
State of Wisconsin
Additional/Voluntary Filing #2018-20
Dated October 25, 2017

This Additional/Voluntary Filing does not concern an event described in Securities and Exchange Act Rule 15c2-12, as amended. The State of Wisconsin provides this information as it may be material to financial evaluation of one or more obligations of the State of Wisconsin.

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97709T Prefix (All) 97705M Prefix (All)

Type of Information: Financial/Operating Data Disclosures
Additional Financial Information

Attached is the State of Wisconsin Department of Employee Trust Funds' (ETF) Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2017. The attached CAFR is not for the State of Wisconsin; rather it addresses the Wisconsin Retirement System (WRS) and other benefit plans and trust funds administered by ETF.

The State of Wisconsin is providing this Additional/Voluntary Filing with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system. This Additional/Voluntary Filing is also available on the State of Wisconsin Capital Finance Office web site at:

doa.wi.gov/capitalfinance

The undersigned represents that he is the Capital Finance Director, State of Wisconsin Capital Finance Office, which is the office of the State of Wisconsin responsible for providing additional/voluntary filings, annual reports, and Event Filings pursuant to the State's Master Agreement on Continuing Disclosure (Amended and Restated December 1, 2010), and is authorized to distribute this information publicly.

/s/ DAVID R. ERDMAN

David R. Erdman, Capital Finance Director
State of Wisconsin Capital Finance Office
Wisconsin Department of Administration
101 East Wilson Street, FLR 10
Madison, WI 53703
Phone: (608) 267-0374
Fax: (608) 266-7645
E-mail: DOACapitalFinanceOffice@wisconsin.gov
Website: doa.wi.gov/capitalfinance

COMPREHENSIVE ANNUAL FINANCIAL REPORT 2017

For the Year Ending December 31, 2017





COMPREHENSIVE ANNUAL FINANCIAL REPORT 2017

For the Year Ending December 31, 2017

State of Wisconsin Department of Employee Trust Funds
Cindy Klimke-Armatoski, Chief Trust Financial Officer and Controller

Wisconsin Department of Employee Trust Funds
PO Box 7931
Madison, WI 53707-7931
1-877-533-5020
<http://etf.wi.gov>

 @WI ETF

ET-8501
The Department of Employee Trust Funds does not discriminate on the basis of disability in the provision of programs, services, or employment. If you are speech, hearing, or visually impaired and need assistance, call toll free 1-877-533-5020 or 608-266-3285. Wisconsin Relay Service (for speech and hearing impaired), dial 7-1-1.

State of Wisconsin
Department of Employee Trust funds

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INTRODUCTORY SECTION



STATE OF WISCONSIN
Department of Employee Trust
Funds
Robert J. Conlin
 SECRETARY

Wisconsin Department of
 Employee Trust Funds
 PO Box 7931
 Madison WI 53707-7931

1-877-533-5020 (toll free)
 Fax (608) 267-4549
<http://etf.wi.gov>

October 2, 2018

GOVERNOR SCOTT WALKER
 MEMBERS OF THE STATE LEGISLATURE
 PUBLIC EMPLOYEES, EMPLOYERS AND OTHER INTERESTED PARTIES:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Wisconsin Department of Employee Trust Funds (ETF) for the year ended December 31, 2017. This report provides comprehensive information about ETF, the Wisconsin Retirement System (WRS), and other benefit programs administered by ETF.

Responsibility for the accuracy of the data and the fairness and completeness of this presentation, including all disclosures, rests with the management of ETF. To the best of our knowledge, the enclosed information is accurate in all material respects and is reported in a manner designed to provide a fair representation of the financial position and results of the operations of ETF.

As required by Wis. Stat. 13.94 (1) (dd), the Legislative Audit Bureau (LAB) has completed a financial audit of ETF and issued an unmodified ("clean") opinion on the financial statements for the year ended December 31, 2017. The independent auditor's report is located at the beginning of the Financial Section of this CAFR.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the financial statements. The MD&A complements this Letter of Transmittal and should be read in conjunction with it.

Historical Overview

The WRS was created effective January 1, 1982. The system covers state and local public employees, including faculty and staff of the University of Wisconsin System, local police and firefighters, and all publicly-employed teachers in the state. Those not included are employees of the City of Milwaukee and Milwaukee County, who are covered under separate retirement systems. Pension coverage for local government employees has been in place since 1891, when the legislature required Milwaukee to create a pension fund for retired and disabled police and firefighters. The legislature has since extended pension coverage to other public employees, along with creating group life and health insurance programs.

The Group Insurance Board (GIB) was created in 1959 to monitor the administration of the life and health insurance programs. ETF was created in 1967 to administer the various retirement and related benefit programs.

Currently, the WRS is composed of 29% state employees and 71% local employees. As of December 31, 2017, the WRS had 257,413 active employees, 203,300 annuitants (retirees, disability, and beneficiaries), and 172,089 inactive employees with deferred benefits payable.

ETF Mission and Responsibilities

ETF's mission is to develop and deliver quality benefits and services to our customers while safeguarding the integrity of the Trust. ETF administers retirement, health, life, income continuation, long-term disability, and long-term care insurance programs, along with an employee reimbursement accounts program, commuter benefits program, and a deferred compensation plan. ETF also administers retirement disability coverage and

serves as the state's designated coverage agent for Social Security for Wisconsin public employers. There are five different statutory boards with responsibilities for programs operated by the Department. The ETF Board is both the overall governing body for the Department and the general policy-setting and trustee board for the WRS.

All insurance programs are administered through contractual arrangements with private sector insurance carriers and service corporations. Participation by eligible employees is mandatory for retirement and Social Security, but optional for the other programs. ETF collects but does not invest the trust fund monies created for these programs. That responsibility rests with the State of Wisconsin Investment Board (SWIB).

ETF is responsible for:

- Collecting all monies due the trust funds.
- Calculating and ensuring appropriate disbursement of all benefit payments from the trust funds.
- Providing information to, and answering inquiries from, participating employees and employers.
- Establishing the controls, systems, and procedures necessary to ensure the appropriate administration and security of the trust.

Funding Status

PENSION PLAN

The funded status of the WRS is the measure of the extent to which the system has accumulated enough assets to pay the benefits earned by participants. The funded ratio is the ratio of plan assets to estimated future liabilities. The assets can be measured using either the current fair value of assets or a smoothed funding value of assets. The fair value measurement gives a more timely measurement, but can be extremely volatile. The funding value measurement, where gains or losses are smoothed over a five-year period, is less representative of current fair value, but better presents the funding trends without the year-to-year volatility.

The WRS continues to be one of the best-funded public employee retirement systems in the country. A well-funded system ensures that a lifetime of benefits can be paid to today's workers without burdening the next generation of taxpayers with higher contributions. The financial strength of the WRS is attributable to its unique plan design, funding discipline at the state and local level, strong governance, and the effective investment strategies of the SWIB.

The funding value-based ratio of the WRS remains approximately 100% as of December 31, 2017. The fair value-based ratio, calculated in accordance with standards issued by the Governmental Accounting Standards Board, is 102.9%. This is an increase from 99.1%, and was primarily the result of higher market returns in 2017 compared to 2016.

OTHER EMPLOYEE BENEFIT PROGRAMS

The funded status of the Health Insurance Program is a measure of the extent to which the system has accumulated enough assets to pay the benefits earned by participants, meet the liquidity needs of the program, and smooth year-to-year volatility in claims. Funded status is measured as the ratio of reserves to annual expenses.

In 2017, both the State and Local Health Plan include fully-insured Health Maintenance Organization Plans, a self-insured fee-for-service "Standard Plan", a self-insured Pharmacy Benefit Plan and a self-insured Dental Benefit Plan. The reserves as a percentage of annual expenses of the self-insured plans as of December 31, 2017, were:



Plan Type	Reserves as a Percentage of Annual Expenses
State Standard Plan	203%
State Pharmacy Benefit Plan	51%
State Dental Benefit Plan	0.6%
Local Standard Plan	12%
Local Pharmacy Benefit Plan	58%
Local Dental Benefit Plan	(12%)

2016 was the first year of the self-insured Dental Benefit Plan. Considering the fund balance and projected future claims, the GIB approved a 4.3% premium rate increase at its August 2017 meeting for 2018 rates.

Please refer to Note 9 and the Statistical Section for the funding status of other employee benefit programs.

Investments

At December 31, 2017, the total assets of the Core and Variable investment portfolios was \$119.3 billion, an increase from \$99.8 billion at December 31, 2016. The increase was due to positive investment returns caused by more favorable market conditions in 2017 compared to 2016.

Legislative Initiatives

During 2017, there was no legislation enacted that significantly affected the WRS and the employee benefit programs administered by ETF.

Administration

ETF's administration of the WRS continues to make it one of the most cost-efficient systems in terms of administrative expenses per member. In a recent public pension fund administration benchmarking study conducted by industry leader CEM Benchmarking, Inc., the annual per-member administrative expenses associated with the retirement and disability programs was \$72 for the WRS, compared to the median per-member cost of \$93 for peer retirement systems. ETF employs one full-time equivalent staff person per 1,795 members, compared to the peer system median of one per 1,491 members.

Acknowledgements

We would like to express our appreciation to the Governor, members of the Legislature, members of the boards, staff, employers, participants, and all those whose efforts and interest combine to ensure the successful operation of our system, while protecting the integrity of the trust funds.

Sincerely,

Robert J. Conlin
Secretary

Cindy Klimke-Armatoski
Chief Trust Financial Officer



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2017***

Presented to

Wisconsin Department of Employee Trust Funds

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)



Alan H. Winkle
Program Administrator



INTRODUCTORY SECTION

ETF Boards and Department Organization

The individuals who serve on the boards that provide oversight for the Department of Employee Trust Funds (ETF) play important roles. Board decisions affect hundreds of thousands of individuals who participate in the retirement programs funded by the trust funds as well as other fringe benefit programs ETF operates for Wisconsin.

This section explains how board membership is determined and how membership overlaps. Under state law, members of the boards are chosen in a variety of ways. Some members are ex-officio, some are direct appointees of the governor, others are appointed to fixed terms from lists submitted to the governor by specified organizations, and still others are directly elected by active participants or retirees.

The members and officers of each board are listed below, along with a short explanation of board responsibilities. Membership on the boards as of December 31, 2017, is as follows:

» **Employee Trust Funds Board (13 Members)**

This board has general oversight of ETF; appoints the ETF Secretary; approves tables used for computing benefits, contribution rates and actuarial assumptions; authorizes all annuities except for disability; approves or rejects ETF administrative rules; and generally oversees administration of the benefit programs, except group health, life and income continuation insurance plans, employee reimbursement account, commuter benefit, and health savings account programs.

State law sets ETF Board membership criteria, with some members appointed by the Teachers Retirement Board (TR Board) and the Wisconsin Retirement Board (WR Board). The ETF Board has established three committees to assist the Board in fulfilling its fiduciary and oversight responsibilities: an Executive Committee, an Audit Committee and a Budget and Operations Committee. The Executive Committee oversees the effective operation of Board and other Committee meetings and reviews personnel matters relating to the Department and

the Secretary. The Audit Committee reviews the adequacy and effectiveness of the Department's system of internal controls, including those relating to information technology systems, and the Department's accounting and financial reporting systems. The Budget and Operations Committee reviews the biennial budget process and the Department's operating budget, as well as the Department's strategic business and information technology planning activities.

Board Members

Chair: Wayne E. Koessl

Appointed by the WR Board. WR Board member appointed under § 15.165 (3)(b) 1,2,4,5 or 8 (chief executive, finance officer or member of a governing body of a participating city or village, county clerk, deputy county clerk, chairperson, or member of the governing body of a participating county or town, or public member who is not a participant).

Vice Chair: John David

Appointed by Wisconsin Retirement Board. Any WR Board member appointed under § 15.16(1)(b).

Secretary: Robert M. Niendorf

Appointed by the TR Board. TR Board member appointed under § 15.165 (3)(a)4 (UW teacher participant).

William Ford

Elected by WRS annuitants. WRS annuitant as defined for purposes other than life insurance under § 40.02 (4). § 15.16 (1)(d)

Michael Langyel

Appointed by the TR Board. TR Board member elected under § 15.165 (3)(a)7 (City of Milwaukee teacher participant). § 15.165 (1)(a)3

Leilani Paul

Elected by educational support personnel. WRS participant who is either a public school district educational support employee or a technical college district educational support employee. § 15.16 (1)(f)

Roberta Rasmus

Appointed by the TR Board. TR Board member appointed under § 15.165 (3)(a)3 or 5 (public school administrator or school board member). § 15.165 (3)(a)5

Stacey Rolston

Administrator in Department of Administration, Division of Personnel Management or Administrator's designee. § 15.16 (1) (intro.)

Victor Shier

Appointed by Governor, with Senate confirmation. Public member who is not a participant in or beneficiary of the WRS, with at least five years of experience in actuarial analysis, administration of an employee benefit plan, or significant administrative responsibility in a major insurer. § 15.16 (1)(c)

Mary Von Ruden

Appointed by the WR Board. WR Board member appointed under § 15.165 (3)(b)3, 6, or 7 (participating employee of a city or village, participating employee of a local employer other than a city or village or participating state employee). § 15.16 (1)(b)2

David Wiltgen

Appointed by TR Board. TR Board member appointed or elected under § 15.165 (3)(a) 1 or 2 (public or vocational school teacher).

Bob Ziegelbauer

Governor or the Governor's designee on the Group Insurance Board. § 15.16 (1) (intro.)

Vacant

Appointed by Wisconsin Retirement Board. Wisconsin Retirement Board member appointed under § 15.165 (3)(b) 7 or 8 (participating state employee or public member who is not a participant). § 15.16 (1)(b) 3

» Wisconsin Retirement Board (9 Members)

The WR Board advises the ETF Board on matters relating to retirement; approves or rejects administrative rules; authorizes or terminates disability benefits for non-teachers; and hears appeals of disability rulings. This board appoints four members to the ETF Board and one non-teaching member to the State of Wisconsin Investment Board.

Board Members**Chair: Wayne E. Koessl**

Appointed by the Governor from a list of five names submitted by the executive committee of the Wisconsin Counties Association. Chairperson or member of the governing body of a participating county or town, and from a different county than subs. 5 & 6. § 15.165 (3)(b)4

Vice Chair: John David

Appointed by the Governor from a list of five names submitted by the Board of Directors of the League of Wisconsin Municipalities. Chief executive or member of the governing body of a participating city or village and from a different county than subs. 2 & 3. § 15.165 (3)(b)1

Secretary: Steven Wilding

Appointed by the Governor. Participating employee of a participating city or village and from a different county than subs. 1 & 2 § 15.165 (3)(b)3

Ted Nickel

Ex officio; Commissioner of Insurance or an experienced actuary in the Office of the Commissioner designated by the Commissioner. § 15.165 (3)(b)9

Scott Norstrand

Appointed by Governor. Public member who is not a participant or beneficiary of the WRS. § 15.165 (3)(b)8

Herbert Stinski

Appointed by the Governor. Participating employee and principal finance officer of a participating city or village and from a different county than subs. 1 & 3. § 15.165 (3)(b)2

Mary Von Ruden

Appointed by the Governor. Participating employee from a participating local employer other than a city or village and from a different county than subs. 4 & 5. § 15.165 (3)(b)6

Julie Wathke

Appointed by the Governor. County clerk or deputy county clerk from a participating county different than subs. 4 & 6. § 15.165 (3)(b)5



INTRODUCTORY SECTION

Vacant

Appointed by the Governor. Participating state employee. § 15.165 (3)(b)7

» *Teachers Retirement Board (13 Members)*

The TR Board advises the ETF Board on retirement and other benefit matters involving public school, technical college, state and university teachers; acts on administrative rules and authorizes or terminates teacher disability benefits and hears disability benefit appeals. Nine of the 13 members are elected. This board appoints four members to the ETF Board and one teacher participant to the State of Wisconsin Investment Board.

Board Members

Chair: Robin Starck

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

Vice Chair: David Wiltgen

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

Secretary: Brent Grochowski

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

Sandra Clafin-Chalton

Appointed by the Governor. UW teacher participant in the WRS (not from same campus as other UW teacher representative). § 15.165 (3)(a)4

Gary Epping

Appointed by the Governor. Member of a school board. § 15.165 (3)(a)5

Chris Heller

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

Craig Hubbell

Appointed by the Governor. Public school administrator who is not a classroom teacher. § 15.165 (3)(a)3

James Langkamp

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

Dennis Murphy

Elected by annuitants who were teacher participants. Annuitant who was a teacher participant in the WRS. § 15.165 (3)(a)6

R. Thomas Pedersen

Elected by participating Wisconsin Technical College teachers. Public school teacher from a participating Wisconsin Technical College district and a participating employee in the WRS. § 15.165 (3)(a)2

Allison Pratt

Elected by public school teachers. Public school teacher. § 15.165 (3)(a)1

David Schalow

Appointed by the Governor. UW teacher participant in the WRS (not from same campus as other UW teacher representative). § 15.165 (3)(a)4

Kim Schroeder

Elected by Milwaukee Public School District teachers who are participants. City of Milwaukee teacher who is a participant in the WRS. § 15.165 (3)(a)7

» *Group Insurance Board (11 Members)*

This board sets policy for the group health, life, and income continuation insurance plans as well as employee reimbursement account, commuter benefit, and health savings account programs for state employees and the group health, life and income continuation insurance plans for local employers who choose to offer them. The board also can provide other insurance plans, if employees pay the entire premium.

Board Members

Chair: Michael Farrell

Appointed by the Governor. No membership requirement. § 15.165 (2)

Vice Chair: Stacey Rolston

Ex officio; Administrator in Department of Administration, Division of Personnel Management or Administrator's designee. § 15.165 (2)

Secretary: Herschel Day

Appointed by the Governor. Insured participant in the WRS who is a teacher. § 15.165 (2)

Charles Grapentine

Appointed by the Governor. Insured participant in the WRS who is a retired employee. § 15.165 (2)

Waylon Hurlburt

Ex officio; Secretary of Department of Administration or Secretary's designee. § 15.165 (2)

Theodore Neitzke

Appointed by the Governor. Insured participant in the WRS who is an employee of a local unit of government. § 15.165 (2)

Jennifer Stegall

Appointed by the Governor. Insured participant in WRS who is not a teacher. § 15.165 (2)

Francis Sullivan

Ex officio; Attorney General or his/her designee. § 15.165 (2)

Nancy Thompson

Appointed by the Governor. Chief executive or member of the governing body of a local unit of government that is a participating employer. § 15.165 (2)

J.P. Wieske

Ex officio; Commissioner of Insurance or Commissioner's designee. § 15.165 (2)

Bob Ziegelbauer

Ex officio; Governor or Governor's designee. § 15.165 (2)(intro)

» Deferred Compensation Board (5 Members)

This board sets policy, contracts with investment and administrative service providers, and oversees administration of the Deferred Compensation Program. The board is responsible for establishing criteria and procedures for selecting and evaluating investment options offered by the Program. The governor, with senate confirmation, appoints all board members; there are no statutory requirements for appointments.

