

Department of Employee Trust Funds Annual Comprehensive Financial Report Calendar Year 2022

Item 5D – Employee Trust Funds Board

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Division of Trust Finance



Informational Item Only

No Board action is required.

Agenda

- Annual Comprehensive Financial Report (ACFR) Contents
- Audit Results
- Wisconsin Retirement System (WRS) Financial Statistics
- Looking ahead

ACFR Contents

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 and economic information, 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 (SWIB) and includes report on investment activities, investment policies, schedule of investment results, asset allocation, list of portfolios 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

Calendar Year (CY) 2022 ACFR

- Limited changes in display and organization of report
- No accounting changes



Net Position by Program

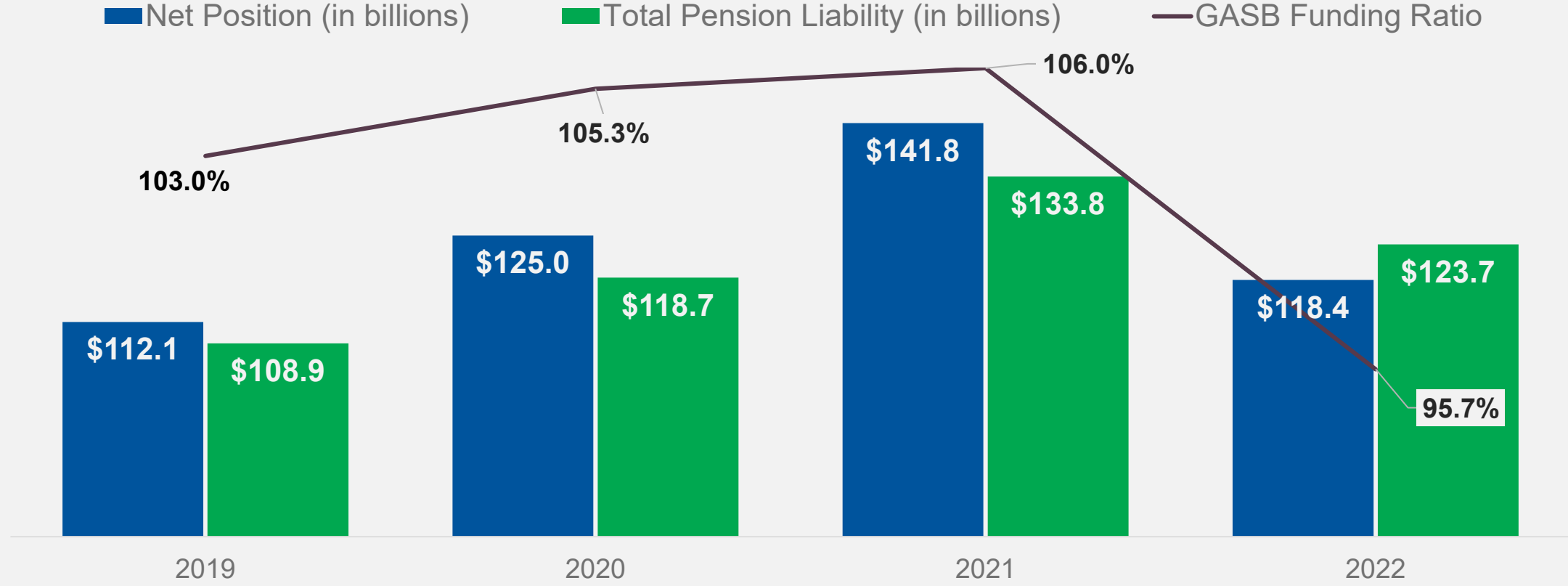
Program	2022	2021	\$ Change	% Change
Wisconsin Retirement System	\$ 118,368,226	\$ 141,847,701	\$ (23,479,475)	(17) %
Supplemental Health Insurance Conversion Credit	1,148,788	1,371,706	(222,918)	(16)
Employee Reimbursement Accounts/Commuter Benefits	3,025	1,950	1,075	55
State Retiree Life Insurance	303,246	319,606	(16,360)	(5)
Local Retiree Life Insurance	241,630	248,190	(6,560)	(3)
Milwaukee Retirement Systems	200,505	252,426	(51,921)	(21)
Local Retiree Health Insurance	0	0	0	0
Duty Disability Insurance	153,152	331,443	(178,291)	(54)
Health Insurance	159,605	227,516	(67,911)	(30)
Income Continuation Insurance	103,206	137,512	(34,306)	(25)
State Retiree Health Insurance	0	0	0	0
Accumulated Sick Leave Conversion Credit	(702,846)	(254,144)	(448,702)	(177)
Total	\$ 119,978,537	\$ 144,483,906	\$ (24,505,369)	(17) %

Audit Results

- Financial statements as of and for the year ending December 31, 2022
- Unmodified Opinion (clean) and no recommendations
- Standalone financial and employer schedule reports issued in September 2023
- Full ETF ACFR issued January 5, 2024

