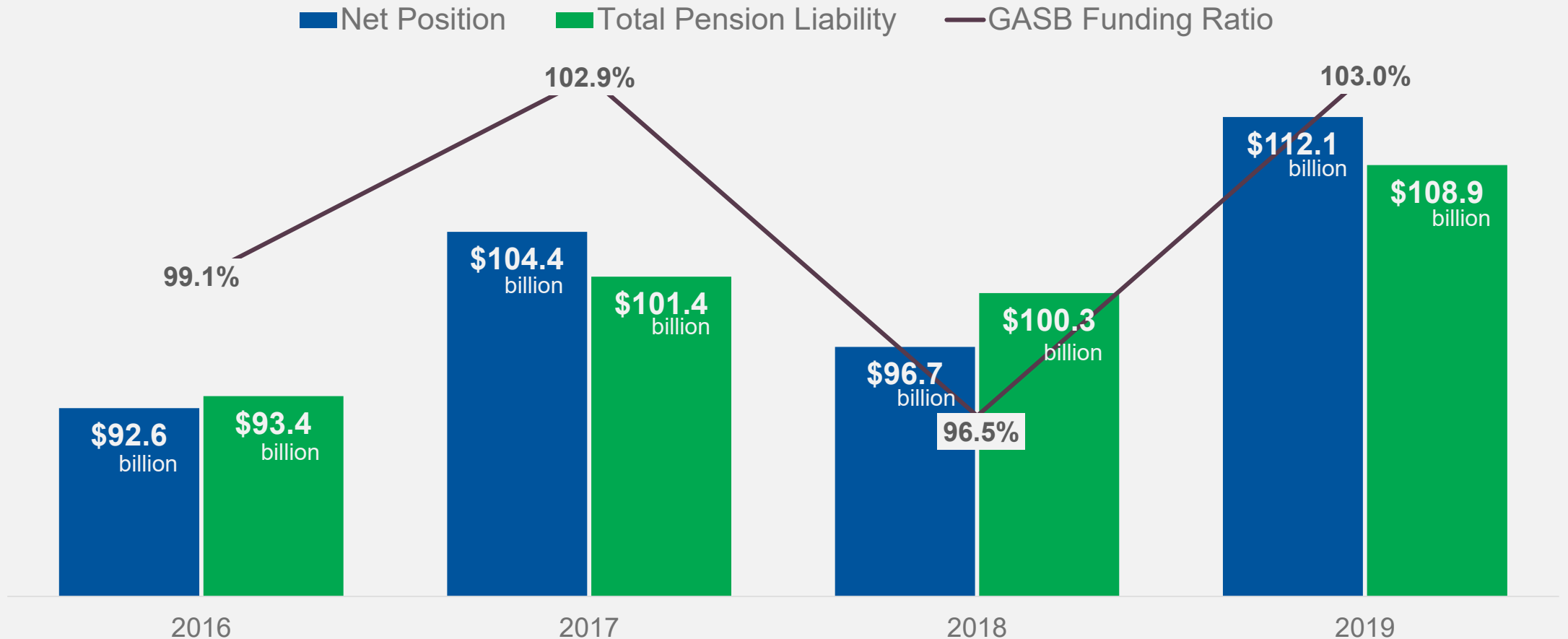
Positive WRS Audit Results

- WRS financial statements as of and for the year ending 12/31/2019
- Unmodified Opinion (clean)
- No audit findings/recommendations
- Timely reporting
 - Opinion date – 9/28/2020
 - Available to Employers on ETF website – 9/29/2020



