

# ETF Annual Comprehensive Financial Report (ACFR) CY 2020

Employee Trust Funds Board – Item 4C

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# Agenda

- Calendar Year (CY) 2020 ACFR Overview
- What's in the ACFR?
- Audit Results
- Wisconsin Retirement System (WRS) Financial Statistics

# CY 2020 ACFR Overview

- Comprehensive Annual Financial Report → Annual Comprehensive Financial Report
  - Renamed in response to guidance from professional organizations after discovery that previously used acronym is a racial slur used in Southern Africa.
- Limited changes in display and organization of report



# What's in the ACFR?

ACFR Section	Areas of Interest
Introduction	Letter of transmittal, professional awards, board and management members
Financial	Independent auditors' report, management's discussion and analysis, basic financial statements, summary of significant accounting policies, notes to the financial statements, required supplementary information, other supplementary information
Statistical	Financial trends, demographic, economic and operating information. This section also shows a summary of administrative fees for programs
Actuarial	Shows information used in WRS actuarial funding valuations, including the actuary's certification letter, valuation data, plan provisions, actuarial assumptions, contribution rates, and number of covered individuals
Investment	Written by State of Wisconsin Investment Board and includes investment activities, investment policies, schedule of investment results, asset allocation, list of largest holdings, and schedule of income and fees
Contribution and Unfunded Liabilities	This is primarily a reference of payroll, contributions, and WRS unfunded liabilities by employer

# Net Position by Program



20 ANNUAL COMPREHENSIVE FINANCIAL REPORT 2020

FINANCIAL SECTION

» *Financial Highlights*

**Net Position By Program  
As of December 31  
(In Thousands)**

<b>Program</b>	<b>2020</b>	<b>2019</b>	<b>\$ Change</b>	<b>% Change</b>
Wisconsin Retirement System	\$ 124,966,394	\$ 112,092,758	\$ 12,873,636	11.5 %
Supplemental Health Insurance Conversion Credit	1,208,791	1,084,365	124,426	11.5
Employee Reimbursement Accounts/Commuter Benefits	1,325	1,800	(475)	(26.4)
State Retiree Life Insurance	333,752	348,020	(14,268)	(4.1)
Local Retiree Life Insurance	251,357	256,403	(5,046)	(2.0)
Milwaukee Retirement Systems	221,184	207,410	13,774	6.6
Local Retiree Health Insurance	0	0	0	0.0
Duty Disability Insurance	294,390	227,128	67,262	29.6
Health Insurance	220,697	226,216	(5,519)	(2.4)
Income Continuation Insurance	89,916	51,026	38,890	76.2
State Retiree Health Insurance	0	3,994	(3,994)	(100.0)
Accumulated Sick Leave Conversion Credit	(465,472)	(574,845)	109,373	19.0
<b>Total</b>	<b>\$ 127,122,334</b>	<b>\$ 113,924,275</b>	<b>\$ 13,198,059</b>	<b>11.6 %</b>

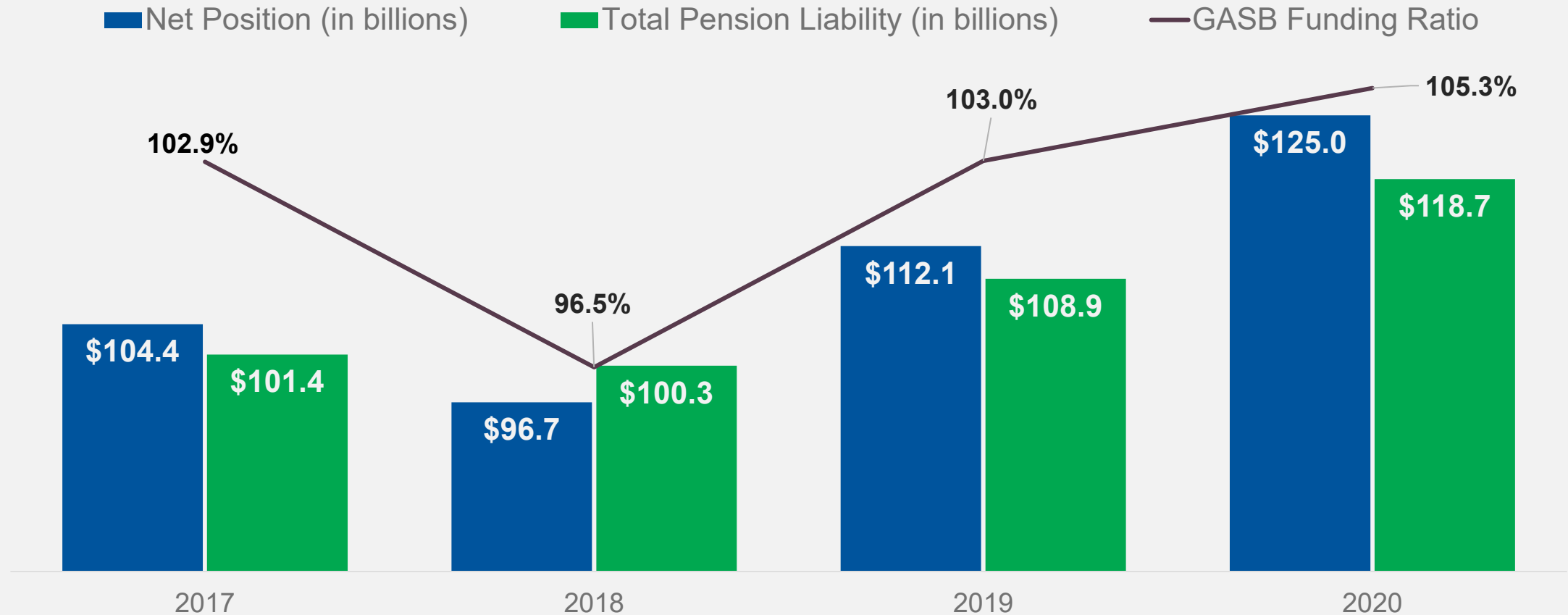


# Audit Results

- Financial statements as of, and for the year ending, 12/31/2020
- Unmodified Opinion (clean)
- The Legislative Audit Bureau offered three recommendations to improve the Employee Reimbursement Account and Commuter Benefits Program oversight and processes
- Timely reporting
  - Opinion date – 9/28/2021
  - Available to Employers on ETF website – 9/30/2021