Board Members
Chair: Edward D. Main

Appointed by the Governor, with Senate confirmation. No membership requirements. §15.165 (4)

Vice Chair: Gail Hanson

Appointed by the Governor, with Senate confirmation. No membership requirements. § 15.165 (4)

Secretary: Arthur Zimmerman

Appointed by the Governor, with Senate confirmation. No membership requirements. § 15.165 (4)

Jason Rothenberg

Appointed by the Governor, with Senate confirmation. No membership requirements. § 15.165 (4)

John Scherer

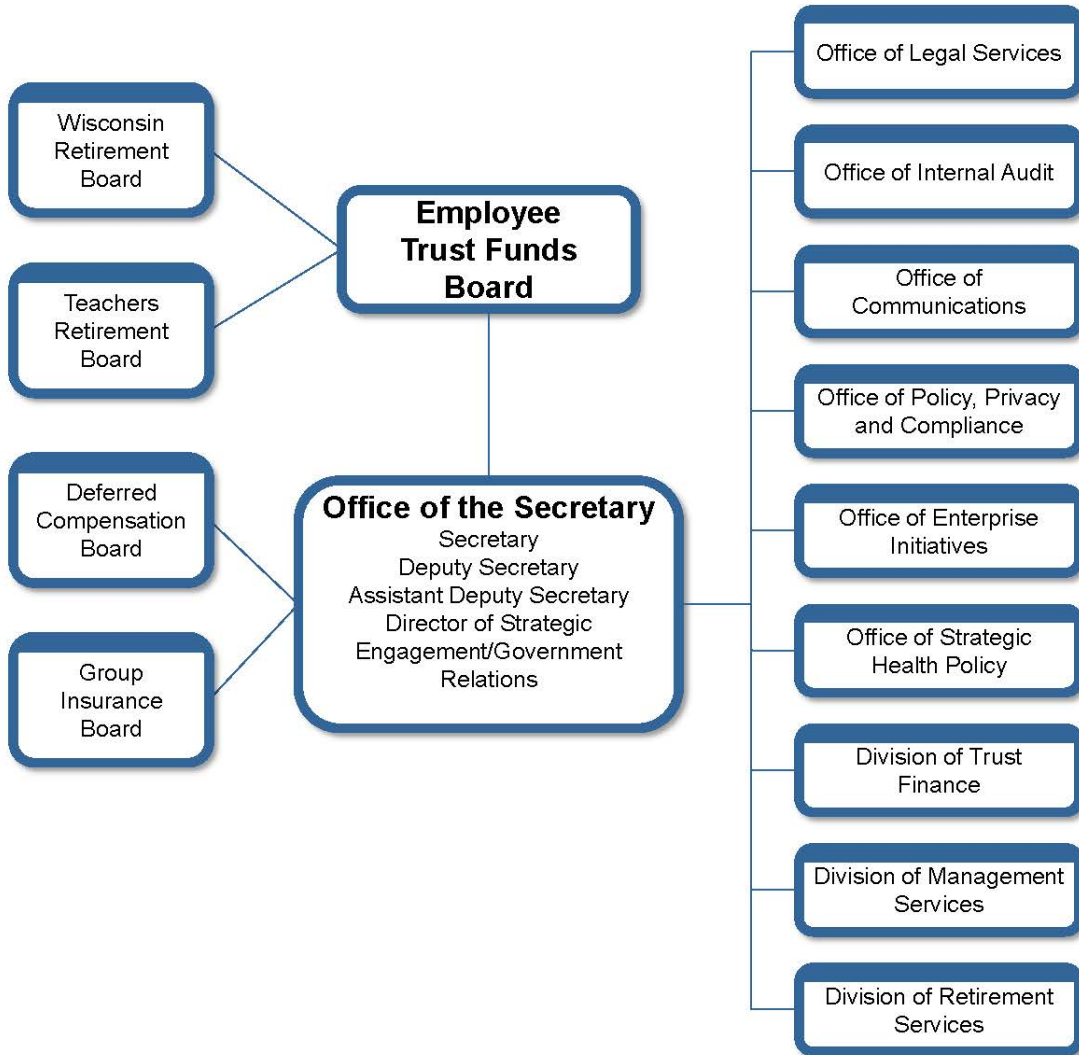
Appointed by the Governor, with Senate confirmation. No membership requirements. § 15.165 (4)



INTRODUCTORY SECTION

Department Organization

The Department of Employee Trust Funds had 269.2 permanent positions at the end of 2017. The Department’s organization chart is shown below:



» 2017 ETF Management Staff

Secretary: Robert J. Conlin
Deputy Secretary: John Voelker
Assistant Deputy Secretary: Pamela Henning
Director of Strategic Engagement/Government
Relations: Tarna Hunter

Division of Retirement Services
Administrator: Matt Stohr

Division of Management Services
Administrator: Dana Perry

Division of Trust Finance
Administrator: Cindy Klimke-Armatoski

Office of Strategic Health Policy
Director: Lisa Ellinger

Office of Internal Audit
Director: Yikchau Sze

Office of Communications
Director: Mark Lamkins

Office of Policy, Privacy and Compliance
Director: Steve Hurley

Office of Enterprise Initiatives
Director: Bob Martin

Office of Legal Services
Director: David Nispel

» Principal Consultants and Administrators**Consulting Actuaries**

Gabriel Roeder Smith & Company
Southfield, Michigan

Segal Consulting
Atlanta, Georgia

Milliman, Inc.
Portland, Maine

Auditors

Legislative Audit Bureau
Madison, Wisconsin

» Third Party Administrators**Health Insurance**

WPS Health Insurance
Madison, Wisconsin

Pharmacy Benefits Manager

Navitus Health Solutions, LLC
Madison, Wisconsin

Dental Insurance

Delta Dental
Stevens Point, Wisconsin

Wellness and Disease Management Program

The StayWell Company, LLC
Saint Paul, Minnesota

Income Continuation Insurance

Aetna Life Insurance Company
Lexington, Kentucky

Deferred Compensation

Empower Retirement
Greenwood Village, Colorado

**Employee Reimbursement Accounts Program
and Commuter Benefits**

Total Administrative Services Corporation (TASC)
Madison, Wisconsin

Life Insurance

Securian Financial Group, Inc
Saint Paul, Minnesota

FINANCIAL SECTION


STATE OF WISCONSIN | Legislative Audit Bureau

 22 East Mifflin St., Suite 500 ■ Madison, WI 53703 ■ (608) 266-2818 ■ Hotline: 1-877-FRAUD-17 ■ www.legis.wisconsin.gov/lab

 Joe Chrisman
State Auditor

Independent Auditor's Report on the Financial Statements and Other Reporting Required by *Government Auditing Standards*

Senator Robert Cowles and
Representative Samantha Kerkman, Co-Chairpersons
Joint Legislative Audit Committee

Members of the Employee Trust Funds Board and
Mr. Robert J. Conlin, Secretary
Department of Employee Trust Funds

Report on the Financial Statements

We have audited the accompanying Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, and the related notes for the following fiduciary funds administered by the State of Wisconsin Department of Employee Trust Funds (ETF) as of and for the year ended December 31, 2017: the Wisconsin Retirement System (WRS), Accumulated Sick Leave Conversion Credits, Employee Reimbursement Accounts and Commuter Benefits, State Retiree Life Insurance, Local Retiree Life Insurance, and Milwaukee Retirement Systems. We have also audited the accompanying Statement of Fiduciary Net Position, Statement of Changes in Assets and Liabilities, and the related notes for the following fiduciary funds administered by ETF as of and for the year ended December 31, 2017: the State Retiree Health Insurance and Local Retiree Health Insurance funds. Finally, we have audited the accompanying Statement of Net Position; Statement of Revenues, Expenses, and Changes in Fund Net Position; Statement of Cash Flows; and the related notes for the following proprietary funds administered by ETF as of and for the year ended December 31, 2017: Duty Disability Insurance, Health Insurance, Income Continuation Insurance, and Life Insurance.

Management's Responsibility for the Financial Statements

Management of ETF is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, which is issued by the Comptroller General of the United States. Those

FINANCIAL SECTION

standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on these financial statements.

Opinions

In our opinion, the financial statements present fairly, in all material respects, the financial position of each fiduciary fund and each proprietary fund referred to in the first paragraph as of December 31, 2017, the respective changes in the financial position and, where applicable, cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphases of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to in the first paragraph present only the fiduciary and proprietary funds administered by ETF and do not purport to, and do not, present fairly the financial position of the State of Wisconsin as of December 31, 2017, the changes in its financial position, or where applicable, its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

As discussed in Note 2A to the financial statements, ETF implemented Governmental Accounting Standards Board (GASB) Statement Number 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which changed presentation and disclosure requirements for postemployment benefit plans.

As discussed in Note 2B to the financial statements, ETF changed the presentation of the Long-Term Disability Insurance (LTDI) program to report the program as part of the WRS because LTDI benefits are provided as part of the WRS pension plan. For the fiscal year ended December 31, 2017, the LTDI fund was reported in the WRS fund and resulted in an adjustment to the beginning net position of the WRS fund and changes to several note disclosures.

As discussed in Note 2C, the financial statements of the Duty Disability Insurance program were reclassified from an other postemployment benefit (OPEB) to a public entity risk pool accounted for under GASB Statement Number 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, after ETF considered changes in OPEB standards under

GASB Statement Number 74. This reclassification resulted in an adjustment to the beginning net position of the Duty Disability Insurance program and changes to several note disclosures.

As discussed in Note 2D, the beginning net position of the Employee Reimbursement Accounts and Commuter Benefits program was restated for the correction of an error.

As discussed in Note 2E, ETF changed how it accounted for interfund activity between the Health Insurance Fund and the State Retiree Health Insurance Fund and the Local Retiree Health Insurance Fund. This included a transfer from the Health Insurance Fund to the State Retiree Health Insurance Fund and the Local Retiree Health Insurance Fund to eliminate a long-standing interfund loan balance that had accrued over several years.

As discussed in Note 3 to the financial statements, the financial statements include investments that do not have readily ascertainable market prices and are valued based on a variety of third-party pricing methods. However, because of the inherent uncertainty of valuation, those estimated values may differ from the values that would have been used had a ready market for the investments existed.

Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information—Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis on pages 18 through 31, and the following information found on pages 98 through 108 be presented to supplement the financial statements: claims development information for public entity risk pools; the Wisconsin Retirement System’s Schedules of Changes in Net Pension Liability (Asset) and Related Ratios, Schedule of Required Employer Contributions, and Schedule of Investment Returns, which include the related note; and the State Retiree Life Insurance Schedules of Changes in Net OPEB Liability (Asset) and Related Ratios, the Local Retiree Life Insurance Schedules of Changes in Net OPEB Liability (Asset) and Related Ratios, and the Schedule of Investment Returns for State and Local Retiree Life Insurance. Such information, although not a part of the financial statements, is required by GASB, which considers it to be essential for placing the financial statements in an appropriate operational, economic, or historical context. In accordance with auditing standards generally accepted in the United States of America, we have applied certain limited procedures to the required supplementary information that included inquiries of management about the methods of preparing the information. We further compared the information for consistency with management’s responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to do so.

Accompanying Information—Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph. The supplementary information included in the sections listed in the table of contents entitled Introductory Section, Statistical Section, Actuarial Section, Investment Section, and Contributions Paid and Employer Unfunded Liability Balances is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

FINANCIAL SECTION

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 2, 2018, on our consideration of ETF's internal control over financial reporting; our tests of its compliance with certain provisions of laws, regulations, and contracts; and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be used when considering ETF's internal control over financial reporting and compliance.

LEGISLATIVE AUDIT BUREAU

A handwritten signature in black ink, appearing to read 'Joe Chrisman', with a long, sweeping horizontal stroke extending to the right.

Joe Chrisman
State Auditor

October 2, 2018

Management's Discussion and Analysis

Management of the Wisconsin Department of Employee Trust Funds (ETF) presents this discussion and analysis of the financial activities for the year ended December 31, 2017. This narrative is intended to supplement the financial statements which follow and should be read in conjunction with the note disclosures, which are an integral part of the financial statements.

ETF administers a defined benefit pension trust and other employee benefit plans for approximately 633,000 members, retirees, and beneficiaries.

» *Overview of the Financial Statements*

The following discussion and analysis is intended to serve as an introduction to ETF's financial statements. The financial statements include:

- Statement of Fiduciary Net Position
- Statement of Changes in Fiduciary Net Position
- Statement of Net Position – Proprietary Funds
- Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
- Statement of Cash Flows – Proprietary Funds
- Statement of Fiduciary Net Position – Agency Funds
- Statement of Changes in Assets and Liabilities – Agency Funds
- Notes to Financial Statements

Funds are categorized as either fiduciary, proprietary, or agency, based on the purpose and activities of the fund.

Fiduciary funds are used to report assets held by ETF as trustee for others. ETF is responsible for handling the assets placed under its control. The fiduciary funds reported by ETF include:

- Wisconsin Retirement System (WRS)
- Accumulated Sick Leave Conversion Credits
- Employee Reimbursement Accounts/Commuter Benefits
- State Retiree Life Insurance
- Local Retiree Life Insurance
- Milwaukee Retirement System

The activities in the proprietary funds operate similar to a private business. Fees are charged for services provided, and the focus is on determining financial position, operating and non-operating income, cash flows, and changes in net position. The proprietary funds reported by ETF include:

- Duty Disability Insurance
- Health Insurance

FINANCIAL SECTION

- Income Continuation Insurance
- Life Insurance

Agency funds are fiduciary funds where the assets of the fund are held for distribution by the Department as an agent for which ETF has custodial responsibility and accounts for the flow of assets. The agency funds reported by ETF include:

- State Retiree Health Insurance
- Local Retiree Health Insurance

» *Financial Statements*

The Statement of Net Position provides a snapshot of account balances at a point in time. It reports the assets available for future payments to benefit recipients, along with any liabilities that are owed as of the statement date. The full accrual basis of accounting is used.

The difference between assets and liabilities represents the net value of assets held in trust for future benefit payments. These amounts are called "Net Position Restricted for Pensions, Other Post-employment Benefits, and Other Purposes" for fiduciary funds, "Net Position – Restricted (Unrestricted) for Benefits" for proprietary funds, and "Net Position Held For Other Post Employment Benefits" for agency funds.

The Statement of Changes in Fiduciary Net Position for fiduciary funds, the Statement of Revenues, Expenses, and Changes in Fund Net Position for proprietary funds, and the Statement of Changes in Assets and Liabilities for agency funds displays the effect of financial transactions that occurred during the calendar year. For fiduciary funds, additions less deductions equals the net increase (decrease) in net position. For proprietary funds, revenues less expenses equal the change in net position. This net increase (decrease) reflects the change in the value of net position that occurred between the current and prior year.

Notes to the Financial Statements are an integral part of the financial statements and provide additional information that is essential for a comprehensive understanding of the data reported in the financial statements. The notes describe the accounting and administrative policies under which ETF operates, significant account balances and activities, material risks, obligations, contingencies and subsequent events, if any.

The Required Supplementary Information (RSI) includes:

- Public Entity Risk Pools Claims Development;
- Schedule of Changes in Net Pension Liability (Asset) and Related Ratios-WRS;
- Schedule of Required Employer Contributions-WRS;
- Schedule of Investment Returns-WRS;
- Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios-State and Local Retiree Life Insurance; and
- Schedule of Investment Returns-State and Local Retiree Life Insurance.

The financial statements and related notes are prepared in accordance with Generally Accepted Accounting Principles (GAAP) established by the Governmental Accounting Standards Board (GASB).

» Financial Highlights

- ETF implemented several accounting changes for the year ended December 31, 2017, including the following:
 - ETF implemented GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension as of December 31, 2017. GASB Statement No. 74 presents improved information about post-employment benefit plans other than pensions (OPEB) that are administered through trusts. ETF administers two OPEB plans through a trust: State Retiree Life Insurance and Local Retiree Life Insurance. Because of GASB Statement No. 74, ETF made several changes in financial reporting to reclassify activity in the Statement of Fiduciary Net Position for the programs. Note 2 describes these changes and Note 9 includes information required to be disclosed for the programs.
 - In conjunction with the implementation of GASB Statement No. 74, ETF reevaluated the presentation of other programs and concluded it would be more appropriate to report the Long-Term Disability Insurance (LTDI) program as a pension benefit (combined with the WRS) and the Duty Disability Insurance program as an enterprise fund. Beginning balances were restated due to these changes and are noted in the table below.
 - Under normal operations, the State and Local Retiree Health Insurance programs are likely to have a surplus or deficit each year, primarily due to premiums collected being more or less than the claim payments. Previously, this surplus or deficit was recorded as an interfund payable or receivable to the Health Insurance program as well as a Due From/To Employers. Beginning with the financial statements as of and for the year ended December 31, 2017, ETF has determined it would be more appropriate to transfer contributions between the Health Insurance program and State and Local Retiree Health Insurance programs each year rather than record an Inter-fund Receivable/Payable and a Due From/To Employers.

In 2017, ETF eliminated the Inter-fund Receivable/Payable between the State and Local Retiree Health Insurance programs and the Health Insurance program as well as a Due From/To Employers that had accumulated in these accounts in prior periods. The accumulated deficit as of December 31, 2016 for the State Retiree Health Insurance program was \$67.3 million, and for the Local Retiree Health insurance program was 20.0 million.

Note 2 further describes these changes.

RESTATEMENT OF NET POSITION BY PROGRAM

AT DECEMBER 31

(In Thousands)

Program	2016	Adjusted Assets and Liabilities	2016 Restated
Wisconsin Retirement System	\$ 92,580,102	\$ 233,692	\$ 92,813,794
Duty Disability Insurance	592,825	(453,448)	139,377
Health Insurance	237,296	(87,302)	149,994



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As shown in the Net Position by Program table, overall net position of all programs increased by \$11.9 billion or 12.7% from \$93.8 billion in 2016 to \$105.7 billion in 2017. The increase in net position was primarily a result of higher returns on investments due to more favorable market conditions in 2017 compared to 2016.

NET POSITION BY PROGRAM

AT DECEMBER 31
(In Thousands)

Program	2017	2016*	\$ Change	% Change
Wisconsin Retirement System	\$ 104,396,462	\$ 92,813,794	\$ 11,582,668	12.5%
Accumulated Sick Leave Conversion Credits	59,807	(102,071)	161,878	158.6
Employee Reimbursement Accounts/Commuter Benefits	1,303	1,074	229	21.3
State Retiree Life Insurance	351,972	357,435	(5,463)	(1.5)
Local Retiree Life Insurance	244,231	243,112	1,119	0.5
Milwaukee Retirement Systems	193,366	182,719	10,647	5.8
Duty Disability Insurance	192,144	139,377	52,767	37.9
Health Insurance	225,537	149,994	75,543	50.4
Income Continuation Insurance	20,534	2,799	17,735	633.6
Life Insurance	304	268	36	13.4
Total	\$ 105,685,660	\$ 93,788,501	\$ 11,897,159	12.7%

*Amounts for the prior year include restatements of prior year balances.

- Total additions/revenues for 2017 were \$18.9 billion which consisted mostly of contributions of \$3.4 billion and investment gains of \$15.4 billion.
- Total deductions/expenses for 2017 increased by 2.9% from \$6.8 billion in 2016 to \$7.0 billion in 2017, primarily due to an increase in the number of benefit recipients.
- The WRS funding ratio under the funding methodology used to establish required contributions continues to be approximately 100% as of December 31, 2017. Under the GASB financial reporting method, the WRS is 102.9% funded as of December 31, 2017.
- As of December 31, 2017, the WRS had a Net Pension Asset of \$2,969.1 million compared to a Net Pension Liability of \$824.2 million as of December 31, 2016. The increase of approximately \$3,793.3 million is primarily attributable to higher returns on investments due to stronger market conditions in 2017. The Total Pension Liability increased from \$93.4 billion in 2016 to \$101.4 billion in 2017.

» **Analysis of WRS Financial Activity**

The WRS is a cost-sharing, multiple-employer public employee retirement system established and administered by the State of Wisconsin to provide pension benefits for state and local government employees. The system is administered in accordance with Chapter 40 of the Wisconsin Statutes. ETF, under the direction of the ETF Board, is responsible for administration of the WRS, including collecting contributions from employers and paying retirement benefits to WRS participants. The State of Wisconsin Investment Board (SWIB) is responsible for managing WRS investments.

The system's funding objective is to meet its long-term benefit obligations through contributions and investment income. The tables on a subsequent page show comparative summaries of the WRS Net Position and the changes in the WRS net position for 2017 and 2016. Contributions and the income from investments provide the reserves needed to finance the benefits provided under the programs.

SUMMARY OF WRS NET POSTION

AT DECEMBER 31

(In Millions)

	2017	Increase (Decrease)	2016*
Assets			
Cash and Receivables	\$ 5,318	\$ (2,974)	\$ 8,292
Investments at Fair Value	112,616	21,882	90,734
Securities Lending Collateral	1,577	572	1,005
Prepaid Expenses	27	21	6
Capital Assets	34	8	26
Total Assets	\$ 119,572	\$ 19,509	\$ 100,063
Liabilities			
Core Investment Due To Other Benefit Programs	3,786	427	3,359
Variable Investment Due To Other Benefit Programs	20	(2)	22
Obligation Under Reverse Repurchase Agreements	6,114	4,283	1,831
Investment Payables	467	305	162
Securities Lending Collateral Liability	1,577	572	1,005
Other Payables	3,212	2,342	870
Total Liabilities	\$ 15,176	\$ 7,927	\$ 7,249
Net Position Restricted for Pensions	\$ 104,396	\$ 11,582	\$ 92,814

*Amounts for the prior year include restatements of prior year balances.

SUMMARY OF CHANGES IN WRS NET POSITION

FOR THE YEAR ENDED DECEMBER 31

(In Millions)

	2017	Increase (Decrease)	2016*
Contributions	\$ 1,983	\$ 105	\$ 1,878
Net Investment Income	14,869	7,579	7,290
Other Income	6	4	2
Total Additions	\$ 16,858	\$ 7,688	\$ 9,170
Benefits/Benefit Expenses	\$ 5,250	\$ 201	\$ 5,049
Administrative Expenses	26	(1)	27
Total Deductions	\$ 5,276	\$ 200	\$ 5,076
Net Increase (Decrease) in Net Position	\$ 11,582	\$ 7,488	\$ 4,094
Net Position - Beginning of Year	92,814	4,094	88,720
Net Position - End of Year	104,396	11,582	92,814

*Amounts for the prior year include restatements of prior year balances.



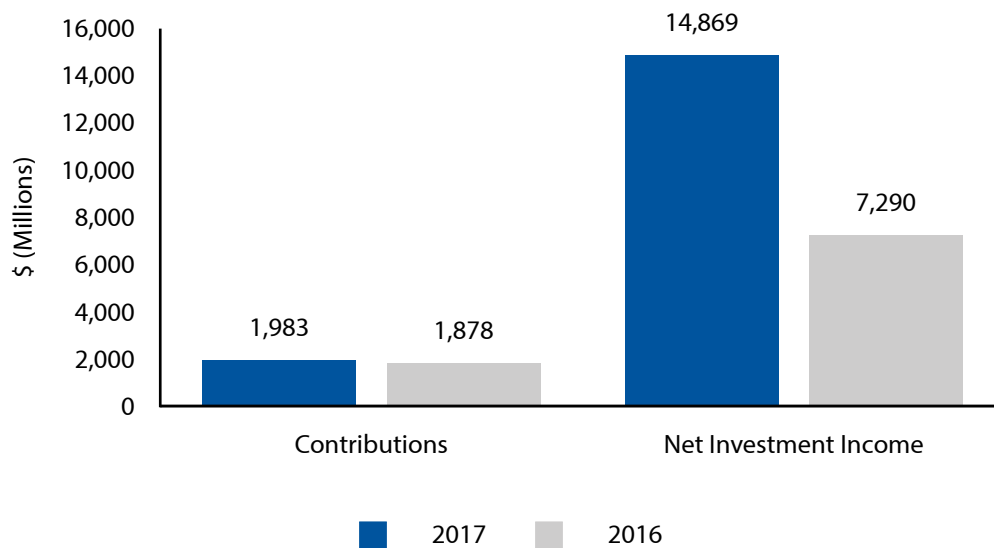
FINANCIAL SECTION

Contributions and Investment Earnings

The retirement benefits provided by the WRS are funded from pension trust fund revenue. The primary sources of revenue are investment income generated from the investment of plan assets and contributions for active members made by members and their employers.

Total contributions and investment earnings for the year ended December 31, 2017, was \$16.9 billion. This was an increase of \$7.7 billion compared to \$9.2 billion in 2016. As the table below shows, contributions remained relatively stable at about \$2.0 billion, while investment income increased by \$7.6 billion, primarily due to more favorable market conditions in 2017 as compared to 2016.