WRS Financially Strong

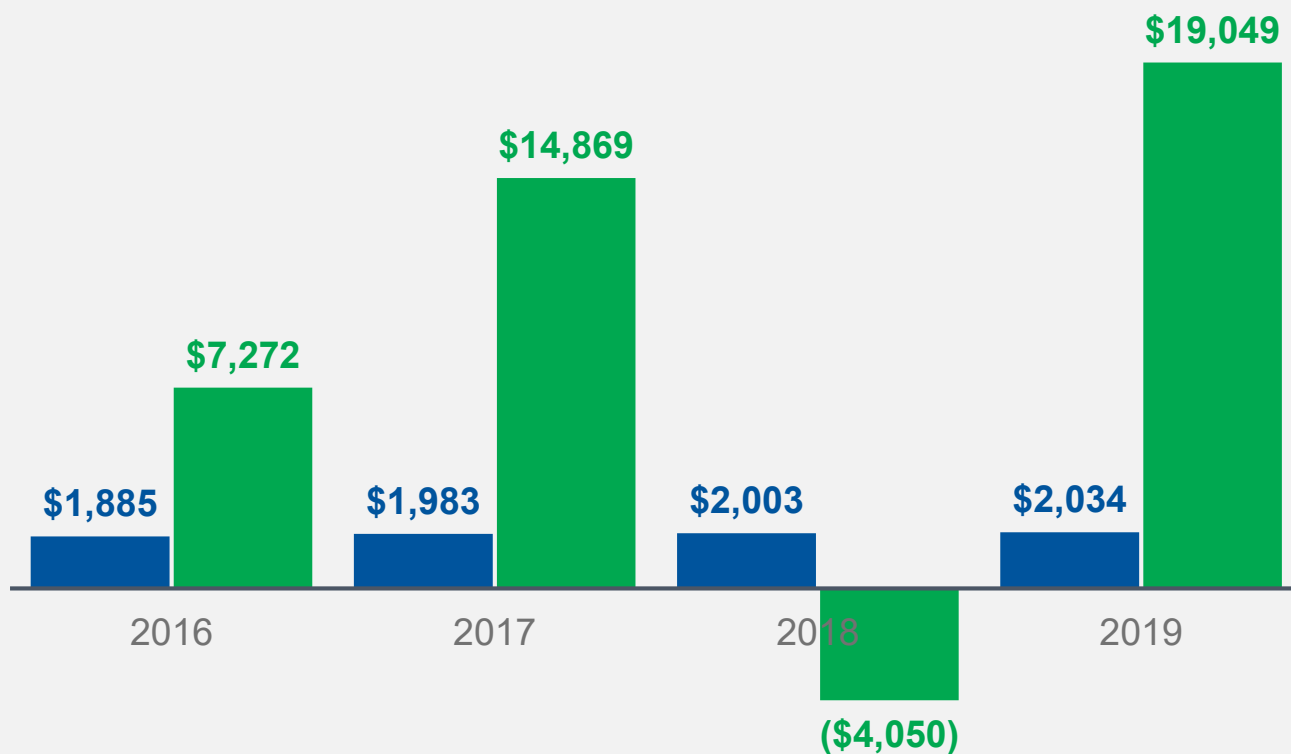
As of December 31



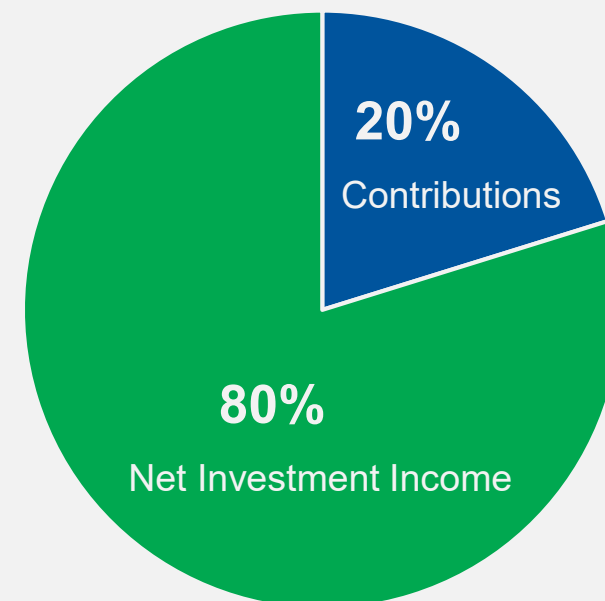
Investment Income 80% of WRS Revenue

WRS Revenues (in Millions) as of December 31

■ Contributions ■ Net Investment Income



WRS Funding Sources
2010 – 2019



CY2019 CAFR Update

- Audit of CAFR in progress
- Implemented Governmental Accounting Standards Board (GASB) Statement No. 84, “*Fiduciary Activities*” (guidance on identification of fiduciary activities and how those activities should be reported)
 - Evaluated reporting and presentation of benefit programs
 - State and Local Retiree Health Insurance plans
 - Slightly different reporting for State vs. Local plans
 - Will report a more traditional Statement of Changes
 - Significant changes in reporting for the sick leave programs

Sick Leave Program Changes

- Two sick leave programs, previously reported together as a fiduciary fund
 - Accumulated Sick Leave Conversion Credit (ASLCC)
 - Credits based on members unused sick leave and highest hourly rate of pay, can be used to pay for post-retirement health insurance premiums.
 - Will be reported as a proprietary fund. Meets definition of a compensated absence.
 - Supplemental Health Insurance Conversion Credit (SHICC)
 - An add-on or “match” of ASLCC credits
 - Will be reported as a fiduciary fund. Meets definition of an Other Post Employment Benefit (OPEB).
 - Requires actuarial calculation of net OPEB liability (or asset). Participating employers will report on their financial statement.
 - An additional report will be issued with employer schedules/data for participating employers



Questions?

Thank you



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