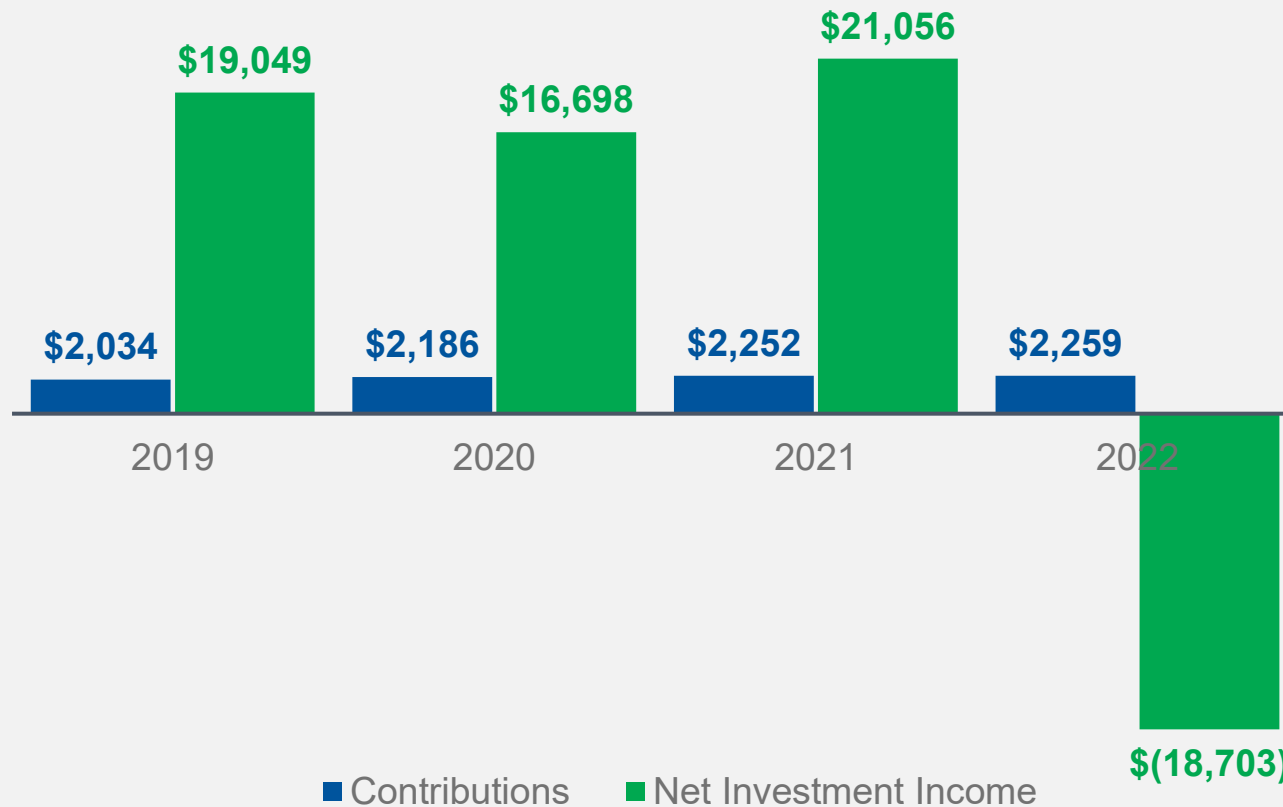
WRS Financially Strong

As of December 31

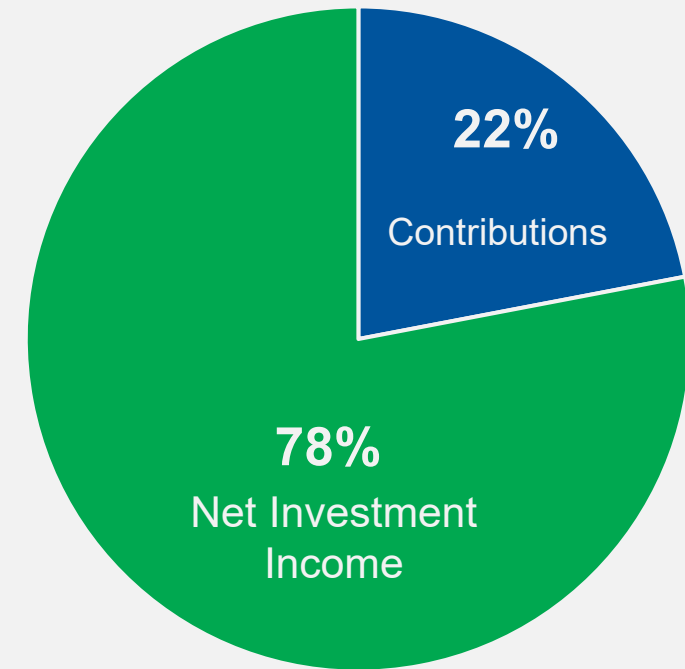


Investment Income 78% of WRS Revenue

WRS Revenues (in Millions) as of December 31



WRS Funding Sources
2013 – 2022



Looking Ahead

- CY 2023 financial reporting is already underway
- Reporting changes for CY 2023
 - Implementing Governmental Accounting Standards Board (GASB) Statement 96, *“Subscription-Based Information Technology Arrangements”*
 - Changing reporting of certain capital assets
- Plan to issue Standalone Financial Reports in September 2024 and a full ETF ACFR after



Questions?

Thank you



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