Contributions and Net Investment Income



The assets of the WRS are valued at fair market value and are invested in the Core Retirement Investment Trust (Core Fund) and the Variable Retirement Investment Trust (Variable Fund). All WRS members have at least half, if not all, of their pension contributions invested in the Core Fund. The Core Fund is a diversified, balanced fund invested for the long-term needs of the WRS. Diversification helps to stabilize the effects of market changes. The investment objective of this trust fund is to meet or exceed an average of 7.2% annual nominal return over the long-term. This objective is based on market rate of return and actuarial assumptions needed to meet the obligations of the WRS. The Variable Fund allows active employees participating in the WRS to put up to half of their pension fund contributions into this global stock fund. Approximately 15% of WRS members participate in the Variable Fund. By statute, the Variable Fund invests in stocks and provides participants the potential for higher returns in exchange for higher risk. The investment objective of the Variable Fund is to meet or exceed broad equity market indices over a full market cycle.

The State of Wisconsin Investment Board (SWIB) is responsible for managing the assets of the WRS. See Note 3 for additional information on Investments and Securities Lending Transactions.

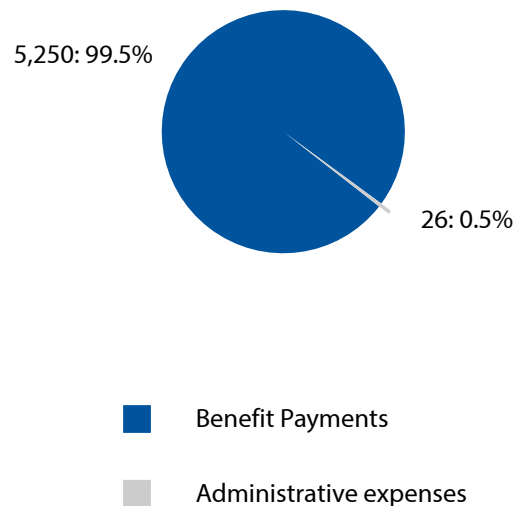
Expenses - Deductions from Plan Net Position

The primary expenses of the WRS include annuity benefits for retirees and beneficiaries, refunds of contributions to former members, and expenses associated with the administration of the retirement plans. Benefit payments for 2017 totaled \$5,250 million, an increase of \$201 million or 4.0% over the 2016 amount of \$5,049 million. This was due to the number of retired participants increasing from 197,647 as of December 31, 2016, to 203,300 as of December 31, 2017. Administrative expenses of approximately \$26 million accounted for less than 1% of the deductions to net position in 2017, a \$1 million decrease from \$27 million in 2016.

Investment expenses are deducted from investment income and were \$487 million in 2017, an increase of 24.5% from \$391 million in 2016. The increase was primarily related to fees paid to external investment managers. Although the overall percentage of assets managed externally did not materially change, the dollar amount of assets managed externally increased due in large part to increased positive investment performance.

Expenses as of December 31, 2017

(In Millions)



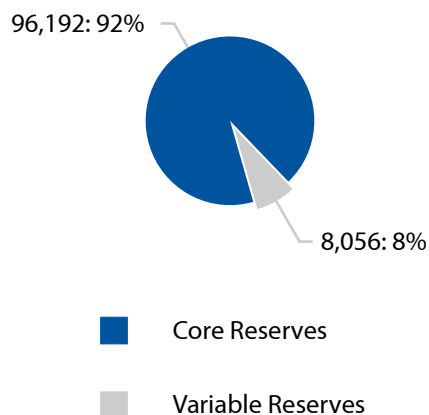
Retirement Reserves

The funds accumulated by the WRS to meet current and future obligations to retirees and beneficiaries are derived from the excess of revenue over expenses. Reserves have been established to reflect legal restrictions established by Wisconsin Statutes on the use of funds. The higher level of funding a plan achieves, the larger the accumulation of assets and the greater the investment income potential. In 2017 revenue exceeded expenses, leading to an increase of \$11,529 million in the retirement reserves. The increase was primarily related to the increase in investment earnings in 2017. The reserves are invested in either the Core Fund or the Variable Fund. 92% of the reserves are invested in the Core Fund and 8% are invested in the Variable Fund.



FINANCIAL SECTION

**Total Reserves Core vs. Variable
(In Millions)**



SUMMARY OF PENSION PLAN RESERVE BALANCES

FOR THE YEARS ENDED DEC 31

(In Millions)

Total Reserves	2017	Increase (Decrease)	2016*
Annuity	\$ 59,581	\$ 3,492	\$ 56,089
Employee	18,237	1,059	17,178
Employee Additional	204	20	184
Employer	23,064	830	22,234
Market Recognition Account (WRS Only)	3,162	6,128	(2,966)
Total Reserves	\$ 104,248	\$ 11,529	\$ 92,719

*Amounts for the prior year include restatements of prior year balances.

Members, Retirees, Beneficiaries and Employers

Approximately 257,000 active members were employed with 1,499 WRS-participating employers as of December 31, 2017. The number of inactives, retirees and other annuitants totaled 375,389 at year-end. Total members served by the WRS in 2017 was approximately 633,000 as shown in the following tables.

DISTRIBUTION OF ACTIVE MEMBERS

AT DECEMBER 31

	2017		2016	
	Number	Percent of Total	Number	Percent of Total
General	133,107	51.7%	133,843	52.0%
Teachers	100,738	39.1	99,850	38.8
Elected/Executive/Judges	1,351	0.5	1,369	0.5
Protective with Social Security	19,465	7.6	19,468	7.6
Protective without Social Security	2,752	1.1	2,755	1.1
Total Active Members	257,413	100.0%	257,285	100.0%

Additional information about members is presented in Note 4 and in the Statistical Section.

DISTRIBUTION OF INACTIVES, RETIREES, AND BENEFICIARIES

AT DECEMBER 31

	2017		2016	
	Number	Percent of Total	Number	Percent of Total
Inactive Members:				
Terminated Participants	167,996	44.8%	163,145	44.7%
Alternate Payees	4,093	1.1	4,046	1.1
Retirees and Beneficiaries:				
Retirement Annuitants	195,762	52.1	190,111	52.1
Disability Annuitants*	6,189	1.6	6,198	1.7
Death Beneficiary Annuitants	1,349	0.4	1,338	0.4
Total Inactive and Retiree Members	375,389	100.0%	364,838	100.0%

*Beginning in 2017, LTDI participants are included in the disability annuity counts.

Additional information about retirees and beneficiaries is presented in the Statistical Section.



FINANCIAL SECTION

The number of participating employers by category as of December 31, 2017 and 2016, was:

DISTRIBUTION OF EMPLOYERS

AT DECEMBER 31

	2017	2016
State Agencies, UW & Public Authorities	57	58
Cities	152	152
Counties	71	71
4th Class Cities	36	36
Villages	268	266
Towns	257	254
School Districts	422	422
Cooperative Educational Service Agencies	12	12
WI Technical College System Districts	16	16
Special Districts	208	208
Total Employers	1,499	1,495

Actuarial Valuations and Funding Progress - Pension Plan

ETF’s actuarial consultant performs an actuarial valuation of the WRS each year to determine funding requirements and establish contribution rates. The funding policy provides for periodic employer contributions at actuarially determined rates that will remain relatively level over time as a percentage of payroll and will accumulate sufficient assets to meet the costs of all benefits when due. The latest valuation of the pension plan was performed by Gabriel Roeder Smith & Company (GRS). Under the funding methodology, the WRS is approximately 100% funded as of December 31, 2017. For financial reporting purposes, a funding ratio is calculated in accordance with GASB pension accounting standards. Under these standards, the WRS was 102.9% funded as of December 31, 2017.

» Analysis of Financial Activities – Other Employee Benefit Plans

Accumulated Sick Leave Conversion Credits (ASLCC) Program

The ASLCC Program allows retirees of the State of Wisconsin, the University of Wisconsin (UW) System, the UW Hospital & Clinics Authority, and other state authorities, at the time of their retirement, to convert the value of their unused sick leave accumulation into an account to be used to pay for post-retirement health insurance.

During 2017, the ASLCC Program collected \$57.9 million in contributions from participating employers compared to \$52.2 million in 2016. The program incurred expenses of \$262.4 million in 2017, an increase of \$34.6 million from \$227.8 million in 2016. The change in actuarially determined liabilities from year to year impacts expenses and was the primary reason for the increase.

The ASLCC Program has a net position of \$59.8 million at December 31, 2017. This was an increase of \$161.9 million from a \$(102.1) million net position as of December 31, 2016. Investment income was \$366.4 million for 2017 as compared to \$185.5 million for 2016 and is the main reason for the increase in net position.

There were 103,269 ASLCC participants as of December 31, 2017, an increase of 2.7% over the previous year. Participants include 71,945 active employees; 25,547 retirees and others using ASLCC credits; and 5,777 “escrowed annuitants” – former employees who have not yet started using credits from their ASLCC accounts.

Employee Reimbursement Accounts/Commuter Benefits Program

The Employee Reimbursement Accounts Program reimburses qualifying medical and dependent care expenses, while the Commuter Benefits Program reimburses qualifying transportation expenses, for employees of the State of Wisconsin who sign up for pre-tax payroll deductions.

During 2017, the Employee Reimbursement Accounts/Commuter Benefits program collected \$37.4 million in contributions from participating employees compared to \$36.1 million during 2016, primarily due to a 7.7% increase in program participants as compared to 2016. The program paid benefits and expenses of \$37.3 million in 2017, which was an increase of \$1.0 million from the restated \$36.3 million in 2016.

The Employee Reimbursement Accounts/Commuter Benefits program had a net position of \$1.3 million at December 31, 2017. This was an increase of approximately \$0.2 million from a restated net position of \$1.1 million as of December 31, 2016.

There were 19,102 members that used the medical reimbursement accounts and 3,343 that used dependent care reimbursements accounts in 2017 compared to 17,562 medical and 3,284 dependent care accounts in 2016.

State Retiree Life Insurance Program

The State Retiree Life Insurance Program provides fully paid-up life insurance benefits for post-age 64 retired employees of the State of Wisconsin and pre-age 65 annuitants who pay for their coverage.

During 2017, the State Retiree Life Insurance Program collected \$1.4 million in contributions compared to \$4.9 million collected in 2016. The program incurred expenses of \$18.4 million during 2017 compared to \$22.5 million in 2016. Starting in 2017, contributions received from pre-age 65 annuitants are reported as a reduction to benefit expense, in accordance with GASB Statement No. 74. Note 2 includes more information about this change.

The State Retiree Life Insurance Program had a net position of \$352.0 million at December 31, 2017. This was a decrease of \$5.4 million from a \$357.4 million net position in 2016. Benefit expenses continue to exceed contributions and investment income and is the main reason for the decrease in net position.

There were 32,005 members participating in the State Retiree Life Insurance Program in 2017 which was a 3.6% increase in participants from 2016.

An actuarial valuation in accordance with GASB OPEB (Other Post Employment Benefits) accounting standards was conducted by Milliman. As of December 31, 2017, the plan had a Net OPEB Liability of \$493.5 million. The plan Fiduciary Net Position as a percentage of the Total OPEB Liability was 42%. Additional information on this valuation can be found in Note 9.

Local Retiree Life Insurance Program

The Local Retiree Life Insurance Program provides fully paid-up life insurance benefits for post-age 64 retired employees of participating local governments in Wisconsin and pre-age 65 annuitants who pay for their coverage.

During 2017, the Local Retiree Life Insurance Program collected \$2.1 million in contributions compared to \$7.5 million during 2016. The program incurred expenses of \$8.6 million in 2017 compared to \$16.0 million in 2016. Starting in 2017, contributions received from pre-age 65 annuitants are reported as a reduction to benefit expense, in accordance with GASB Statement No. 74. Note 2 includes more information about this change.

FINANCIAL SECTION

The Local Retiree Life Insurance Plan had a net position of \$244.2 million at December 31, 2017, which is an increase of \$1.1 million compared to the net position of \$243.1 million as of December 31, 2016.

There were 43,839 members participating in the Local Retiree Life Insurance Program in 2017, which was a 3.2% increase in participants from 2016.

An actuarial valuation in accordance with GASB OPEB accounting standards was conducted by Milliman. As of December 31, 2017, the plan had a Net OPEB Liability of \$300.9 million. The plan Fiduciary Net Position as a percentage of the Total OPEB Liability was 45%. Additional information on this valuation can be found in Note 9.

Milwaukee Retirement System

The Milwaukee Retirement System (MRS) invests funds with the WRS. Since 2014, the MRS only invested funds from two Milwaukee Public Schools Supplemental Retirement Plans.

During 2017, the MRS deposited \$3.0 million as compared to \$7.0 million in 2016. The program distributed \$21.0 million in 2017, an increase of \$11.0 million in distributions from 2016. The program experienced an investment gain of \$28.6 million in 2017 compared to an investment gain of \$14.4 million in 2016.

The MRS had a fiduciary net position of \$193.4 million at December 31, 2017. This was a \$10.7 million increase in net position from \$182.7 million in 2016. Additional information on the MRS can be found in Note 10.

Duty Disability Insurance Program

The Duty Disability Insurance Program pays special disability benefits to protective occupation participants in the WRS. The program is self-insured, and the risk is shared between the State of Wisconsin and local government employers in the program.

During 2017, the Duty Disability Insurance Program collected \$8.7 million in contributions from participating employers, a 129% increase from \$3.8 million in 2016 due to increased contribution rates. The program incurred benefits and expenses of \$47.7 million during 2017 compared to the restated \$70.2 million in 2016. The change in actuarially determined liabilities from year to year impacts expenses and was the primary reason for the change.

The Duty Disability Insurance Program had a net position of \$192.1 million at December 31, 2017. This was an increase of \$52.7 million from a restated net position of \$139.4 million as of December 31, 2016. The program experienced investment income of \$91.8 million in 2017 compared to \$46.5 million for the prior year.

At December 31, 2017, approximately 22,217 members were participating in the program. Additional information for the Duty Disability Insurance Program can be found in Note 8.

Health Insurance Program

The Health Insurance Program is a comprehensive benefit plan providing coverage for active employees of state and participating local governments. The state and local health plans each include separately managed risk pools for medical, pharmacy and dental benefits.

During 2017, ETF collected \$1,332.8 million in contributions from participating employers, an increase of \$6.2 million from 2016, and incurred expenses of \$1,287.4 million, a decrease of \$3.1 million from 2016.

The Health Insurance Program had a net position of \$225.5 million at December 31, 2017. This was an increase of \$75.5 million from a restated \$150.0 million net position in 2016. The program experienced an investment gain of \$29.0 million during 2017 compared to an investment gain of \$17.8 million in 2016.

At December 31, 2017, approximately 80,720 active members from both state and local governments were participating in the Health Insurance Program a decrease of 0.9% from 81,492 active members in 2016. Additional information for the Health Insurance Program can be found in Note 8.

Income Continuation Insurance (ICI) Program

The ICI Program pays disability benefits for employees of the State of Wisconsin and participating local governments in Wisconsin who enroll in the program. Employee premiums are based on sick leave accumulation and the waiting period selected.

During 2017, the ICI Program collected \$24.3 million in contributions from State agencies, an increase from \$20.4 million collected during 2016. These increased contributions were the result of a 20% premium increase for the State ICI program. The Local employers continued to have a premium holiday. The program incurred expenses of \$20.6 million during 2017. This is a decrease of \$8.8 million from the \$29.4 million in benefits and expenses in 2016.

The ICI Program had a net position of \$20.5 million at December 31, 2017. This was an increase of \$17.7 million from a \$2.8 million net position in 2016. This increase in net position was primarily due to the increased contribution rates as well as increased investment returns. The program experienced an investment gain of \$13.9 million during 2017 compared to an investment gain of \$6.7 million in 2016.

At December 31, 2017, approximately 59,726 total members were participating in ICI. This includes 8,431 Local employees and 51,295 State employees. Local employees had a decrease of 3.2% and State employees had a 3.2% increase in members participating. More information about the ICI Program can be found in Note 8.

Life Insurance Program

The Life Insurance Program provides life insurance coverage for current active employees of the State of Wisconsin and participating local governments in Wisconsin.

During 2017, the Life Insurance Program collected \$0.95 million in administrative reimbursement income and paid administrative expenses of \$0.94 million. In 2016, \$0.90 million and in administrative reimbursement income was collected and \$0.90 million in administrative expenses was paid.

The Life Insurance Program had a net position of \$0.30 million at December 31, 2017. This was an increase of \$0.03 million from a \$0.27 million net position in 2016. More information about the Life Insurance Program can be found in Note 8.

State Retiree Health Insurance Program

Through the State Retiree Health Insurance Program, participants may choose between self-insured health plans and alternate health plans with specific provider networks (i.e., HMOs). As of January 1, 2018, the self-insured medical plan options were discontinued. Required premiums are collected from retired employees of the State of Wisconsin.



FINANCIAL SECTION

Total assets and liabilities as of December 31, 2017, were \$39.9 million, an increase of \$2.0 million as compared to the restated prior year amounts. More information about the State Retiree Health Insurance Program can be found in Note 9.

Local Retiree Health Insurance Program

Through the Local Retiree Health Insurance Program, participants may choose between self-insured health plans and alternate health plans with specific provider networks (i.e., HMOs). As of January 1, 2018, the self-insured medical plan options were discontinued. Required premiums are collected from retired employees of participating local government employers in Wisconsin.

Total assets and liabilities as of December 31, 2017, were \$3.7 million, a decrease of \$0.9 million as compared to the restated prior year amounts. More information about the Local Retiree Health Insurance Program can be found in Note 9.

» Capital Asset Activity

As of December 31, 2017, the total value of capital assets was \$37.7 million less accumulated depreciation of \$3.8 million, for a net capital asset value of \$33.9 million. This compares to the prior year at which time the total value of capital assets was \$29.0 million less accumulated depreciation of \$3.2 million, for a net capital asset value of \$25.8 million. The \$8.1 million increase from 2016 to 2017 was due to the continuing capitalization of a new benefits administration system, myETF, an internally generated software program that is intended to improve how ETF provides services and benefits to employers and employees. In March 2018, ETF's vendor for developing myETF stopped providing services which significantly affected the development of myETF. As of December 31, 2017, the carrying value of the impacted portion of the new system is \$21.9 million. For additional information on Capital Assets, please refer to Note 1 and Note 11.

» Financial Contact

This financial report is designed to provide a general overview of ETF's finances and to demonstrate its accountability with the assets it holds in trust. Questions concerning any of the information provided in this report should be addressed to ETF at P.O. Box 7931, Madison, Wisconsin, 53707-7931.



Wisconsin Department of Employee Trust Funds
Statement of Fiduciary Net Position
December 31, 2017

(In Thousands)

	Wisconsin Retirement System	Accumulated Sick Leave Conversion Credits	Employee Reimbursement Accounts/Commuter Benefits
Assets:			
Equity In Pooled Cash & Cash Equivalents	\$ 3,515,835	\$ 0	\$ 6,605
Securities Lending Collateral	1,576,662	0	0
Prepaid Expenses	27,425	13,561	1,100
Receivables:			
Contributions Receivable	180,200	4,601	6
Prior Service Contributions Receivable	17,199	0	0
Benefit Overpayments Receivable	2,664	0	20
Due From Other Benefit Programs	4,736	4,879	75
Due From Other Funds	634	0	0
Miscellaneous Receivables	719	0	0
Securities Lending Income Receivable	2,587	0	0
Interest and Dividends Receivable	314,112	0	0
Investment Sales Receivable	1,279,158	0	0
Total Receivables	1,802,009	9,480	101
Investments at Fair Value:			
Equities	63,241,061	0	0
Fixed Income Investments	30,709,368	0	0
Limited Partnerships	12,212,410	0	0
Multi Asset Investments	4,701,121	0	0
Real Estate	1,368,583	0	0
Preferred Securities	241,674	0	0
Convertible Securities	195	0	0
Foreign Currency Contracts	(1,131)	0	0
Options Contracts	(3,830)	0	0
Financial Futures Contracts	47,079	0	0
Swaps	4,171	0	0
To Be Announced Securities	95,489	0	0
Investment In Core Fund	0	2,595,778	0
Investment In Variable Fund	0	0	0
Investment Contract	0	0	0
Total Investments	112,616,190	2,595,778	0
Capital Assets - Net of Accum. Depreciation	33,895	0	0
Total Assets	119,572,016	2,618,819	7,806
Liabilities:			
Core Investment Due To Other Benefit Programs	3,785,696	0	0
Variable Investment Due To Other Benefit Programs	20,332	0	0
Obligation Under Reverse Repurchase Agreements	6,114,256	0	0
Short Sell Obligations	2,722,194	0	0
Securities Lending Collateral Liability	1,576,662	0	0
Collateral Due to Counterparty	2,860	0	0
Benefits Payable	360,617	0	5,580
Estimated Future Benefits	0	2,558,709	0
Unearned Revenue	41	0	2
Due To Other Benefit Programs	5,817	238	0
Interfund Payables	0	0	0
Miscellaneous Payables	119,889	65	921
Investment Payables	467,190	0	0
Total Liabilities	15,175,554	2,559,012	6,503
Net Position - Restricted for Pensions, Other Post-employment Benefits, and Other Purposes	\$ 104,396,462	\$ 59,807	\$ 1,303

The accompanying notes are an integral part of the financial statements.

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FINANCIAL SECTION

**Wisconsin Department of Employee Trust Funds
Statement of Fiduciary Net Position**

December 31, 2017

(In Thousands)

	State Retiree Life Insurance	Local Retiree Life Insurance	Milwaukee Retirement Systems
Assets:			
Equity In Pooled Cash & Cash Equivalents	\$ 0	\$ 0	\$ 0
Securities Lending Collateral	0	0	0
Prepaid Expenses	0	0	0
Receivables:			
Contributions Receivable	0	0	0
Prior Service Contributions Receivable	0	0	0
Benefit Overpayments Receivable	0	0	0
Due From Other Benefit Programs	0	0	0
Due From Other Funds	0	0	0
Miscellaneous Receivables	45	60	0
Securities Lending Income Receivable	0	0	0
Interest and Dividends Receivable	0	0	0
Investment Sales Receivable	0	0	0
Total Receivables	45	60	0
Investments at Fair Value:			
Equities	0	0	0
Fixed Income Investments	0	0	0
Limited Partnerships	0	0	0
Multi Asset Investments	0	0	0
Real Estate	0	0	0
Preferred Securities	0	0	0
Convertible Securities	0	0	0
Foreign Currency Contracts	0	0	0
Options Contracts	0	0	0
Financial Futures Contracts	0	0	0
Swaps	0	0	0
To Be Announced Securities	0	0	0
Investment In Core Fund	0	0	173,034
Investment In Variable Fund	0	0	20,332
Investment Contract	351,972	244,231	0
Total Investments	351,972	244,231	193,366
Capital Assets - Net of Accum. Depreciation	0	0	0
Total Assets	352,017	244,291	193,366
Liabilities:			
Core Investment Due To Other Benefit Programs	0	0	0
Variable Investment Due To Other Benefit Programs	0	0	0
Obligation Under Reverse Repurchase Agreements	0	0	0
Short Sell Obligations	0	0	0
Securities Lending Collateral Liability	0	0	0
Collateral Due to Counterparty	0	0	0
Benefits Payable	0	0	0
Estimated Future Benefits	0	0	0
Unearned Revenue	0	0	0
Due To Other Benefit Programs	22	29	0
Interfund Payables	23	31	0
Miscellaneous Payables	0	0	0
Investment Payables	0	0	0
Total Liabilities	45	60	0
Net Position - Restricted for Pensions, Other Post-employment Benefits, and Other Purposes	\$ 351,972	\$ 244,231	\$ 193,366

Continued from previous page

The accompanying notes are an integral part of the financial statements.