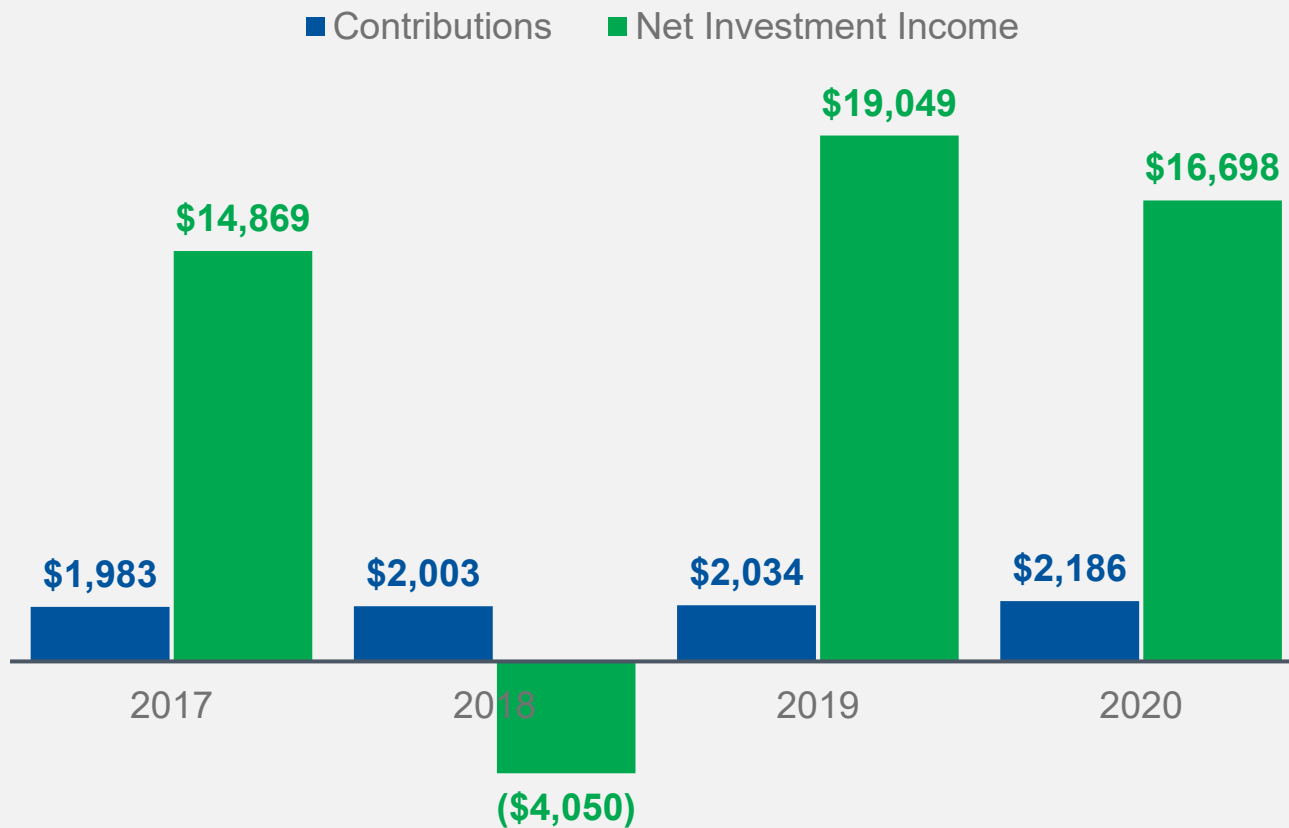
# WRS Financially Strong

As of December 31

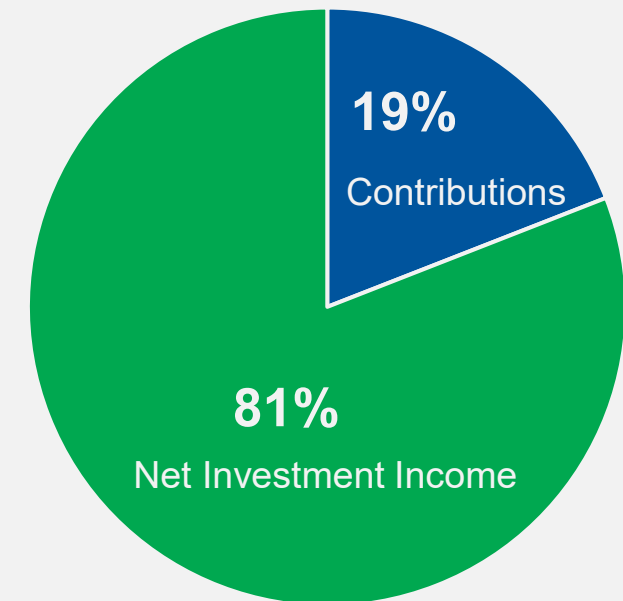


# Investment Income Represents 81% of WRS Revenue Over the Past 10 Years

WRS Revenues (in Millions) as of December 31



WRS Funding Sources  
2011 – 2020







**Questions?**

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# Thank you

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