Wisconsin Department of Employee Trust Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2017
(In Thousands)

	Wisconsin Retirement System	Accumulated Sick Leave Conversion Credits	Employee Reimbursement Accounts/ Commuter
Additions:			
Contributions:			
Employer Contributions	\$ 1,017,559	\$ 57,917	\$ 651
Employee Contributions	965,453	0	36,799
Total Contributions	<u>1,983,012</u>	<u>57,917</u>	<u>37,450</u>
Deposits	0	0	0
Investment Income:			
Net Increase (Decrease) in Fair Value of Investments	13,831,016	0	0
Interest	569,459	0	0
Dividends	1,243,516	0	0
Securities Lending Income	37,868	0	0
Other	213,128	366,401	71
Less:			
Investment Income Distributed to Other Benefit Programs	(530,657)	0	0
Investment Expense	(487,384)	0	0
Securities Lending Rebates and Fees	(8,220)	0	0
Net Investment Income	<u>14,868,726</u>	<u>366,401</u>	<u>71</u>
Interest on Prior Service Receivable	1,130	0	0
Service Reimbursement Income	0	0	0
Miscellaneous Income	5,558	0	8
Total Additions	<u>16,858,426</u>	<u>424,318</u>	<u>37,529</u>
Deductions:			
Benefits and Refunds:			
Retirement, Disability, and Beneficiary	5,211,267	0	0
Separation Benefits	38,358	0	0
Other Benefit Expense	0	261,680	36,240
Distributions	0	0	0
Carrier Administrative Expenses	2,170	0	667
Administrative Expenses	23,963	760	393
Total Deductions	<u>5,275,758</u>	<u>262,440</u>	<u>37,300</u>
Net Increase (Decrease)	<u>11,582,668</u>	<u>161,878</u>	<u>229</u>
Net Position - Beginning of Year	<u>92,813,794</u>	<u>(102,071)</u>	<u>1,074</u>
Net Position - End of Year	<u>\$ 104,396,462</u>	<u>\$ 59,807</u>	<u>\$ 1,303</u>

The accompanying notes are an integral part of the financial statements.

Continued on next page



FINANCIAL SECTION

Wisconsin Department of Employee Trust Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2017
(In Thousands)

	State Retiree Life Insurance	Local Retiree Life Insurance	Milwaukee Retirement Systems
Additions:			
Contributions:			
Employer Contributions	\$ 1,376	\$ 2,063	\$ 0
Employee Contributions	0	0	0
Total Contributions	<u>1,376</u>	<u>2,063</u>	<u>0</u>
Deposits	0	0	3,000
Investment Income:			
Net Increase (Decrease) in Fair Value of Investments	0	0	0
Interest	0	0	0
Dividends	0	0	0
Securities Lending Income	0	0	0
Other	11,462	7,573	28,647
Less:			
Investment Income Distributed to Other Benefit Programs	0	0	0
Investment Expense	0	0	0
Securities Lending Rebates and Fees	0	0	0
Net Investment Income	<u>11,462</u>	<u>7,573</u>	<u>28,647</u>
Interest on Prior Service Receivable	0	0	0
Service Reimbursement Income	68	91	0
Miscellaneous Income	0	0	0
Total Additions	<u>12,906</u>	<u>9,727</u>	<u>31,647</u>
Deductions:			
Benefits and Refunds:			
Retirement, Disability, and Beneficiary	0	0	0
Separation Benefits	0	0	0
Other Benefit Expense	17,670	7,324	0
Distributions	0	0	21,000
Carrier Administrative Expenses	631	1,193	0
Administrative Expenses	68	91	0
Total Deductions	<u>18,369</u>	<u>8,608</u>	<u>21,000</u>
Net Increase (Decrease)	<u>(5,463)</u>	<u>1,119</u>	<u>10,647</u>
Net Position - Beginning of Year	<u>357,435</u>	<u>243,112</u>	<u>182,719</u>
Net Position - End of Year	<u>\$ 351,972</u>	<u>\$ 244,231</u>	<u>\$ 193,366</u>

Continued from previous page

The accompanying notes are an integral part of the financial statements.



Wisconsin Department of Employee Trust Funds
Statement of Net Position - Proprietary Funds
December 31, 2017
(In Thousands)

	Duty Disability	Health Insurance	Income Continuation Insurance	Life Insurance
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0	\$ 2,320
Investment In Core Fund	658,630	250,648	107,606	0
Prepaid Expenses	0	24	104	0
Rebates Receivable	0	23,181	0	0
Contributions Receivable	762	0	1,171	0
Due From Other Benefit Programs	733	12,079	1,143	4
Interfund Receivables	0	0	0	54
Benefit Overpayments Receivable	241	0	3,533	0
Miscellaneous Receivables	0	21	0	551
Total Current Assets	<u>660,366</u>	<u>285,953</u>	<u>113,557</u>	<u>2,929</u>
Total Assets	<u>660,366</u>	<u>285,953</u>	<u>113,557</u>	<u>2,929</u>
Liabilities				
Current Liabilities:				
Benefits Payable	2,972	0	136	0
Premiums Payable	0	2,795	0	1,499
Unearned Revenue	0	15,900	0	0
Current Portion of Estimated Future Benefits	35,506	7,163	20,800	0
Due to Other Agency	0	0	0	843
Due To Other Benefit Programs	388	23,572	100	283
Miscellaneous Payables	9,286	10,986	4,983	0
Total Current Liabilities	<u>48,152</u>	<u>60,416</u>	<u>26,019</u>	<u>2,625</u>
Noncurrent Liabilities:				
Noncurrent Portion of Estimated Future Benefits	420,070	0	67,003	0
Total Noncurrent Liabilities	<u>420,070</u>	<u>0</u>	<u>67,003</u>	<u>0</u>
Total Liabilities	<u>468,222</u>	<u>60,416</u>	<u>93,022</u>	<u>2,625</u>
Net Position Restricted (Unrestricted) For Benefits	<u>\$ 192,144</u>	<u>\$ 225,537</u>	<u>\$ 20,535</u>	<u>\$ 304</u>

The accompanying notes are an integral part of the financial statements.



FINANCIAL SECTION

**Wisconsin Department of Employee Trust Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
For the Year Ended December 31, 2017**

(In Thousands)

	Duty Disability	Health Insurance	Income Continuation Insurance	Life Insurance
Operating Revenues:				
Contributions	\$ 8,659	\$ 1,332,775	\$ 24,321	\$ 0
Miscellaneous Income	6	0	119	0
Administrative Reimbursement Income	0	0	0	955
Total Operating Revenues	8,665	1,332,775	24,440	955
Operating Expenses:				
Benefit Expense	43,212	1,264,639	18,767	0
Carrier Administrative Expenses	0	14,055	1,231	0
Administrative Expenses	4,511	8,686	577	944
Other Expenses	0	0	0	12
Total Operating Expenses	47,723	1,287,380	20,575	956
Operating Income (Loss)	(39,058)	45,395	3,865	(1)
Nonoperating Revenues:				
Investment Income	91,825	28,952	13,871	37
Penalties and Fee	0	1,196	0	0
Total Nonoperating Revenues	91,825	30,148	13,871	37
Net Income (Loss)	52,767	75,543	17,736	36
Change in Net Position	52,767	75,543	17,736	36
Total Net Position - Beginning of Year	139,377	149,994	2,799	268
Total Net Position - End of Year	\$ 192,144	\$ 225,537	\$ 20,535	\$ 304

The accompanying notes are an integral part of the financial statements.



Wisconsin Department of Employee Trust Funds
Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2017
(In Thousands)

	Duty Disability Insurance	Health Insurance	Income Continuation Insurance	Life Insurance
Cash Flows from Operating Activities				
Cash Received for Rebates	\$ 0	\$ 33,693	\$ 0	\$ 0
Cash Received (Paid) for Insurance Premiums	7,895	1,354,959	33,481	(1,032)
Cash Received (Paid) for Employee Benefits	(34,897)	(1,302,675)	(19,945)	0
Cash Paid for Administrative Services	(1,732)	(26,931)	(2,082)	(1,213)
Service Reimbursement Income	0	0	0	1,064
Miscellaneous Income (Expense)	6	0	119	(12)
Net Cash Provided (Used) by Operating Activities	(28,728)	59,046	11,573	(1,193)
Cash Flows from Noncapital Financing Activities				
Due to Other Agency	0	0	0	21
Interfund Cash Received (Provided)	0	0	0	(27)
Penalties and Fees	0	1,196	0	0
Net Cash Provided (Used) by Noncapital Financing Activities	0	1,196	0	(6)
Cash Flows from Investing Activities				
Investment Income	91,825	28,952	13,871	37
Decrease (Increase) in Investment in Core Fund	(63,097)	(89,194)	(25,444)	0
Net Cash Provided (Used) by Investing Activities	28,728	(60,242)	(11,573)	37
Net Increase (Decrease) in Cash and Cash Equivalents	0	0	0	(1,162)
Equity in Pooled Cash and Cash Equivalents at Beginning of Year	0	0	0	3,482
Equity in Pooled Cash and Cash Equivalents at End of Year	0	0	0	2,320
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(39,058)	45,395	3,865	(1)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Changes in Assets and Liabilities:				
Decrease (Increase) in Rebates Receivable	0	(3,644)	0	0
Decrease (Increase) in Contributions Receivable	(382)	0	(135)	468
Decrease (Increase) in Miscellaneous Receivables	0	614	0	171
Decrease (Increase) in Benefit Overpayments Receivable	(30)	0	(258)	0
Decrease (Increase) in Prepaid Expenses	0	295	(104)	0
Decrease (Increase) in Due From Other Benefit Programs	(463)	9,065	9,295	7
Increase (Decrease) in Estimated Future Benefits	8,187	(1,270)	(775)	0
Increase (Decrease) in Premiums Payable	0	2,795	0	(1,511)
Increase (Decrease) in Unearned Revenue	0	(57)	0	(62)
Increase (Decrease) in Benefits Payable	158	0	111	0
Increase (Decrease) in Miscellaneous Payables	3,227	680	(91)	0
Increase (Decrease) in Due to Other Benefit Programs	(367)	5,173	(335)	(265)
Total Adjustments	10,330	13,651	7,708	(1,192)
Net Cash Provided (Used) by Operating Activities	\$ (28,728)	\$ 59,046	\$ 11,573	\$ (1,193)

The accompanying notes are an integral part of the financial statements.



FINANCIAL SECTION

Wisconsin Department of Employee Trust Funds
Statement of Fiduciary Net Position - Agency Funds
December 31, 2017
(In Thousands)

	State Retiree Health Insurance	Local Retiree Health Insurance
Assets:		
Receivables:		
Federal Subsidy Receivable	7,427	1,081
Benefit Overpayment Receivable	192	0
Due From Other Benefit Programs	18,356	1,421
Miscellaneous Receivables	7	0
Rebates Receivable	13,933	1,168
Total Receivables	39,915	3,670
Total Assets	39,915	3,670
Liabilities:		
Unearned Revenue	18,355	1,372
Due To Other Benefit Programs	11,327	1,597
Miscellaneous Payables	5,294	418
Benefit & Loss Liabilities - Current	4,940	283
Total Liabilities	39,915	3,670
Net Position Held for Other Post Employment Benefits	\$ 0	\$ 0

The accompanying notes are an integral part of the financial statements.

Wisconsin Department of Employee Trust Funds
Statement of Changes in Assets and Liabilities - Agency Funds
December 31, 2017

(In Thousands)

	Balance				Balance
	January 1, 2017	Additions	Deductions		December 31, 2017
State Retiree Health Insurance					
Assets					
Cash and Cash Equivalents	\$ 0	\$ 316,197	\$ 316,197		\$ 0
Prepaid Health Insurance	9	0	9		0
Receivables:					
Federal Subsidy Receivable	14,518	20,339	27,430		7,427
Benefit Overpayment Receivable	40	152	0		192
Due From Other Benefit Programs	9,315	9,041	0		18,356
Miscellaneous Receivable	225	7	225		7
Rebates Receivable	13,756	27,623	27,446		13,933
Total Receivables	<u>37,854</u>	<u>57,162</u>	<u>55,101</u>		<u>39,915</u>
Total Assets	<u>37,863</u>	<u>373,359</u>	<u>371,307</u>		<u>39,915</u>
Liabilities					
Unearned Revenue	5,169	18,355	5,169		18,355
Due To Other Benefit Programs	22,463	14,814	25,950		11,327
Miscellaneous Payables	4,712	8,530	7,949		5,293
Benefit & Loss Liabilities - Current	5,519	149,781	150,360		4,940
Total Liabilities	<u>\$ 37,863</u>	<u>\$ 191,480</u>	<u>\$ 189,428</u>		<u>\$ 39,915</u>
Local Retiree Health Insurance					
Assets					
Cash and Cash Equivalents	\$ 0	\$ 24,907	\$ 24,907		\$ 0
Receivables:					
Federal Subsidy Receivable	1,034	1,835	1,789		1,080
Due From Other Benefit Programs	2,270	745	1,594		1,421
Miscellaneous Receivables	31	0	31		0
Rebates Receivable	1,212	2,239	2,282		1,169
Total Receivables	<u>4,547</u>	<u>4,819</u>	<u>5,696</u>		<u>3,670</u>
Total Assets	<u>4,547</u>	<u>29,726</u>	<u>30,603</u>		<u>3,670</u>
Liabilities					
Unearned Revenue	1,379	1,372	1,379		1,372
Due To Other Benefit Programs	2,462	208	1,073		1,597
Miscellaneous Payables	419	408	408		419
Benefit & Loss Liabilities - Current	287	10,770	10,775		282
Total Liabilities	<u>\$ 4,547</u>	<u>\$ 12,758</u>	<u>\$ 13,635</u>		<u>\$ 3,670</u>

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

» Presentation Basis

The financial statements of the Wisconsin Department of Employee Trust Funds (ETF) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) for government units as prescribed by the Governmental Accounting Standards Boards (GASB). ETF is not a general-purpose government and does not present government-wide statements. These statements are not intended to present the financial activity of the State of Wisconsin as a whole. The funds administered by ETF are included in the State of Wisconsin financial reporting entity and are presented in the State's Comprehensive Annual Financial Report.

The assets and operations of ETF are accounted for in the following funds:

Fiduciary Funds

Pension and Other Employee Benefit Trust Funds

Wisconsin Retirement System (WRS): This fund is used to account for the collection of employee and employer contributions; investment of assets; and payment of retirement, disability, and death benefits to former employees, and their beneficiaries, of the State of Wisconsin and participating local governments in Wisconsin.

Accumulated Sick Leave Conversion Credits (ASLCC): This fund is used to account for the collection of employer contributions, investment of assets, and purchase of post-retirement health insurance for retired employees of the State of Wisconsin and their beneficiaries. This benefit allows employees, at the time of their retirement, to convert the value of their unused sick leave accumulation into an account to be used to pay for post-retirement health insurance. The value of their account may also be increased by an employer match of part or all of their unused sick leave accumulation.

Employee Reimbursement Accounts/Commuter Benefits: This fund is used to account for the collection of voluntary payroll deferrals, investment of assets, and reimbursement of qualifying medical, dependent care, and transportation expenses for employees of the State of Wisconsin, in compliance with Internal Revenue Code Section 125 and Section 132.

State Retiree Life Insurance: This fund is used to account for the accumulation of assets and the payment of life insurance benefits for retired employees of the State of Wisconsin.

Local Retiree Life Insurance: This fund is used to account for the accumulation of assets and the payment of life insurance benefits for retired employees of participating local governments in Wisconsin.

Investment Trust Fund

Milwaukee Retirement Systems: These funds are used to account for the receipt, investment, and disbursement of funds from other public pension funds in Wisconsin.

Agency Funds

State Retiree Health Insurance: This fund is used to account for the collection of retiree contributions, the investment of assets, the purchase of health insurance coverage, and the payment of health insurance claims for retired employees of the State of Wisconsin.

Local Retiree Health Insurance: This fund is used to account for the collection of retiree contributions, the investment of assets, the purchase of health insurance coverage, and the payment of health insurance claims for retired employees of participating local governments in Wisconsin.

Proprietary Funds

Enterprise Funds

Duty Disability Insurance: This fund is used to account for the collection of employer contributions, investment of assets, and payment of special disability benefits to protective occupation participants in the WRS.

Health Insurance: This fund is used to account for the collection of employee and employer contributions, the investment of assets, the purchase of health insurance coverage, and the payment of health insurance claims for current employees of both the State of Wisconsin and participating local governments in Wisconsin.

Income Continuation Insurance: This fund is used to account for the collection of employee and employer contributions, the investment of assets, and the payment of disability benefits for employees of both the State of Wisconsin and participating local governments in Wisconsin.

Life Insurance: This fund is used to account for the collection of employee and employer contributions and the purchase of life insurance coverage for current employees of both the State of Wisconsin and participating local governments in Wisconsin.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal ongoing operations for these proprietary funds are: collecting premiums and using the accumulated premiums and investment income to pay benefits. Revenues and expenses not directly related to the principal ongoing operations are classified as non-operating.

Department-wide administrative expenses, capital assets, and general fund activities are most closely associated with the WRS fund and have been blended with that fund for presentation. All material intrafund transactions have been eliminated from fund financial statements. Interfund transactions have not been eliminated.

FINANCIAL SECTION

» Measurement Focus and Basis of Accounting

The financial statements of ETF have been prepared in accordance with GAAP. The WRS, Accumulated Sick Leave Conversion Credits, Employee Reimbursement Accounts/Commuter Benefits, Retiree Life Insurance Funds, and all proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, contributions are recognized in the accounting period in which the underlying earnings on which the contributions are based are paid and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Security transactions and the related gains and losses are recorded on a trade date basis. Dividend income is recorded on the ex-dividend date, and interest income is accrued as earned.

The State Retiree and Local Retiree Health Insurance Funds are accounted for using the accrual basis of accounting, but have no measurement focus by virtue of their custodial nature.

» Investments

The assets of the WRS and the Milwaukee Retirement System are valued at fair value and are invested in the Core Retirement Investment Trust (Core Fund) and the Variable Retirement Investment Trust (Variable Fund), which are collectively the Retirement Funds. The assets of the Income Continuation Insurance, Duty Disability Insurance, Accumulated Sick Leave Conversion Credit, Health Insurance, State Retiree Health Insurance, and Local Retiree Health Insurance programs are invested in the Core Fund. Earnings are allocated between the WRS and other benefit programs based on the average balance invested for each program. Earnings allocated to other benefit programs are classified as "Investment Income Distributed to Other Benefit Programs" on the Statement of Changes in Fiduciary Net Position. The total amount invested by the other benefit programs included in the Retirement Funds is presented as "Core Investment Due To Other Benefit Programs" and "Variable Investment Due To Other Benefit Programs" on the Statement of Fiduciary Net Position. Investments for the Retiree Life Insurance Funds are held by the plan administrator and classified as "Investment Contract" on the Statement of Fiduciary Net Position. All other benefit plan assets are invested in the State Investment Fund (SIF). Investments in the SIF are classified as "Equity in Pooled Cash and Cash Equivalents" on the Statement of Fiduciary Net Position and "Cash and Cash Equivalents" on the Statement of Net Position – Proprietary Funds. The SIF is a pool of cash balances of various state and local government units with the investment objectives to provide safety, liquidity, and competitive rates of return.

The State of Wisconsin Investment Board (SWIB) manages the Retirement Funds and SIF with oversight by the SWIB Board of Trustees, as authorized in Wis. Stat. § 25.17. SWIB is not registered with the Securities and Exchange Commission as an investment company.

» Funding Value of Assets

While investments are valued at fair value for financial statement presentation, a funding value of assets is used in evaluating the funded status of the benefit plans and in determining future contribution requirements. Funding value does not include deferred market gains and losses that have not yet been distributed from the Market Recognition Account (MRA) to the program reserves. See Note 7 for further explanation of the MRA. As of December 31, 2017, the funding value of reserves (In Millions) was as follows:

Benefit Plan	Reserves at Funding Value	Deferred Market Gains (Losses)	Reserves at Fair Value
Wisconsin Retirement System	\$ 101,234.3	\$ 3,162.2	\$ 104,396.5
Income Continuation Insurance (1)	7.3	13.2	20.5
Duty Disability Insurance (1)	173.1	19.0	192.1
Accumulated Sick Leave Conversion Credits (1)	(15.2)	75.0	59.8
Health Insurance (1)	226.6	(1.1)	225.5
State Retiree Health Insurance (1)	(4.7)	4.7	0.0
Local Retiree Health Insurance (1)	(0.1)	0.1	0.0

⁽¹⁾ The Reserves at Funding Value and the Reserves at Fair Value for Income Continuation Insurance, Duty Disability, Accumulated Sick Leave Conversion Credits, Health Insurance, and State and Local Retiree Health Insurance programs have been reduced by the estimated future claims for the benefit plan.

» *Administrative Expenses*

ETF administrative costs are financed by a separate appropriation and are allocated to each benefit plan administered by ETF in accordance with Wis. Stat. § 40.04. The sources of funds for this appropriation are investment earnings and third-party reimbursements received from the various programs administered by ETF. Total administrative expenses for the year were approximately \$43 million. Costs for third-party administrators are reported as "Carrier Administrative Expenses" within each program.

SWIB incurs expenses related to investing the trust funds. As authorized by Wis. Stat. § 25.187 (2), these costs are charged directly to the investment income of each trust fund.

» *Capital Assets*

Capital assets consist of office furniture and equipment and computer software (purchased or externally acquired and internally generated software). ETF capitalizes furniture and equipment, and purchased computer software with a purchase price in excess of \$5,000, and internally-generated software and other intangible assets in excess of \$1 million. Assets are depreciated on a composite basis over an estimated life, ranging from 5 to 20 years, using the straight-line method of depreciation.

As of December 31, 2017, the total value of capital assets was \$37.7 million, less accumulated depreciation of \$3.8 million for a net capital asset value of \$33.9 million. The net capital asset value includes \$33.8 million in internally-generated software, and \$61,466 in purchased software.

» *Long-Term Liabilities*

The Accumulated Sick Leave Conversion Credits Fund reports an actuarially-determined liability for future benefits. The liability is determined using the Frozen Initial Liability actuarial cost method and actuarial assumptions that include a 7.2% long-term rate of investment return and a 3.2% annual base salary increase.



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During 2017, the liability changed as follows (in millions):

Beginning Balance	\$ 2,469
Plus: New Liabilities Recognized	262
Less: Benefit Paid	(172)
Ending Balance	<u>\$ 2,559</u>

The portion estimated to be due within one year is \$176 million.

» *Interfund Assets / Liabilities*

Interfund assets and liabilities at December 31, 2017, consist of the following (in thousands):

Due To/From Other Benefit Programs

	Wisconsin Retirement System	Health Insurance	State Retiree Health Insurance	Local Retiree Health Insurance	Life Insurance	State Retiree Life Insurance	Local Retiree Life Insurance	Duty Disability	Income Continuation Insurance	Sick Leave	Deferred Comp.	Total
Wisconsin Retirement System		2,645	894	85	283	22	29	388	100	238	52	4,736
ERA & Commuter Benefits	21	54										75
Health Insurance	133		10,433	1,513								12,079
State Retiree Health Insurance		18,356										18,356
Local Retiree Health Insurance	47	1,374										1,421
Life Insurance	4											4
Duty Disability	733											733
Income Continuation Insurance		1,143										1,143
Sick Leave	4,879											4,879
Total	5,817	23,572	11,327	1,598	283	22	29	388	100	238	52	43,426

Due From Other Benefit Programs

Due To Other Benefit Programs

The outstanding balances between benefit programs result from the time lag between when actual receipts and disbursements are made and when those amounts are allocated between benefit programs. All liabilities are expected to be paid within one year of the balance sheet date.

Interfund Receivables / Payables

Interfund Receivables and Payables represent short-term loans from one fund to another to cover cash overdrafts. Interfund receivables/payables at December 31, 2017, consist of the following (in thousands):

	Life Insurance		Total		Interfund Payables
State Retiree Life Insurance	\$	23	\$	23	
Local Retiree Life Insurance		31		31	
Total	\$	54	\$	54	

Interfund Receivables

» Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates that affect amounts reported herein. Due to the inherent uncertainty involved, actual results could differ from those estimates.

2 ACCOUNTING CHANGES

A. ETF adopted Governmental Accounting Standards Board (GASB) Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans" during the year ended December 31, 2017. This statement replaces the requirements of Statement No. 43, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." The statement became effective for fiscal years beginning after June 15, 2016, and required changes in the presentation of the financial statements, notes to the financial statements, and required supplementary information. Significant changes include an actuarial calculation of total and net Other Post Employment Benefits (OPEB) liabilities. The changes also include comprehensive footnote disclosure regarding the liability for OPEB plans and the sensitivity of the net OPEB liability to the discount rate. This is presented in Note 9.

For the State Retiree Life Insurance and Local Retiree Life Insurance programs, life insurance premiums received from State and Local retirees are reported as a reduction to "Other Benefit Expense" on the Statement of Changes in Fiduciary Net Position in accordance with GASB Statement No. 74. Previously, this activity was reported as "Employee Contributions". There is no impact on the beginning or ending Net Position as of December 31, 2017 as a result of this change.

In addition, state premium taxes paid for life insurance benefits paid to retirees over the age of 65 are reported as "Other Benefit Expense" on the Statement of Changes in Fiduciary Net Position. Previously, this activity was reported as "Carrier Administrative Expense." In reviewing these programs and GASB Statement No. 74, ETF determined it is more appropriate to report this activity as "Other Benefit Expense," since the activity is directly related to benefit claims.

B. In 2017, ETF concluded the Long-Term Disability Insurance (LTDI) program should be combined and reported with the WRS fund because the disability benefits provided under this program are being provided



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through the WRS pension plan. Previously, the LTDI program was reported in a fund separate from the WRS fund, as a risk pool under GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues." This change resulted in the elimination of the LTDI fund and related note disclosures for the fiscal year ended December 31, 2017, as well as a restatement of the beginning net position of the WRS, as shown in the table below.

C. In 2017, ETF concluded the Duty Disability Insurance program should be reported as an enterprise fund because it did not fit the definition of an OPEB plan. Previously, the Duty Disability Insurance program was reported as an OPEB following the requirements of GASB Statement No. 43, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." As noted earlier, GASB Statement No. 43 was replaced with GASB Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other than Pension Plans." In reviewing this program and GASB Statement No. 74, ETF determined it is more appropriate to report the Duty Disability Insurance program as an enterprise fund following GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues." This change resulted in adjustments to the note disclosures for the Duty Disability Insurance fund. In addition, the beginning net position of the Duty Disability Insurance fund was restated, as shown in the table below.

Restatement of Net Position (In Thousands)

	Wisconsin Retirement System	Duty Disability Insurance
Net Position as of December 31, 2016	\$ 92,580,102	\$ 592,825
Adjustments of assets and liabilities as of December 31, 2016	233,692	(453,448)
Net Position as of December 31, 2016, restated	\$ 92,813,794	\$ 139,377

D. The Employee Reimbursement Accounts/Commuter Benefits program beginning net position was restated for a prior year correction. Benefits Payable and Other Benefit Expenses were understated by \$682,307, resulting in an overstatement of Net Position as of December 31, 2016.

E. The State Retiree Health Insurance and Local Retiree Health Insurance plans are reported as agency funds. As such, these funds report assets equal to liabilities resulting in a zero net position. Under normal operations, these funds are likely to have a surplus or deficit each year, primarily due to premiums collected being more or less than the claim payments. Previously, to reflect a zero net position for the agency funds, an entry was made each year to accrue an Inter-fund Receivable/Payable between the Retiree Health Insurance funds and the Health Insurance fund as well as a Due From/To Employers. These balances were updated each year as a result of that year's operations. Beginning with the financial statements as of and for the year ended December 31, 2017, ETF has determined it would be more appropriate to transfer contributions between the Health Insurance fund and Retiree Health Insurance funds each year, rather than record an inter-fund receivable/payable and a Due From/To Employers. This approach better reflects the administration of the programs.

In 2017, an entry was recorded to eliminate the Inter-fund Receivable/Payable between the Retiree Health Insurance funds and the Health Insurance fund as well as a Due From/To Employers that had accumulated in these accounts in prior periods. This resulted in a restatement of the beginning net position for the Health Insurance fund, as shown in the following table. The net positions of the Retiree Health Insurance funds were not affected by this change and remain zero.

Restatement of Net Position (In Thousands)

	Heath Insurance	
Net Position as of December 31, 2016	\$	237,296
Adjustments of assets and liabilities as of December 31, 2016, related to State Retiree Health Insurance		(67,334)
Adjustments of assets and liabilities as of December 31, 2016, related to Local Retiree Health Insurance		(19,968)
Net Position as of December 31, 2016, restated	\$	149,994

F. Effective December 31, 2017, Short Sell Obligations reported on the Statement of Fiduciary Net Position reflect unadjusted gross positions. In previous reporting periods, the Statement of Fiduciary Net Position was adjusted to remove the impact of short sales where the same security was held long in another separately-managed Retirement Fund portfolio. Reporting unadjusted gross positions serves to provide more transparency by disclosing all short sale liabilities, irrespective of whether the Retirement Funds may otherwise hold offsetting long positions. This change results in an increase in "Equities" and "Preferred Securities" and an offsetting increase in "Short Sell Obligation" on the Statement of Fiduciary Net Position as of December 31, 2017. Because the asset and liability amounts offset, there is no impact on the Retirement Funds' reported beginning or ending "Net Position - Restricted for Pensions, Other Postemployment Benefits, and Other Purposes."

3 DEPOSITS, INVESTMENTS AND SECURITIES LENDING TRANSACTIONS

» Valuation of Securities

The investments of the Retirement Funds are reported in the Statement of Fiduciary Net Position at fair value as prescribed by GASB and per section 25.17(14) of the Wisconsin Statutes. Unrealized gains and losses are reflected in the Statement of Changes in Fiduciary Net Position as "Net Increase (Decrease) in Fair Value of Investments."

The fair value of the Retirement Funds' assets is obtained or estimated in accordance with a pricing hierarchy established with SWIB's custodian, Bank of New York Mellon (BNY Mellon). As prescribed by the hierarchy, a variety of independent pricing sources are used to price assets based on type, class, or issue.

When a portfolio includes securities or instruments for which the custodial bank does not receive fair value information from its vendor pricing sources, a variety of third-party pricing methods are used, including appraisals, pricing models, and other methods deemed acceptable by industry standards.

The "Equity in Pooled Cash and Cash Equivalents" account reported on the Statement of Fiduciary Net Position consists of short-term investments which are used to meet the liquidity requirements of the Retirement Funds. Equity in Pooled Cash and Cash Equivalents held by the Retirement Funds can include cash on deposit, foreign currencies, cash posted as collateral to counterparties, repurchase agreements, certificates of deposit, U.S. Treasury Bills, short-term investment funds, and other U.S or foreign liquid financial instruments with maturities that are generally less than three months. Equity in Pooled Cash and Cash Equivalents are reported at fair value or cost, which approximates fair value.

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Privately-held debt, which is included in “Fixed Income Investments” on the Statement of Fiduciary Net Position, is priced using approaches that value each holding based on the best available information using the following hierarchy of pricing sources:

1. Custodian supplied prices for assets that can be priced in accordance with the pricing hierarchy established with SWIB’s custodian
2. Prices provided by a third party with expertise in the bond market

For private market investments where no readily ascertainable market value exists, including limited partnerships and real estate pooled funds, fair value is estimated based on the net asset value as reported by the general partner. The capital account balance as stated in the most recent available quarterly reporting period is adjusted for subsequent cash flows to derive fair value. The financial statements of the limited partnerships and real estate pooled funds are audited by independent auditors annually.

Certain portfolios make investments in privately-held companies alongside a strategic partner, such as a limited partnership fund manager. These co-investments are valued by SWIB’s strategic partner, using a variety of methodologies such as reviews of subsequent financing rounds, discounted cash flow analyses, cash flow multiples analyses, reviews of market comparable sales or metrics, and reviews of third-party appraisals.

Real estate properties wholly owned by SWIB are valued by independent appraisers every three years. In years when appraisals are not performed, properties are informally appraised by the asset advisor. Each year, audited financial statements are prepared for each property.

SWIB employs portfolio strategies which involve investments across multiple asset classes. The “Multi Asset Investments” account on the Statement of Fiduciary Net Position consists primarily of hedge funds. SWIB values hedge funds based on monthly statements or estimated returns received from each of the hedge fund’s administrators. A third-party administrator’s responsibility is to independently account for the hedge fund’s activity and calculate the net asset value of the fund. Generally, hedge fund administrators price financial instruments traded in active markets based on quoted market prices or binding dealer quotations. For certain over-the-counter instruments, fair value is determined based on valuation models used by the administrator. Annually, the financial statements prepared by the administrator are audited by independent auditors.

Derivative financial instruments are marked to fair value daily, with valuation changes recognized in income during the period the instruments are held and when the instrument is sold or expires. The nature and use of derivative instruments is discussed later in this note.

A limited number of securities are carried at cost. Certain non-public or closely-held investments are not reported at fair value, but are carried at cost since no independent quotation is available to estimate fair value for these securities.

» Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to SWIB. Fixed income credit risk investment guidelines outline the minimum ratings required at the time of purchase by individual portfolios, or groups of portfolios, based on the portfolios’ investment objectives. In addition, some fixed income portfolios are required to carry a minimum weighted average rating at all times. Information regarding SWIB’s credit risk related to derivatives is discussed later in this note.

The table entitled Credit Quality Distribution displays the lowest credit rating assigned by nationally recognized statistical rating organizations on debt securities held by the Retirement Funds as of December 31, 2017. Included in this table are fixed income securities, including certain short-term securities, classified as “Equity in Pooled Cash and Cash Equivalents” on the Statement of Fiduciary Net Position. Also included are interest rate sensitive investments held in the Retirement Funds’ securities lending collateral reinvestment

pools, which are managed by SWIB's custodian. Additional information regarding the securities lending program is discussed later in this note.

The table also includes SWIB's investment in commingled fixed income funds, which are not rated. Although the funds themselves are not assigned ratings, external management investment guidelines govern minimum credit quality standards for the investments within each portfolio. These standards are determined based on the investment objectives and risk parameters of each fund.

**Retirement Funds
Credit Quality Distribution
As of December 31, 2017
(In Thousands)**

Rating	Fair Value	% of Total
AAA/Aaa	\$ 259,854	1%
A-1/P-1	949	0
AA/Aa	17,397,466	51
A-2/P-2	328,588	1
A	1,872,727	6
BBB/Baa	2,089,975	6
BB/Ba	925,456	3
B	824,351	2
CCC/Caa or below	310,463	1
Not Rated	790,396	2
Commingled Fixed Income Funds	9,039,285	27
Total	\$ 33,839,510	100%

SWIB held \$6.1 billion in reverse repurchase agreements at December 31, 2017. Investment guidelines permit certain portfolios to enter into reverse repurchase agreements, which are a sale of securities with a simultaneous agreement to repurchase the securities in the future at the same price plus a stated rate of interest. The market value of the securities underlying reverse repurchase agreements exceeds the cash received, providing the counterparty a margin against a decline in market value of the securities. If the counterparty defaults on their obligation to sell these securities back to SWIB or provide cash of equal value, SWIB could suffer an economic loss equal to the difference between the market value of the underlying securities plus accrued interest and the agreement obligation, including accrued interest.

SWIB enters into reverse repurchase agreements with various counterparties and such transactions are governed by Master Repurchase Agreements (MRA). MRAs are negotiated contracts and contain terms in which SWIB seeks to minimize counterparty credit risk. SWIB also controls credit exposures by limiting trades with any one counterparty to stipulated amounts. The counterparty credit exposure is managed through the transfer of margin, in the form of cash or securities, between SWIB and the counterparty. The Retirement Funds' counterparty credit exposure for reverse repurchase agreements at December 31, 2017 is summarized in the table entitled Reverse Repurchase Agreements, Counterparty Credit Exposure.



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Retirement Funds Reverse Repurchase Agreements Counterparty Credit Exposure As of December 31, 2017 (In Thousands)	
Fair Value of Collateral Held by Counterparty	\$ 6,222,594
Less:	
Cash due to Counterparty	6,114,256
Collateral and Interest due to Counterparty	20,515
Total due to Counterparty	6,134,771
Net Counterparty Credit Exposure	\$ 87,823

The cash proceeds from reverse repurchase agreements are reinvested by the Retirement Funds. The maturities of the purchases made with the proceeds of reverse repurchase agreements are not necessarily matched to the maturities of the agreements. The agreed-upon yields earned by the counterparty for the reverse repurchase agreements held were between 1.18% and 1.82% at December 31, 2017. Portfolio guidelines require agreements to mature between one and 90 days.

The cash due to counterparties resulting from reverse repurchase agreements is reported as “Obligation Under Reverse Repurchase Agreements” and the interest due to counterparties is included in “Investment Payables” on the Statement of Fiduciary Net Position. The underlying assets, as well as the reinvested proceeds, are reported in the “Investments at Fair Value” section on the Statement of Fiduciary Net Position.

» Custodial Credit Risk

Deposits - Custodial credit risk related to deposits is the risk that, in the event of the failure of a depository financial institution, SWIB will not be able to recover deposits that are in possession of an outside party. Cash deposits totaled \$1,900.1 million as of December 31, 2017. Of the total, \$1,512.1 million was collateralized by securities borrowed. Depository insurance covered another \$24.9 million of the total. The remaining deposits, totaling \$363.1 million, were uninsured and uncollateralized. These uninsured deposits represented balances held in foreign currencies in SWIB’s custodian’s nominee name, cash posted as collateral for derivatives transactions, and cash collateral posted in excess of the market value of securities borrowed by SWIB for short sales. In addition to cash deposits, the Retirement Funds also held \$57.8 million in certificates of deposit, all of which were covered by depository insurance as of December 31, 2017.

Investments - Custodial credit risk for investments is the risk that, in the event of failure of the counterparty to a transaction, SWIB will not be able to recover the value of investments that are in the possession of an outside party. The Retirement Funds held two repurchase agreements totaling \$14.2 million as of December 31, 2017. These repurchase agreements were tri-party agreements held in a short-term cash management portfolio managed by SWIB’s custodian. The underlying securities for these agreements were held by the tri-party agent, not in SWIB’s name.

SWIB’s custodial credit risk policy addresses the primary risks associated with safekeeping and custody. It requires that SWIB’s custodial institution be selected through a competitive bid process and that the institution be designated a “Systemically Important Financial Institution” by the U.S. Federal Reserve. The policy also requires that SWIB be reflected as beneficial owner on all securities entrusted to the custodian and that SWIB have access to safekeeping and custody accounts. The custodian is also required to be insured for errors and omissions and must provide SWIB with an annual report on internal controls, prepared in

accordance with the Statement on Standards for Attestation Engagements. Furthermore, SWIB management has established a system of controls for the oversight of services and related processes of the custodian. SWIB's current custodial bank was selected in accordance with these guidelines and meets all requirements stipulated in the custodial credit risk policy.

» *Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of an organization's investment in a single issuer. SWIB limits concentrations of credit risk by establishing investment guidelines for individual portfolios or groups of portfolios that generally restrict issuer concentrations in any one company or Rule 144A securities to less than 5% of the portfolio's market value. The Retirement Funds did not hold any investments with a single issuer, exclusive of investments issued or explicitly guaranteed by the U.S. government, representing 5% or more of the Retirement Funds' value at December 31, 2017.

» *Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. SWIB uses a number of different methods to manage interest rate risk. Fixed income instruments held by the Retirement Funds include investments with variable rate securities, stepped rate securities, securities with no coupon, such as discount notes, and coupons that range between 0.0% and 22.75% at December 31, 2017.

Generally, SWIB analyzes long or intermediate term portfolios' interest rate risk using various duration calculations. Modified duration, which is stated in years, is the measure of price sensitivity of a fixed income security to an interest rate change of 100 basis points. The calculation is based on the weighted average of the present values for all cash flows. Some investments are analyzed using an option-adjusted duration calculation which is similar to the modified duration method. Option-adjusted duration incorporates the duration-shortening effect of any embedded call provisions in the securities. Duration statistics are weighted by the dollar value of the position to compute an average duration for each investment type.

Short-term portfolios' interest rate risk is analyzed using the weighted average maturity to next reset. Weighted average maturity is the maturity of each position in a portfolio weighted by the dollar value of the position to compute an average maturity for the portfolio as a whole. This measure indicates a portfolio's sensitivity to interest rate changes: a longer weighted average maturity implies greater volatility in response to interest rate changes.

SWIB's investment guidelines related to interest rate risk vary by portfolio. Some fixed income portfolios are required to be managed within a range of a targeted duration, while others are required to maintain a weighted average maturity at or below a specified number of days or years.

The table entitled Interest Rate Sensitivity by Investment Type presents the aggregated interest rate exposure for the Retirement Funds' assets at December 31, 2017. Weighted average maturity, where reset dates are assumed to be the effective maturity date for the security, is presented for repurchase agreements and short-term pooled investments. Longer-term instruments held by the Retirement Funds are presented using modified duration, as this measure more accurately states the interest rate sensitivity of these investments. The duration statistic is calculated utilizing reset dates for some floating rate instruments, such as term loans. Information about the interest rate sensitivity of derivative contracts is discussed later in this note.

SWIB invests in securities with contractual cash flows, such as asset-backed securities and U.S. government agencies. These types of structured product investments may be highly sensitive to interest rate changes in that they can be subject to early payment in a period of declining interest rates. The resulting changes in timing, or possible reduction in expected total cash flows, affect the fair value of these securities.



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Retirement Funds
Interest Rate Sensitivity by Investment Type*
As of December 31, 2017
(In Thousands)

Investment Type	Fair Value	Weighted Average Duration (years)	Weighted Average Maturity (days)
Asset Backed Securities	\$ 71,793	4.1	
Commercial Paper	397,860		15
Corporate Bonds & Private Placements	4,985,241	6.3	
Foreign Government/Agency Bonds	2,511,458	8.0	
Municipal Bonds	122,400	10.3	
Repurchase Agreements	14,157		2
U.S Government Agencies	215,869	4.2	
U.S Treasury Inflation Protected Securities	12,780,811	7.6	
U.S Treasury Securities	3,700,636	5.0	
Commingled Funds			
Domestic Fixed Income	5,699,401	7.9	
Emerging Market Fixed Income	1,058,719	6.1	
Short Term Cash Management	2,335,165		45
Total	\$ 33,893,510		

*Excludes derivatives

» **Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. It includes the risk that currencies in which a portfolio's investments are denominated, or currencies in which a portfolio has taken on a long/short active position, will decline in value relative to the U.S. dollar.

Foreign currency exchange rates may fluctuate significantly for a number of reasons, including the forces of supply and demand in the foreign exchange markets, actual or perceived changes in interest rates, intervention by U.S. or foreign governments or central banks, currency controls, or political developments in the U.S. or abroad.

SWIB's policies include foreign currency risk management objectives relating to each individual portfolio. These guidelines address the foreign currency management activities permitted for each portfolio based on the portfolios mandates, risk tolerances, and objectives. SWIB also employs discretionary currency overlay strategies at the total fund level when currency market conditions suggest such strategies are warranted. Additional information related to the management of foreign currencies through the use of derivatives is discussed later in this note.

The table entitled Currency Exposures by Investment Type present the Retirement Fund investments which were exposed to foreign currency risk at December 31, 2017.

**Retirement Funds
Currency Exposure by Investment Type
December 31, 2017
Stated in U.S. Dollars
(In Thousands)**

Currency	Cash & Cash Equivalents	Equities	Fixed Income	Limited Partnerships	Preferred Securities	Financial Futures Contracts	Options	Short Sell Obligations	Total
Argentina Peso	\$ 0	\$ 0	\$ 313	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 313
Australian Dollar	11,115	1,173,681	34,940	0	0	(3)	0	(28,761)	1,190,972
Brazilian Real	790	45,510	0	0	16,942	0	0	0	63,242
Canadian Dollar	13,249	1,691,265	32,226	0	0	(52)	0	(44,521)	1,692,167
Chilean Peso	27	2,440	0	0	0	0	0	0	2,467
Colombian Peso	1	460	0	0	0	0	0	0	461
Czech Republic Koruna	0	273	0	0	0	0	0	0	273
Denmark Krone	817	347,357	12,528	0	0	0	0	(12,781)	347,921
Euro Member Countries	36,908	5,754,549	958,011	851,568	114,104	(2,327)	(178)	(153,960)	7,558,675
Hong Kong Dollar	5,957	850,855	0	0	0	0	0	0	856,812
Hungarian Forint	0	531	0	0	0	0	0	0	531
Indian Rupee	169	87,279	0	0	0	0	0	0	87,448
Indonesian Rupiah	617	25,223	95	0	0	0	0	0	25,935
Israeli Shekel	601	37,744	0	0	0	0	0	(727)	37,618
Japanese Yen	84,232	4,319,208	477,413	0	0	614	0	(174,098)	4,707,369
Korea (South) Won	222	217,292	0	0	0	0	0	0	217,514
Malaysian Ringgit	1,007	31,590	8,175	0	0	0	0	0	40,772
Mexican Peso	921	4,065	23,553	0	0	0	0	0	28,539
Moroccan Dirham	9	0	0	0	0	0	0	0	9
New Zealand Dollar	478	33,731	2,637	0	0	0	0	0	36,846
Norwegian Krone	971	123,914	5,366	0	0	0	0	(5,400)	124,851
Philippine Peso	6	1,193	0	0	0	0	0	0	1,199
Poland Zloty	1,442	32,700	17,465	0	0	0	0	0	51,607
Russian Ruble	6	0	0	0	0	0	0	0	6
Singapore Dollar	2,119	243,946	6,914	0	0	3	0	(14,609)	238,373
South African	982	56,334	20,039	0	43	0	0	0	77,398
Sweden Krona	5,051	447,213	8,505	6,942	0	0	0	(26,228)	441,483
Swiss Franc	2,946	1,382,663	0	0	0	0	0	(12,412)	1,373,197
Taiwan New Dollar	0	93,856	0	0	0	0	0	0	93,856
Thailand Baht	167	71,127	0	0	0	0	0	0	71,294
Turkish Lira	253	69,044	0	0	0	0	0	0	69,297
United Kingdom Pound	29,895	3,122,718	161,998	150,661	0	977	0	(57,357)	3,408,892
Total	\$ 200,958	\$20,267,761	\$ 1,770,178	\$ 1,009,171	\$ 131,089	\$ (788)	\$ (178)	\$ (530,854)	\$22,847,337

1) Commingled funds (including limited partnerships and other pooled vehicles) represent investments where the Retirement Funds own only a portion of the overall fund. While the overall fund may be denominated in U.S. dollars, the underlying investments may be exposed to foreign currency risk in various currencies. Commingled funds are shown in the denomination used by the fund for financial reporting.

2) Short Sell Obligations are reported as liabilities on the Statement of Fiduciary Net Position. They are included in the above table because they have exposure to foreign currency risk.

3) Investment types holding instruments denominated only in U. S. Dollars are not included in the above table. At calendar year-end, these include: Convertible Securities, Multi Asset Investments, Real Estate, TBAs, Swaps and Obligation Under Reverse Repurchase Agreements.

4) Values may not add due to rounding.



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» Fair Value of Investments

Fair value measurements of the investments held by the WRS are categorized by the hierarchy established by generally-accepted accounting principles. The hierarchy, which has three levels, is based on the valuation inputs used to measure the fair value of the asset.

Level 1 - Investments reflect unadjusted quoted prices in active markets for identical assets.

Level 2 - Investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered to be active.

Level 3 - Investments reflect prices based upon valuation techniques in which significant inputs or significant value drivers are unobservable.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3. When the inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to fair value. The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and does not represent the investment's overall risk.

Commingled investments are not categorized under the fair value hierarchy but are disclosed within this note as investments measured at net asset value (NAV).

The fair value measurements of investments as of December 31, 2017, are found in the table entitled Investments by Fair Value Level.

**Retirement Funds
Investments by Fair Value Level
As of December 31, 2017
(In Thousands)**

Asset Type	Fair Value			TOTAL
	Level 1	Level 2	Level 3	
Cash Equivalents				
Certificates of Deposit	\$ 0	\$ 4,373	\$ 36,987	\$ 41,360
Commercial Paper	0	0	397,860	397,860
U.S. Treasury Securities	104,900	0	0	104,900
Total Cash Equivalents	104,900	4,373	434,847	544,120
Equities				
Domestic	36,000,791	0	136,296	36,137,087
International	20,262,996	0	1,304	20,264,300
Total Equities	56,263,787	0	137,600	56,401,387
Fixed Income				
Asset Backed Securities	0	54,543	17,250	71,793
Corporate Bonds & Private Placements	0	4,621,721	104,772	4,726,493
Foreign Government/Agency Bonds	0	2,506,420	5,037	2,511,457
Municipal Bonds	0	122,400	0	122,400
U.S. Government Agencies	0	215,869	0	215,869
U.S. Treasury Inflation Protected Securities	0	12,780,811	0	12,780,811
U.S. Treasury Securities	115,658	3,480,078	0	3,595,736
Total Fixed Income	115,658	23,781,842	127,059	24,024,559
Real Estate	0	0	1,368,583	1,368,583
Preferred Securities				
Domestic	0	43,760	53,934	97,694
International	131,089	12,890	0	143,979
Total Preferred Securities	131,089	56,650	53,934	241,673
Convertibles	0	0	196	196
Derivatives				
Foreign Exchange Contracts	0	(1,131)	0	(1,131)
Futures	47,079	0	0	47,079
Options	(3,830)	0	0	(3,830)
Swaps	0	4,171	0	4,171
To Be Announced Securities	0	95,489	0	95,489
Total Derivatives	43,249	98,529	0	141,778
Equity Short Sales	(2,662,107)	(60,087)	0	(2,722,194)
Total	\$ 53,996,576	\$ 23,881,307	\$ 2,122,219	\$ 80,000,102

Securities classified as Level 1 are generally valued at the official closing price (usually the last trade price) or the last bid price on the security's primary exchange. Such investments generally include exchange-traded securities such as equities, preferred stock, certain derivatives, and exchange-traded funds. U.S. Treasury Bills and only the most recently-issued US Treasury Notes and Bonds are classified as level 1 because available pricing for these securities is similarly reliable to exchange-traded securities.

Securities classified as Level 2 are valued using observable inputs by third-party pricing services using either a bid evaluation or a matrix-pricing technique. Bid evaluations may include market quotations that are based on yields, maturities, call features, and ratings. Matrix-pricing is used to value securities based on their relationship to benchmark market prices for securities with similar interest rates, maturities, and credit ratings. Pricing in this level may also include market approaches that incorporate benchmark interest rates. Debt securities comprise the majority of the level 2 investments because they are generally traded using a dealer



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market, with lower trading volumes than level 1 securities. Over-the-counter derivatives, such as swaps, TBAs, and foreign exchange contracts, are also included in level 2 because they are priced using a market approach that considers benchmark interest rates and foreign exchange rates.

Level 3 investments are generally valued using significant inputs that are unobservable to the marketplace. This may occur if an investment is illiquid or its value is based on estimates. For the WRS, such investments primarily include directly-held real estate, valued using appraisals and, as such, rely on unobservable inputs. Foreign Government/Agency securities in level 3 are valued using proprietary valuation models. Asset Backed Securities included in level 3 represent private placements that are valued at purchase price because third-party valuations are unavailable. Equities, convertibles, and preferred securities included in the level 3 hierarchy are generally privately-held securities valued using valuation models such as price multiples incorporating public company comparables, discounted cash flows and milestone valuation models. In some instances of privately-held preferred securities, valuation is determined based on recent financing rounds. Bank loans, which represent the majority of corporate bonds and private placements in the level 3 category, are priced by vendors using proprietary models which may incorporate unobservable inputs. Cash and Cash Equivalents included in level 3 represent securities priced at cost. Typically, due to their short-term nature, cost approximates fair value for these investments. Other factors such as infrequent trading, inactive market, or adjusted quoted prices may also result in level 3 measurements.

» *Investments Measured at NAV*

The fair value of investments in certain fixed income funds, private equity limited partnerships, stock funds, real estate limited partnerships, and hedge funds are based on the investments' net asset value (NAV) per share (or its equivalent), provided by the investee. The December 31, 2017 investments valued using NAV are shown in the table entitled Investments Measured at NAV and include commingled/pooled funds, private equity, and real estate limited partnerships.

**Retirement Funds
Investments Measured at NAV
As of December 31, 2017
(In Thousands)**

Investments Measured at NAV	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period ⁽⁸⁾
Cash and Cash Equivalents ⁽¹⁾	\$ 2,335,166	\$ 0	Daily	same day
Fixed Income ⁽²⁾	6,960,023	228,636	Daily, Quarterly, Monthly, NA	2-90 days, NA
Private Equity Limited Partnerships ⁽³⁾	7,407,515	5,300,600	N/A	N/A
Equities ⁽⁴⁾	6,839,675	0	Daily, Monthly	2-30 days
Real Estate Limited Partnerships ⁽⁵⁾	4,804,895	1,287,600	Quarterly, N/A	N/A, 30-90 days
Hedge Funds ⁽⁶⁾	4,701,121	91,144	Various	Various
Total ⁽⁷⁾	\$ 33,048,395	\$ 6,907,980		

⁽¹⁾ This category consists of short-term cash funds with the investment objective of safety of principal and liquidity while earning a competitive money market rate of return. The short-term cash funds have daily liquidity with same day notice.

⁽²⁾ Corporate and government bond index funds make up a significant portion of this category (82%) and have the investment objective of approximating as closely as practicable the return of a given segment of the markets for publicly-traded investments. The corporate and government index funds have daily liquidity with 2 days' notice. An additional 15% of this category represents long-only fixed income managers, which can invest across the credit quality spectrum, in varying geographies, and can include derivatives, high yield and structured securities. These long-only managers require a redemption notice period between one and two weeks and have daily or monthly liquidity. One of these funds also has an investor level gate, limiting daily withdrawals to \$2 million per day or 5% of the portfolio's net asset value. The remaining 3% of this category includes LLCs which invest in private real estate debt. The majority of these LLC investments distribute earnings over the life of the investment and have an average remaining life of less than 5 years. The private real estate debt LLC's that do not distribute earnings over the life of the fund permit quarterly redemptions with 90 days' notice.

⁽³⁾ Private Equity Limited Partnerships include direct, co-investments with existing SWIB general partners, direct secondary investments and fund of funds. These investments are illiquid and are generally not resold or redeemed. Distributions from each fund will be received as the underlying investments are liquidated. The table entitled Limited Partnerships - Estimated Remaining Life provides an estimate of the period over which the underlying assets are expected to be liquidated.

⁽⁴⁾ This category includes emerging markets equity index funds (54%) with an investment strategy designed to track the return of the given segment of the emerging equity markets. These investments can be redeemed daily with 2 days' notice. An additional 46% of this category represents long-only equity managers with various fundamental, quantitative and other approaches spanning various styles, geographies and market cap weights. These long-only manager investments can be redeemed monthly, with between 10 and 30 days' notice.

⁽⁵⁾ This category includes funds that invest directly in real estate and real estate related assets. Approximately 68% of these investments are generally not resold or redeemed. Distributions from each fund will be received as the underlying investments are liquidated. The table entitled Limited Partnerships - Estimated Remaining Life provides an estimate of the period over which the underlying assets are expected to be liquidated. The remaining 32% of this category consists of open-ended funds that invest directly in real estate and real estate related assets. Such investments can be redeemed quarterly with between 30 and 90 days' notice.

⁽⁶⁾ Hedge Fund investments are private investment funds that seek to produce absolute returns using a broad range of strategies. In certain instances, Hedge Fund investments are structured as limited partnerships, whereby participants receive distributions over the life of the fund. Estimated remaining life of funds structured as limited partnerships is estimated to be between 5-10 years. Additional information relating to Hedge Funds can be found later in this note.

⁽⁷⁾ WRS had additional unfunded commitments of approximately \$10.2 million, relating to assets not valued using NAV.

⁽⁸⁾ Redemption terms described for NAV investments reflect contractual agreements and assume withdrawals are made without adverse market impact under normal market conditions.

» Private Equity and Real Estate Limited Partnerships

In general, the Private Equity Limited Partnerships participated in the following investment strategies at December 31, 2017:

Buyout - This strategy acquires shares of a private company to gain a controlling interest.

Mezzanine - Provides mezzanine debt to finance leveraged buyouts, recapitalizations, and corporate acquisitions.

Special Situations - This strategy can invest in public and private companies undergoing financial distress, a turnaround in business operations, or which are believed to be undervalued because of a discrete extraordinary event.



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Venture Capital - This strategy invests in companies with potential for significant growth (generally small to early stage emerging firms).

The Real Estate Limited Partnerships generally consisted of the following investment strategies at December 31, 2017:

Core - Core investments are expected to deliver a significant percentage of their return from income and should demonstrate lower volatility than Opportunistic and Value investments due to lower leverage, higher occupancy, and asset location.

Value - Value investments typically have significant near-term leasing, repositioning, and/or renovation risk. This strategy is expected to have modest initial operating revenues with potential for substantial income growth and will likely encounter greater volatility than Core strategies, but lower volatility than Opportunistic strategies.

Opportunistic - Opportunistic investments usually have significant development, lease-up, financial restructuring, and/or liquidity risk with little or no initial operating income. This strategy typically uses the highest leverage, is expected to achieve most of its return from future capital gains, and is likely to encounter greater volatility than Core and Value strategies.

Limited partnerships are generally structured to provide distributions to participants of the fund as the holdings of the partnership are liquidated over time. The table entitled Limited Partnerships - Estimated Remaining Life illustrates the distribution of estimated remaining liquidation periods for the Retirement Funds' private equity and real estate limited partnership holdings as of December 31, 2017.

**Retirement Funds
Limited Partnerships - Estimated Remaining Life
As of December 31, 2017
(In Thousands)**

<u>Limited Partnership Type</u>	<u>Estimated Remaining Life*</u>				<u>Total</u>
	<u>< 5 Years</u>	<u>5 - 10 Years</u>	<u>> 10 Years</u>	<u>N/A</u>	
Private Equity	\$ 2,011,070	\$ 3,776,775	\$ 1,619,670	\$ 0	\$ 7,407,515
Real Estate	309,418	2,875,402	92,796	1,527,279	4,804,895
Total	\$ 2,320,488	\$ 6,652,177	\$ 1,712,466	\$ 1,527,279	\$ 12,212,410

* Estimated remaining life represents subjective estimates, assuming normal market conditions.

N/A investments represent open-ended funds that can be redeemed.

» **Hedge Funds**

Hedge Fund investments are private investment funds that seek to produce absolute returns using a broad range of strategies. The Retirement Funds participated in the following Hedge Fund strategies at December 31, 2017:

Equity Long-Short - This strategy invests both long and short in publicly-traded stocks. These managers vary in their use of short selling and leverage.

Event-Driven - The funds in this strategy seek to gain an advantage from pricing inefficiencies that may occur before or after a corporate action or related event, such as a merger, spinoff, earnings call, bankruptcy, or restructuring.

Global Macro - The funds in this category invest their holdings in indexes, commodities, interest rate instruments, and currencies as a result of relative value or directional forecasts from a systematic or discretionary approach.

Market Neutral/Arbitrage - This strategy uses a range of fixed income, convertible instruments, and/or statistical arbitrage strategies that seek to hedge market-related risks to earn consistent returns.

Multistrategy - The funds in this category employ a wide range of strategies and instruments in managing assets.

When redeeming Hedge Fund investments, the agreements governing the investment vehicle oftentimes require advanced notice and may restrict the timing of withdrawals. The table entitled Hedge Fund Redemption Timing depicts redemption terms, irrespective of other contractual restrictions, for SWIB's Hedge Fund investments at December 31, 2017.

**Retirement Funds
Hedge Fund Redemption Timing
As of December 31, 2017
(In Thousands)**

Redemption Frequency	Redemption Notice Period (days)	Fair Value
Weekly	7	\$ 217,776
Monthly	4 - 75	1,656,186
Quarterly	30 - 90	2,024,929
Other ⁽¹⁾	65 - 90, N/A	802,230
Total		\$ 4,701,121

⁽¹⁾ This category includes funds that are subject to rolling locks, whereby the fund automatically re-locks unless a withdrawal request is submitted. In addition, this category includes funds that are in the process of being fully redeemed, with final distribution expected in 2018. This category also includes funds that are structured as limited partnerships, whereby withdrawals are not permitted but the participants receive distributions over the life of the fund.

Hedge Fund agreements can also include "lock-up" periods, which restrict investors from redeeming their investment during a specified time frame. The lock-up period helps portfolio managers avoid liquidity problems. Lock-ups can be "hard," where redemptions are not permitted for a specified time period, or "soft," where redemptions are permitted provided the investor pays a penalty. In certain instances, a fund may have both hard and soft lock-up restrictions in place. In addition, hedge fund managers can also institute a "rolling" lock-up. A fund with a rolling lock-up period requires investors to commit to an initial lock-up period, and, if the investor does not submit a redemption notice within a set time prior to expiration of the lock-up, the lock-up is reset.

The table entitled Hedge Fund Lock-ups reflects the lock-up terms for the Hedge Fund investments held at December 31, 2017.



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**Retirement Funds
Hedge Fund Lock-ups
As of December 31, 2017**
(In Thousands)

Hedge Fund Lock Type	Initial Duration of Lock (Years)	Year of Lock Expiration	Fair Value
None	N/A	N/A	\$ 2,836,753
Rolling Lock	2 - 3	2018 - 2020	765,866
Hard Lock	1 - 3	2018 - 2020	546,030
Soft Lock	1 - 1.5	2018	485,944
Hard & Soft	1	2018	30,165
Other ⁽¹⁾	N/A	N/A	36,363
Total			\$ 4,701,121

⁽¹⁾ This category includes funds that are in the process of being fully redeemed, with final distribution expected in 2018. This category also includes funds that are structured as limited partnerships, whereby withdrawals are not permitted but the participants receive distributions over the life of the fund.

Similar to lock-ups, hedge fund agreements also commonly incorporate “gate” restrictions. An investor-level gate limits redemption on a particular redemption date to a specified percentage of the investor’s account value, while a fund-level gate may limit total investor withdrawals on a particular redemption date to a percentage of aggregated fund-level (or master fund-level) net asset value. In certain instances, funds can have both investor- and fund-level gates in place. Such funds are reflected in the “Investor Level” category. The table entitled Hedge Fund Gates summarizes the Hedge Fund gates in place at December 31, 2017.

**Retirement Funds
Hedge Fund Gates
As of December 31, 2017**
(In Thousands)

Hedge Fund Gate Type	Gate Range	Fair Value
None	N/A	\$ 2,060,056
Fund Level	8.33% - 25%	1,504,798
Investor Level	25% - 33%	1,099,904
Other ⁽¹⁾	N/A	36,363
Total		\$ 4,701,121

⁽¹⁾ This category includes funds that are in the process of being fully redeemed, with final distribution expected in 2018. This category also includes funds that are structured as limited partnerships, whereby withdrawals are not permitted but the participants receive distributions over the life of the fund.

» Derivatives

A derivative instrument, as defined by GASB Statement No. 53, is a financial instrument or other contract that has all of the following characteristics:

- **Settlement factors** - It has (1) one or more reference rates and (2) one or more notional amounts or payment provisions or both. Those terms determine the amount of the settlement or settlements and, in some cases, whether or not a settlement is required.
- **Leverage** - It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- **Net settlement** - Its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from net settlement.

Derivatives may be used to implement investment strategies for the Retirement Funds. All derivative instruments are subjected to risk analysis and monitoring processes at the portfolio, asset class, and fund levels. Investment guidelines define allowable derivative activity for each portfolio and are based on the investment objectives which have been approved by the Board of Trustees. Where derivatives are permitted, guidelines stipulate allowable instruments and the manner and degree to which they are to be used.

Gains and losses for all derivative instruments are reported in the Statement of Changes in Fiduciary Net Position as "Net Increase (Decrease) in Fair Value of Investments." SWIB invests in derivative investments directly as well as indirectly through commingled or pooled investments. Information relating to investments held in commingled funds has not been separately disclosed in the financial statements or the accompanying footnotes, consistent with GASB reporting requirements.

A derivative can take the form of an individually negotiated contract between the Retirement Funds and a specific counterparty. These types of negotiated positions are known as over-the-counter (OTC) contracts. OTC contracts can be structured as either "uncleared" or "cleared."

Uncleared OTC contracts are non-standardized bilateral contracts between counterparties and do not include the use of a centralized intermediary, such as a clearinghouse. Uncleared OTC transactions are subject to regulatory requirements with respect to data reporting and recordkeeping, trading relationship documentation, business conduct standards, portfolio reconciliation, and margin collection and posting. For these transactions, master netting agreements and credit support annexes governing the credit relationship and collateral exchange between two counterparties are put in place to mitigate counterparty credit risk.

Cleared OTC contracts offer additional protections to trade participants. These types of transactions employ the use of an intermediary between counterparties. The intermediary, known as a clearinghouse, serves to facilitate trading and mitigate risks. While not completely standardized, these contracts involve a high degree of standardization. Once cleared, the clearinghouse steps in as the counterparty to all trades. Regulatory bodies govern the tools and procedures for risk mitigation such as margin requirements and daily mark-to-market.

In addition to trading OTC, derivative contracts can also be transacted on established exchanges. These types of contracts are called "exchange-traded" and are completely standardized. Like cleared OTC contracts, the clearinghouse is an intermediary to the trade, reducing risks and standardizing the exchange of margin. The table entitled Derivative Contract Types summarizes the differences between OTC and exchange-traded contracts.



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Retirement Funds Derivative Contract Types		
Uncleared (OTC)	Cleared (OTC)	Exchange-traded
Trades negotiated over-the-counter	Trades negotiated over-the-counter	Trades executed on organized exchanges
Customized trade terms are agreed upon by counterparties	Trades limited to standardized terms	Trades limited to standardized terms
Traded bilaterally between counterparties	Trades are submitted through a clearinghouse, which is counterparty	Trades are booked with exchange's clearinghouse, which is counterparty
Margin (collateral) often exchanged but subject to negotiation between counterparties.	Mandatory margin requirements	Mandatory margin requirements
Common example: Forward Contracts	Common example: Credit Default Swaps	Common example: Futures Contracts

Collateral postings are commonplace for derivative contracts and vary based on the type of contract traded. SWIB posted \$171.8 million in cash and \$361.9 million in securities as collateral for derivatives positions as of December 31, 2017. More information regarding collateral requirements is included within the narrative that follows.

Uncleared OTC Derivatives

Inherent in the use of uncleared OTC derivatives, the Retirement Funds may be exposed to counterparty credit risk. Counterparty credit risk is the risk that a derivative counterparty may fail to meet its payment obligations under the terms of the derivative contract. SWIB seeks to mitigate this risk through counterparty credit evaluations and approvals, counterparty credit limits, and exposure monitoring procedures. Additionally, policies have been established which seek to implement master netting arrangements (MNA) with counterparties that permit the closeout and netting of transactions with the same counterparty upon the occurrence of certain events, such as payment default, rating downgrade, bankruptcy, illegality, or force majeure. Agreements may also require daily collateral postings to further mitigate credit risk.

The table entitled OTC Derivatives Subject to Counterparty Credit Risk, summarizes, by credit rating, the Retirement Funds' exposure to counterparty credit risk relating to uncleared OTC contracts as of December 31, 2017. The number of uncleared OTC counterparties with credit exposure at year-end was 12.

Retirement Funds
OTC Derivative Investments Subject to Counterparty Credit Risk
As of December 31, 2017
 (In Thousands)

Counterparty Credit Rating	FX Receivables	To Be Announced Securities¹	Warrants^{1,2}	Total
AA	\$ 735	\$ 0	\$ 0	\$ 735
A	2,002,488	169	0	2,002,657
BBB	479,607	0	0	479,607
Not Rated	0	0	3,928	3,928
				<u>\$ 2,486,927</u>
				Less Collateral and MNA offsets ³ 2,482,758
				<u><u>\$ 4,169</u></u>

¹Exposure to counterparty credit risk for To Be Announced Securities and Warrants is limited to unrealized gains on open positions.

²Warrants issued by privately held company that is not rated by statistical credit rating organization.

³Includes net collateral positions and liabilities with counterparties that have master netting arrangements (MNA).

Cleared OTC and Exchange-Traded Derivatives

Counterparty credit risk is mitigated by an intermediary for cleared OTC and exchange-traded derivative contracts. For these types of derivative investments, a clearinghouse interposes itself as counterparty to all trades and extends a guarantee that trades will be settled as originally intended. To ensure performance, margin requirements are imposed. The requirements are established with the intent to cover nearly all expected price changes based on market risk. Margin payments are settled daily based upon the price movements of the contracts, thereby significantly reducing counterparty credit risk.

»Foreign Currency Spot and Forward Contracts

Foreign Currency Spot and Forward contracts are uncleared OTC agreements between two counterparties to exchange designated currencies at a specific time in the future. No cash is exchanged when a foreign exchange spot or forward contract is initiated. Depending upon market movements, forward contracts may require collateral postings either to SWIB or to counterparties. Spot contracts are exempt from collateralization. For deliverable contracts, amounts due are paid or received on the contracted settle date. In other instances (most often in emerging markets), contracts are established as non-deliverable forwards (NDFs). Unlike deliverable contracts, NDFs are only settled in U.S. dollars.

Currency exposure management is permitted through the use of currency derivative instruments. Direct hedging of currency exposure back to the U.S. dollar is permitted when consistent with the strategy of the portfolio. Cross-currency exposure management to transfer out of an exposed currency and into a benchmark currency is permitted. In some portfolios, currencies of non-benchmark countries may be held through the use of forward contracts, provided that the notional value of any single non-benchmark currency does not exceed 5% of the market value of the portfolio. SWIB may employ discretionary currency overlay strategies at the total fund and asset class level when currency market conditions suggest such strategies are warranted.

Losses may arise from future changes in the value of the underlying currency, or if the counterparties do not perform under the terms of the contract. Spot and forward contracts are valued daily with the changes in fair value included in "Net Increase (Decrease) in Fair Value of Investments" on the Statement of Changes in



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Fiduciary Net Position. The net receivable or payable for spot and forward contracts is reflected as "Foreign Currency Contracts" on the Statement of Fiduciary Net Position. The table entitled Foreign Currency Spot and Forward Contracts presents the fair value of foreign currency spot and forward contract assets and liabilities held by the Retirement Funds as of December 31, 2017.

**Retirement Funds
Foreign Currency Spot and Forward Contracts
December 31, 2017
(In Thousands)**

Currency	Notional (local currency)	Fair Value (\$US)	Unrealized Gain(Loss) (\$US)
Foreign Currency Contract Receivables			
Argentina Peso	57,873	\$ 3,058	\$ (171)
Australian Dollar	95,072	74,362	475
Brazilian Real	78,169	23,483	(201)
Canadian Dollar	93,835	74,921	631
Chilean Peso	3,184,433	5,178	140
China Yuan Renminbi	33,651	5,163	58
Colombian Peso	14,407,847	4,798	(14)
Czech Republic Koruna	149,293	7,024	188
Danish Krone	148,850	24,046	170
Euro Member Countries	113,086	136,003	1,194
Hong Kong Dollar	67,014	8,578	(5)
Hungarian Forint	1,549,573	6,005	55
Indian Rupee	2,554,916	39,959	928
Indonesian Rupiah	328,435,886	24,171	150
Israeli Shekel	27,329	7,879	17
Japanese Yen	15,039,320	133,672	421
Korea (South) Won	12,183,167	11,400	206
Malaysian Ringgit	5,331	1,315	11
Mexican Peso	527,348	26,817	(817)
New Zealand Dollar	6,674	4,745	34
Norway Krone	338,609	41,430	197
Peru Sol	21,887	6,751	15
Philippine Peso	352,332	7,057	130
Poland Zloty	35,762	10,292	225
Russian Ruble	2,143,804	37,099	810
Singapore Dollar	33,678	25,211	48
South African Rand	77,830	6,280	720
Sweden Krona	541,974	66,303	955
Switzerland Franc	56,782	58,381	661
Taiwan New Dollar	89,313	3,025	40
Thailand Baht	149,974	4,606	50
Turkish Lira	95,538	24,961	629
United Kingdom Pound	73,462	99,466	830
U.S. Dollar	1,469,392	1,469,392	0
		<u>2,482,831</u>	<u>8,780</u>
Foreign Currency Contract Receivables			
Australian Dollar	(92,508)	\$ (72,357)	\$ (218)
Canadian Dollar	(138,424)	(110,508)	(627)
Chile Peso	(1,994,357)	(3,243)	(78)
China Yuan Renminbi	(21,163)	(3,247)	(80)
Colombian Peso	(13,281,104)	(4,422)	(74)
Czech Republic Koruna	(91,007)	(4,282)	(115)
Denmark Krone	(167,836)	(27,105)	(149)
Euro Members Countries	(414,101)	(498,130)	(3,764)
Hong Kong Dollar	(321,916)	(41,198)	16
Hungarian Forint	(501,941)	(1,945)	(73)
Indonesia Rupee	(92,928,451)	(6,854)	(15)
Israeli Shekel	(34,208)	(9,862)	(116)
Japanese Yen	(34,374,289)	(305,449)	(652)
Korea (South) Won	(2,988,174)	(2,796)	(63)
Malaysia Ringgit	(4)	(1)	0
Mexican New Peso	(143,032)	(7,273)	107
New Zealand Dollar	(6,615)	(4,704)	(88)
Norway Krone	(213,250)	(26,091)	(253)
Peru Sol	(19,179)	(5,916)	(76)
Philippines Peso	(492,318)	(9,853)	(68)
Poland Zloty	(41,561)	(11,961)	(455)
Russian Ruble	(583,499)	(10,123)	(255)
Singapore Dollar	(21,753)	(16,283)	(123)
South African Rand	(112,507)	(9,004)	(229)
Sweden Krona	(310,515)	(37,974)	(266)
Switzerland Franc	(72,929)	(74,932)	(549)
Taiwan New Dollar	(675,213)	(22,867)	(314)
Thailand Baht	(196,709)	(6,042)	(61)
United Kingdom Pound	(109,808)	(148,630)	(1,117)
U.S. Dollar	(1,000,910)	(1,000,910)	0
		<u>(2,483,962)</u>	<u>(9,755)</u>
Total	\$	(1,131)	\$ (975)



FINANCIAL SECTION

» *Futures Contracts*

A futures contract is an exchange-traded agreement to buy or sell a financial instrument, index, or commodity at an agreed upon price and time in the future.

The fair value of futures contracts represents the unrealized gain(loss) on the contracts, since trade inception, and is reflected as “Financial Futures Contracts” on the Statement of Fiduciary Net Position. Futures contracts are marked to market daily, based upon the closing market price of the contract at the board of trade or exchange on which they are traded. Gains and losses resulting from investments in futures contracts are included in the “Net Increase (Decrease) in Fair Value of Investments” on the Statement of Changes in Fiduciary Net Position.

Futures contracts involve, to varying degrees, risk of loss in excess of the margin deposited with the clearinghouse. Losses may arise from future changes in the value of the underlying instrument.

Futures contracts may be entered into for purposes such as the following:

- To efficiently gain or adjust market exposures for trust fund rebalancing,
- To adjust sector, interest rate, or duration exposures, and
- To securitize cash or as act a substitute for cash market transactions.

The table entitled Futures Contracts presents the Retirement Funds investments in futures contracts as of December 31, 2017.

Retirement Funds Futures Contracts As of December 31, 2017 (In Thousands)				
Futures Contract Description	Position	Expiration	Notional Amount	Fair Value*
Commodity	Long	Jan 18 - Dec 18	\$ 2,045,215	\$ 67,949
	Short	Jan 18 - Mar 18	(44,286)	348
Currency	Long	Mar 18	13,557	149
	Short	Jan 18 - Mar 18	(96,012)	(1,202)
Equity	Long	Jan 18 - Mar 18	1,374,241	7,745
	Short	Mar 18	(752,448)	(8,883)
Fixed Income	Long	Mar 18	9,561,229	(19,236)
	Short	Mar 18	(147,471)	209
Total			<u>\$ 11,954,025</u>	<u>\$ 47,079</u>

* Fair Value includes foreign currency gains(losses).

The table entitled Futures Contracts with Interest Rate Sensitivity presents the interest rate sensitivity of fixed income futures contracts as of December 31, 2017. Duration, which is stated in years, is the measure of price sensitivity of a fixed income security to an interest rate change of 100 basis points. Duration statistics presented in this table are weighted by the notional value of each position to compute an average duration for the contract types held.

Retirement Funds
Futures Contracts with Interest Rate Sensitivity
As of December 31, 2017
 (In Thousands)

Contract Type	Position	Notional Amount	Fair Value	Weighted Average Duration (Years)
U.S. Treasury Notes	Long	\$ 7,617,848	\$ (26,189)	3.7
U.S. Treasury Notes	Short	(144,667)	216	3.9
U.S. Treasury Bonds	Long	1,783,687	7,974	16.8
Foreign Government Bonds	Long	159,695	(1,021)	7.7
Foreign Government Bonds	Short	(2,805)	(7)	1.7
Total		<u>\$ 9,413,758</u>	<u>\$ (19,027)</u>	

» Options

An option contract gives the purchaser of the contract the right, but not the obligation, to buy (call) or sell (put) the security or index underlying the contract at an agreed upon price on or before the expiration of the option contract. The seller of the contract is subject to market risk, while the purchaser is subject to credit risk and market risk, to the extent of the premium paid to enter into the contract.

Trust fund rebalancing policies and certain portfolio investment guidelines permit the use of exchange-traded and OTC options. Investment guidelines allow options to be used to improve market exposure efficiency, enhance expected returns, or provide market exposure hedges. Exchange rules require that the seller of short exchange-traded options contracts cover these positions either by collateral deposits in the form of cash or by pledging, in escrow, the actual securities that would be transferred to the option purchaser in the event the option contract were exercised. In the case of OTC options, investment guidelines mitigate counterparty credit risk by establishing minimum credit ratings and requiring master netting agreements with provisions for collateral exchanges.

The fair value of options contracts is based upon the closing market price of the contract and is reflected as "Options Contracts" on the Statement of Fiduciary Net Position. Gains and losses as a result of investments in options contracts are included in the "Net Increase (Decrease) in Fair Value of Investments" on the Statement of Changes in Fiduciary Net Position. The table entitled Options Contracts presents the fair value of options contracts as of December 31, 2017.



FINANCIAL SECTION

**Retirement Funds
Options Contracts
As of December 31, 2017**
(In Thousands)

Description	Contract Type	Position	Exchange-Traded (EXCH) vs. OTC	Expiration	Notional	Fair Value	Unrealized Gain (Loss)
Currency	CALL	Short	EXCH	Jan 18	\$ (262)	\$ (1)	\$ (1)
Equity	CALL	Long	EXCH	Mar 18 - Apr 18	2,736	107	(179)
	CALL	Short	EXCH	Jan 18 - Mar 18	(71,854)	(2,576)	(1,202)
	CALL	Short	OTC	Jan 18	(3,883)	(7)	34
	PUT	Long	EXCH	Jan 18 - Sep 18	16,844	255	(239)
	PUT	Short	EXCH	Jan 18 - Sep 18	(146,628)	(1,443)	438
	PUT	Short	OTC	Jan 18	(6,391)	(171)	(44)
	Volatility	CALL	Long	EXCH	Feb 18	828	83
CALL		Short	EXCH	Feb 18	(828)	(45)	0
PUT		Short	EXCH	Feb 18	(828)	(32)	1
Total					<u>\$ (210,266)</u>	<u>\$ (3,830)</u>	<u>\$ (1,188)</u>

» Swaps

Swaps are negotiated contractual agreements between two counterparties that can be cleared or uncleared OTC investments. As is specified in SWIB’s investment guidelines, swaps may be used as an alternative to physical securities when it is deemed advantageous for portfolio construction. In addition, swaps may be used to adjust asset class exposures for the Retirement Funds. Guideline limits and soft risk parameters for each portfolio are applied to the aggregate exposures which includes both physical and synthetic securities. A synthetic security is created by combining securities to mirror the properties of another security.

Throughout the calendar year, the Retirement Funds held positions in Total Return Swaps and Credit Default Swaps (CDS). The table entitled Open Swap Positions lists the open swap contracts held at December 31, 2017.

**Retirement Funds
Open Swap Positions
As of December 31, 2017**
(In Thousands)

Type	Description	Position	Maturity Date	Notional Amount	Fair Value	Unrealized Gain (Loss)
Credit Default	Bond Index	Short	Dec-22	\$ 175,000	\$ 4,171	\$ (3)
Total				<u>\$ 175,000</u>	<u>\$ 4,171</u>	<u>\$ (3)</u>

The open CDS contracts at December 31, 2017, represent cleared OTC positions where SWIB sold credit protection. Under the terms of the contracts, SWIB receives periodic payments and, in exchange, agrees to pay a formula-determined amount to counterparties for losses incurred if stipulated credit events occur. CDS spreads are sensitive to credit spread and interest rate changes.

The fair value of CDS is reflected as “Swaps” on the Statement of Fiduciary Net Position. Gains and losses resulting from investments in swap contracts are included in the “Net Increase (Decrease) in Fair Value of Investments” on the Statement of Changes in Fiduciary Net Position.

» To Be Announced Securities

In 2017, SWIB began trading to be announced mortgage-backed (TBA) securities. These commitments are uncleared OTC forward contracts consisting of mortgage-backed securities (MBS) issued by Government National Mortgage Association, a government entity, and by government-sponsored enterprises such as, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corp. The term TBA is derived from the fact that the actual MBS that will be delivered to fulfill a TBA trade is not designated at the time the trade is made. Instead, the specific pool of mortgages making up the MBS is announced 48 hours prior to the established trade settlement date. Eligibility rules and standards for MBS pools deliverable into TBA contracts ensure that delivered MBS pools are fungible. Payment for TBA securities is not made until the settlement date. Certain portfolio investment guidelines allow for both long and short TBA positions. To mitigate counterparty credit risk, guidelines establish minimum credit ratings and require master netting agreements which include provisions for collateral exchanges.

TBAs, much like their underlying MBS securities, may be highly sensitive to interest rate changes. This is because the MBS pool on which these forward contracts are based can be subject to early payment in a period of declining interest rates. The price of TBAs can fluctuate as the marketplace predicts changes in timing, or possible reductions in expected cash flows, associated with a change in interest rates. The table entitled TBA Contracts includes the interest rate sensitivity of TBA contracts as of December 31, 2017. Duration, which is stated in years, is the measure of price sensitivity of a fixed income security to an interest rate change of 100 basis points. Duration statistics presented in this table are weighted by the fair value of each position to compute an average duration for the contracts held.

Retirement Funds TBA Contracts As of December 31, 2017 (In Thousands)				
Position	Contact Maturity	Fair Value	Unrealized Gain (Loss)	Weighted Average Duration (Years)
Long	Jan 18	\$ 239,230	\$ 16	4.8
Short	Jan 18	(143,741)	(177)	3.6
Total		<u>\$ 95,489</u>	<u>\$ (161)</u>	

The fair value of TBAs is reflected in “To Be Announced Securities” on the Statement of Fiduciary Net Position. The unrealized gain/loss associated with these contracts is included within the “Net Increase (Decrease) in Fair Value of Investments” on the Statement of Changes in Fiduciary Net Position.

FINANCIAL SECTION

» Warrants

A warrant is a contract that entitles the holder to buy the underlying stock of the issuing company at a specified price. Warrants and options are similar in that the two instruments allow the holder special rights to buy securities. However, warrants differ from options in that they provide additional financing to the issuing company when exercised.

As of December 31, 2017, SWIB held warrant contracts giving SWIB the right to purchase 190,780 shares of preferred stock at a price of 1 Euro per share. SWIB was issued these warrants in 2017 in conjunction with an investment in a privately held company. The \$4.2 million fair value of these warrants is based upon third-party valuations and is included in "Equities" on the Statement of Fiduciary Net Position. The associated unrealized gain of \$3.9 million is included in the "Net Increase (Decrease) in Fair Value of Investments" on the Statement of Changes in Fiduciary Net Position.

» Securities Lending Transactions

State statutes and Board policies permit SWIB to use investments of the Retirement Funds to enter into securities lending transactions. These transactions involve the lending of securities to broker-dealers and other entities in exchange for collateral, in the form of cash or securities, with the simultaneous agreement to return the collateral for identical securities in the future. SWIB's custodian is an agent in lending the Retirement Funds' directly-held domestic and international securities. When the Retirement Funds' securities are delivered to a borrower as part of a securities lending agreement, the borrower is required to place collateral with the lending agent equal to at least 102% of the loaned securities' fair value, including interest accrued, as of the delivery date, so long as the securities and the collateral are denominated in the same currency. In the event that securities are loaned against collateral denominated in a different currency, the borrower is required to place collateral with the lending agent totaling at least 105% of the loaned securities' fair value, including interest accrued, as of the delivery date. Collateral is marked to market daily and adjusted as needed to maintain the required minimum level. Pledging or selling non-cash collateral securities cannot be done without a borrower default. On December 31, 2017, the fair value of the securities on loan to counterparties was approximately \$10.8 billion.

Cash collateral is reinvested by the lending agent in two separate pools, a U.S. dollar cash collateral pool and a pool denominated in Euros. These pools are administered in accordance with contractual investment guidelines which are designed to minimize the risk of principal loss and provide a modest rate of return. Investment guidelines limit credit and liquidity risk by restricting new investments to overnight repurchase agreements collateralized with high quality U.S. government, U.S. government agencies, and sovereign debt securities. To further reduce credit risk, SWIB's custodian provides indemnification to SWIB against counterparty default. The earnings generated from the collateral investments, plus or minus the rebates received from or paid to the dealers and less fees paid to agents, results in the net earnings from lending activities, which are then split on a percentage basis with the lending agent. Cash from the U.S. dollar pool may be posted as collateral relating to short sale transactions and earns the Overnight Bank Funding rate plus 10 basis points. Additional information relating to short sales is discussed later in this note.

At December 31, 2017, the Retirement Funds had minimal credit risk exposure to borrowers because loans are collateralized in excess of 100%. In addition to the cash collateral reinvestment indemnification, the contract with the lending agent requires it to indemnify the Retirement Funds if the borrowers fail to return the loaned securities and the collateral is inadequate to replace the securities lent. The Retirement Funds are also indemnified against losses resulting from violations of investment guidelines.

The majority of security loans are open-ended and can be terminated on demand by the Retirement Funds or the borrower. Maturities of investments made with cash collateral are not necessarily matched to the maturities of the securities loaned because most loans do not have a fixed maturity date. The risk that SWIB

would be unable to return collateral to securities borrowers upon termination of the loan is mitigated by the highly liquid nature of investments held in the collateral reinvestment pools. The average maturities of the loans and the average maturities of the assets held in the collateral reinvestment pools were similar at December 31, 2017.

Securities lending is allowed in certain commingled fund investments. As an investor in such funds, SWIB does not own the underlying securities and does not separately report on securities lending activity. All earnings of these funds are reported in the Statement of Changes in Fiduciary Net Position as "Net Increase (Decrease) in Fair Value of Investments."

» *Short Sell Obligations*

The Retirement Funds may sell a security it does not own in anticipation of purchasing the security later at a lower price. This is known as a short sale transaction. For the duration of the short sale transaction, a liability is recorded under "Short Sell Obligations" on the Statement of Fiduciary Net Position. The liability presented on the Statement of Fiduciary Net Position represents the fair value of the shorted securities necessary for delivery to the purchaser and is marked-to-market daily. Realized and unrealized gains and losses associated with short sales are recorded on the Statement of Changes in Fiduciary Net Position, within in the "Net Increase (Decrease) in Fair Value of Investments" account. Prior to executing a short sale, SWIB will borrow the security from a party currently holding it. While the transaction is open, the Retirement Funds incur expenses for securities borrowing costs. In addition, as a security borrower, the Retirement Funds may incur dividend and interest expense as such payments must be remitted to the security lender during the course of the loan. During the duration of the borrow, there may be corporate action elections requiring the borrower to deliver items such as cash or securities to the lender. Expenses resulting from short sales are included in "Investment Expense" on the Statement of Changes in Fiduciary Net Position.

Risks arise from short sales due to the possible illiquidity of the securities markets and from potential adverse movements in security values. The cost to acquire the securities sold short may exceed the amount of proceeds initially received, as well as the amount of the liability recorded as "Short Sell Obligations" in the Statement of Fiduciary Net Position. Short sales expose the short seller to potentially unlimited liability because there is no upward limit on the price a shorted security could attain. Certain portfolio guidelines permit short sales and mitigate risks in various ways, such as: limiting the total value of short sales as a percentage of portfolio value, establishing portfolio vs. benchmark tracking error limits, and monitoring other statistical and economic risk measures of the portfolio. Investment performance and risk associated with each portfolio is measured against benchmarks and monitored by management.

When a short sale occurs, the shorting portfolio must borrow the security and deliver it to the buyer. If the shorted security is owned by another Retirement Fund portfolio, investment policies allow the borrowing of the shorted securities from other Retirement Fund portfolios, including inter-fund borrowings. In addition to borrowing securities from existing Retirement Fund portfolios, SWIB may borrow securities from external sources. These borrowings are facilitated by SWIB's custodian.

Except in the case of borrowings within the same trust fund, the Retirement Funds are required to post collateral to the lender, at the required rate of 102% for in-currency loans and 105% for cross-currency loans. The Retirement Funds posted \$1,556.1 million in cash and \$410.9 million in securities as collateral to security lenders representing \$64.6 million in excess of the fair market value of the securities borrowed as of December 31, 2017. If the security lender recalled the security and SWIB was not able to supply the lender with the security, the lender would be permitted to use SWIB's collateral to fund the purchase of the security.

FINANCIAL SECTION

» Investment Policy and Asset Allocation

As part of SWIB's Fiduciary responsibilities, SWIB is required by section 25.15(2)(b) of the Wisconsin Statutes "To diversify investments in order to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, considering each trust's or fund's portfolio as a whole at any point in time." SWIB exercises this duty in part by establishing its investment policy and by setting the asset allocation.

SWIB's Board of Trustees has established the asset allocation pursuant to a comprehensive and ongoing evaluation of the appropriate risk and return standards for each fund under management. The Board of Trustees consists of nine members meeting specific requirements as follows:

- Six Governor-appointed and State Senate-approved members, including:
 - Four with at least ten years investment experience
 - One with at least ten years financial experience and who works for a local government participant in the Local Government Investment Pool
 - One additional member
- Educator participant in the WRS appointed by the Teachers Retirement Board
- Non-educator participant in the WRS appointed by the Wisconsin Retirement Board
- Secretary of the Department of Administration or designee

The Board of Trustees-approved investment policy is intended to assist in development of a diversified portfolio of investments within acceptable risk parameters. The policy represents a delegation of standing authority to the SWIB's Executive Director and investment managers within the organization to make prudent investments within the investment guidelines, pursuant to sections 15.02(4) and 25.15(2) of the Wisconsin Statutes and section IB 2.02 of the Wisconsin Administrative Code.

Additionally, the Investment Committee (IC) was created to provide oversight of SWIB investments within the parameters established by the Board of Trustees. Oversight includes analysis of risk and return of the portfolio, asset class, and Core and Variable Funds. The IC is responsible for proposing to the Board of Trustees changes to investment policy, approving investment guidelines or strategies for internally-managed portfolios, approving the general strategies for each asset class, and for approving new investment instruments and derivatives strategies. Effective June 2017, the IC became responsible for approving and maintaining guidelines for internally-managed portfolios pursuant of the Board's investment policy. Previously, the internally-managed portfolio guidelines were approved by the Board of Trustees with recommendations coming from the IC. The change in oversight for internally-managed portfolios provides SWIB staff with the ability to more quickly respond to changing investment conditions and is more consistent with the Board's delegation of investment authority to internal investment management staff. The Board of Trustees reserves all rights to modify and amend IC guidelines at any time at its discretion.

In 2017, the IC included, and the Board of Trustees approved, within the Investment Guidelines a derivatives use policy, rebalancing procedures, and a leverage use policy. The derivatives use policy sets forth the objectives, monitoring, and reporting guidelines relating to derivative investments. The rebalancing procedures used in both mandatory and discretionary asset class rebalancing are now described more fully in the Investment Guidelines, and the leverage use policy describes SWIB's leverage philosophy. The total amount of financial leverage is approved by the Board of Trustees through the asset allocation process.

The Board of Trustees adopts the Retirement Funds' asset allocation policy, based on recommendations by the IC, the Board of Trustees' asset allocation consultant, Chief Investment Officer, and Managing Director of Asset and Risk Allocation. SWIB undertakes a comprehensive review of its strategic asset allocation plan every other year, including asset/liability modeling, to determine a suitable target allocation for each asset class included in the Core and Variable Funds, and an annual review to assess whether any interim adjustments should be made. The strategic nature of these reviews contemplates a long-term time horizon over which potential

results are evaluated. This exercise is not an attempt to predict short-term market movements, but an effort to understand the long-term impacts of poor, normal, and above average market results.

In addition to potential future market impact, SWIB also contemplates the objectives of the funds, the impact of actuarial analysis, and the soundness of investment return and risk expectations. SWIB's asset allocation policies reflect the Board of Trustees' program of risk allocation that involves reducing equity exposure by leveraging low-volatility assets, such as "fixed income" securities. This investment strategy results in Core Fund strategic targets which exceed 100% of invested assets. Currently, the Core Fund has adopted an asset allocation target of 10% financial leverage; however, over time, it is anticipated that SWIB may move toward an asset allocation that includes 20% leverage. Before implementing leverage beyond 10%, the Board of Trustees, SWIB's asset allocation consultant, and staff will engage in additional focused asset allocation discussion and the Board of Trustees will approve any additional financial leverage.

SWIB's asset allocation review process also includes assumptions regarding expected rates of return. Long-term (e.g., 30-year) expected real rates of return on pension plan investments are determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The table entitled Asset Allocation Targets and Expected Returns presents the policy asset allocation targets and the best estimates of expected geometric rates of return for each major asset class as of December 31, 2017.

**Retirement Funds
Asset Allocation Targets and Expected Returns
As of December 31, 2017**

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	50 %	8.2 %	5.3 %
Fixed Income	24.5	4.2	1.4
Inflation Sensitive Assets	15.5	3.8	1.0
Real Estate	8	6.5	3.6
Private Equity/Debt	8	9.4	6.5
Multi-Asset	4	6.5	3.6
Total Core Fund	110 %	7.3 %	4.4 %
Variable Fund Asset Class			
U.S. Equities	70 %	7.5 %	4.6 %
International Equities	30	7.8	4.9
Total Variable Fund	100 %	7.9 %	5.0 %

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

For purposes of determining asset allocation targets, investments may be categorized differently than they are within the financial statements. For example, SWIB's management considers inflation-sensitive assets separately from other "fixed income" investments for asset allocation purposes.

FINANCIAL SECTION

» Annual Money-Weighted Rate of Return

Money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2017, the money-weighted rate of return for the Core Fund was 15.85% and 23.27% for the Variable Fund.

4 DESCRIPTION OF THE WISCONSIN RETIREMENT SYSTEM

The WRS is a cost-sharing, multiple-employer public employee retirement system established and administered by the State of Wisconsin to provide pension benefits for state and local government employees. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by legislation. ETF, under the direction of the ETF Board, is responsible for the administration of the WRS.

» Employee Trust Funds Board

The ETF Board has general oversight of ETF, appoints the ETF Secretary and oversees administration of the benefit programs, other than group insurance and deferred compensation. The ETF Board is comprised of 13 members, including:

- the Governor or the Governor's designee on the Group Insurance Board;
- the Administrator of the Department of Administration's Division of Personnel Management or the Administrator's designee;
- 4 members appointed by the Teachers Retirement Board (an advisory board to the ETF Board);
- 4 members appointed by the Wisconsin Retirement Board (an advisory board to the ETF Board);
- a public member who is not a participant in or beneficiary of the WRS, with at least 5 years of experience in actuarial analysis, administration of an employee benefit plan or significant administrative responsibility in a major insurer;
- a WRS annuitant; and
- a participant in the WRS who is a technical college or public school district educational support personnel employee.

» WRS Employers

The WRS is open to all public employers in Wisconsin. Participation is optional, except that participation is mandatory for school districts with respect to teachers, some municipalities with respect to police and firefighters, and all counties except Milwaukee County. As of December 31, 2017, the number of participating employers was:

State Agencies, UW & Public Authorities	57
Cities	152
Counties	71
4th Class Cities	36
Villages	268
Towns	257
School Districts	422
Cooperative Educational Service Agencies	12
Wisconsin Technical College System Districts	16
Special Districts	208
Total Employers	<u>1,499</u>

» WRS Membership

All eligible employees of a participating employer who are expected to work at least 1,200 hours per year (880 hours per year for teachers and school district educational support employees) must be covered by the WRS. As of December 31, 2017, the WRS membership consisted of:

Current Employees:	
General	133,107
Teachers	100,738
Elected / Executive / Judges	1,351
Protective with Social Security	19,465
Protective without Social Security	2,752
Total Current Employees	<u>257,413</u>
Inactive Participants:	
Terminated Participants	167,996
Alternate Payees	4,093
Total Inactive Participants	<u>172,089</u>
Retirees and Beneficiaries Currently Receiving Benefits:	
Retirement Annuitants	195,762
Disability Annuitants	6,189
Death Beneficiary Annuitants	1,349
Total Annuitants	<u>203,300</u>
Total Participants	<u>632,802</u>



FINANCIAL SECTION

» *WRS Benefits*

The WRS provides retirement benefits as well as death and disability benefits. Vesting requirements have changed over time, as follows:

- Participants in the system prior to January 1, 1990, were fully vested at the time they met participation requirements;
- For participants entering the system from January 1, 1990, to April 23, 1998, creditable service in each of five years was required for vesting;
- All active participants in the system at any time from April 24, 1998 to June 30, 2011 are fully vested;
- 2011 Wisconsin Act 32 generally required participants hired on or after July 1, 2011 to have five years of creditable service to be vested.

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service. Formula factors are shown in the table below:

Employment Category	Service Before 1/1/2000	Service Between 2000 and 2011	Service After 2011
General and Teachers	1.765%	1.6%	1.6%
Executive and Elected	2.165	2.0*	1.6*
Protective with Social Security	2.165	2.0	2.0
Protective without Social Security	2.665	2.5	2.5

*2011 Wisconsin Act 10 changed the Executive and Elected formula factor from 2.0% to 1.6%. The effective date of the change varies among different employee categories, and generally applies to the service earned after Act 10 effective date (i.e. June 29, 2011).

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

» *Post-Retirement Adjustments*

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement.

The Core and Variable Fund annuity adjustments granted during the past 10 years are as follows:

Year	Core Adjustment (%)	Variable Adjustment (%)
2008	6.6	0.0
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0

The negative Core annuity adjustments from 2009 to 2013 were primarily due to the Fund's \$21.0 billion investment decline in 2008, caused by the global economic crisis. Core Fund gains and losses are recognized over a five-year period.

» *Long-Term Receivables*

The "Prior Service Contributions Receivable" on the Statement of Fiduciary Net Position represents the WRS unfunded actuarial accrued liability (UAAL), determined under the plan's Frozen Initial Liability funding methodology. This liability is being amortized as a level percentage of payroll over a 40-year period beginning January 1, 1990, for employers in the WRS prior to 2009. The remaining balance is expected to be fully amortized by December 31, 2029. Liabilities for employers joining the WRS beginning in 2009 are amortized over 30 years. Interest is assessed on the outstanding liability at year-end at the assumed earnings rate. The level-percentage-of-payroll amortization method results in a relatively lower dollar contribution in earlier years than in later years, when payrolls have increased. During the early years of the amortization period, payments made are less than annual interest assessments, resulting in an increase in the liability. As payrolls increase annually, prior service payments increase proportionally until they exceed annual interest and ultimately fully liquidate the liability at the end of the amortization period. State law requires the accrued retirement cost to be funded. As of December 31, 2017, the receivable balance was \$17.2 million.

» *Variable Retirement Option*

Prior to 1980, WRS participants could opt to have one-half of their required contributions and matching employer contributions invested in the Variable Fund. Retirement benefits were adjusted for the difference between the investment experience of the Core Fund and the Variable Fund. Provisions for allowing members to withdraw from the Variable Fund were added with the passage of Chapter 221, Laws of 1979. The Variable Fund was closed to new membership after April 30, 1980. 1999 Wisconsin Act 11 reopened the Variable Fund for existing and future participants, effective January 1, 2001. As of December 31, 2017, there were 56,507 active and inactive members and 40,877 annuitants participating in the Variable Fund.

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» *Municipal Police and Firefighters Pension Group*

As of March 31, 1978, administration of certain local funds for police officers and firefighters was assumed by the Wisconsin Retirement Fund. This included approximately 2,000 members. As of December 31, 2017, approximately 61 annuitants or their beneficiaries remained in the system. This group was closed to new members after January 1, 1948.

The liability for retirement benefits for these annuitants is funded by the employers, as benefit payments are made. Annuity reserves for these police and firefighter annuities are established by a transfer from the employer accumulation reserve at the time the annuity is approved. Earnings on these reserves are used to fund annuity adjustments on the same basis as for WRS annuitants. The unfunded liability for these annuitants as of December 31, 2017, was \$1.8 million.

» *Annuity Supplement - General Fund*

As authorized under 1985 Wis. Stats. § 40.27 (1), the State's General Fund provides certain supplemental annuity benefits to annuitants receiving a continuing annuity on or before September 1974. The benefit is subject to continuation of the appropriation by the Legislature. ETF serves as a clearing agent for its payment. Total supplemental annuity benefits paid were approximately \$112,000 in 2017.

5 CONTRIBUTIONS REQUIRED AND MADE

» *Required Contributions*

Contribution rates are determined by the "entry age normal with a frozen initial liability" actuarial method. This is a "level contribution" actuarial method intended to keep employer and employee contribution rates at a level percentage of payroll over the years. This method determines the amount of contributions necessary to fund: 1) the current service cost, which represents the estimated amount necessary to pay for benefits earned by the employees during the current service year plus actuarial gains or losses arising from the difference between actual and assumed experience; and 2) the prior service cost, which represents the estimated amount necessary to pay for unfunded benefits earned prior to the employer becoming a participating employer in the WRS and the past service cost of benefit improvements.

The 2017 contribution requirements were determined by the December 31, 2015, actuarial valuation.

Employee contributions are deducted from the employee's salary and remitted to ETF by the participating employer. Employers generally may not pay the employee required contribution. The employee required contribution is one-half of the actuarially-determined contribution rate for General category employees, which includes teachers and employees in the Executive and Elected Official category. By statute, employee required contributions for Protective occupation category employees are the same rate as General category employees. Employers are required to contribute the remainder of the actuarially-determined contribution rate.

Contribution rates in effect during 2017 by employment category were:

Employment Category	Employer Current	Employer Prior *	Employee	Total
General, Teachers, Executive & Elected Officials	6.8%	0.1%	6.8%	13.7%
Protective Occupation with Social Security	10.6	0.1	6.8	17.5
Protective Occupation without Social Security	14.9	0.1	6.8	21.8

*The employer prior service contribution rate is a weighted average of individual employer rates.

Contributions required and made during 2017 were:

	Contributions (In Millions)	Percentage of Payroll
Employer Current Service	\$1,014.9	7.28%
Employer Prior Service*	1.1	0.01
Employee Required	\$949.3	6.81%

*Employer Prior Service contributions are recorded on the Statement of Fiduciary Net Position as a reduction in the Prior Service Contribution Receivable. Contributions Made includes both mandatory and voluntary payments received from participating employers. Some Prior Service contributions received after year end are included in Contributions Made, but are not in the determination of Prior Service Contributions Receivable. This is due to a difference in how these payments are treated for actuarial and financial reporting purposes.

Employers also contributed approximately \$542,000 in reimbursement for benefits paid under the s. 62.13, Wis. Stat, Police and Firefighters Pension Program.

» Employee and Employer Additional Contributions

Contributions in addition to those required contributions by employees and/or employers may be made to the retirement system. These contributions are held in separate reserve accounts and are subject to certain restrictions as to amount, form of benefit payments, tax status, etc.

6 NET PENSION LIABILITY (ASSET) OF PARTICIPATING EMPLOYERS - WRS

The components of the net pension liability (asset) of the participating employers at December 31, 2017, were as follows (In Millions):

Total Pension Liability*	\$101,427.34
Plan Fiduciary Net Position**	\$104,396.46
Participating Employer's Net Pension Liability (Asset)	\$ (2,969.12)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	102.93%

*Includes the impact of known Market Recognition account deferred gains/losses on the liability for dividend payments.



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Additional information as of the latest actuarial valuations follows:

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset):	December 31, 2017
Actual Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Senior/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments:*	2.1%

*No post-retirement adjustments is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is assumed annual adjustments based on the investment return assumption and the post-retirement discount rate. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2017, is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

A single discount rate of 7.2% was used to measure the total pension liability, which was based on the expected rate of return on pension plan investments. Because of the unique structure of the WRS, the 7.2% expected rate of return implies that a dividend of approximately 2.1% will always be paid after reflecting known changes in the Market Recognition Account. For purposes of the single discount rate, it was assumed that the dividend would always be paid.

The projection of cash flows used to determine the single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

» Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the plan's net pension liability (asset), calculated using a single discount rate of 7.2%, as well as what the plan's net pension liability (asset) would be if it were calculated using a single discount rate that is one percentage point lower or one percentage point higher (In Millions):

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
Total Pension Liability	\$ 112,078.6	\$ 101,427.3	\$ 93,332.1
Plan Fiduciary Net Position	104,396.5	104,396.5	104,396.5
Net Pension Liability (Asset)	<u>\$ 7,682.1</u>	<u>\$ (2,969.2)</u>	<u>\$ (11,064.4)</u>

Amounts may not foot due to rounding.

For the WRS, the determination of liabilities also depends on the assumed dividend that is linked to the interest rate used in the liability calculation. Therefore, the following table shows an alternative set of Sensitivity Analysis, which varies the assumed dividend in conjunction with the change in the discount rate. For the liabilities shown below, the assumed dividend was 1.1% for the 6.2% discount rate, 2.1% for the 7.2% discount rate, and 3.0% for the 8.2% discount rate (In Millions):

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
Total Pension Liability	\$ 105,073.8	\$ 101,427.3	\$ 97,604.3
Plan Fiduciary Net Position	104,396.5	104,396.5	104,396.5
Net Pension Liability (Asset)	<u>\$ 677.3</u>	<u>\$ (2,969.2)</u>	<u>\$ (6,792.2)</u>

Amounts may not foot due to rounding.



7 STATUTORY RESERVES

The following reserves have been established to reflect legal restrictions on the use of pension trust funds.

» Employee Accumulation Reserve

As authorized by Wis. Stats. § 40.04 (4), this reserve includes all required and voluntary employee contributions, including contributions made by the employer on behalf of the employee. This reserve may only be used to pay lump sum benefits or transfers to the Annuity Reserve to fund annuities. All legal restrictions on use of this reserve were met during the year. The Employee Accumulation Reserve is fully funded.

Employee Accumulation Reserve balances (in millions) as of December 31, 2017, were:

	Core	Variable	Total
Employee Required	\$ 16,379.4	\$ 1,858.0	\$ 18,237.4
Employee Additional	187.7	16.5	204.2
Total	\$ 16,567.1	\$ 1,874.5	\$ 18,441.6

» Employer Accumulation Reserve

As authorized by Wis. Stat. § 40.04 (5), this reserve includes all required employer contributions, including contributions for amortization of the unfunded accrued actuarial liability. This reserve may only be used to pay lump sum benefits or transfers to the Annuity Reserve to fund annuities. All legal restrictions on use of this reserve were met during the year. The Employer Accumulation Reserve is 99.99% funded.

Employer Accumulation Reserve balances (in millions) as of December 31, 2017, were:

	Core	Variable	Police & Firefighters	Total
Employer Accumulation	\$ 21,207.5	\$ 1,858.0	\$ 0.0	\$ 23,065.5
Less: Unfunded Actuarial Accrued Liability	0.0	0.0	(1.8)	(1.8)
Net Employer Accumulation	\$ 21,207.5	\$ 1,858.0	\$ (1.8)	\$ 23,063.7

» Annuity Reserve

As authorized by Wis. Stat. § 40.04 (6), this reserve includes the present value of all annuities. The present value of new annuities is transferred from the Employee Accumulation Reserve and the Employer Accumulation Reserve to the Annuity Reserve. This reserve may only be used for the payment of annuities and death benefits to annuitants. All legal restrictions on use of this reserve were met during the year. The Annuity Reserve is fully funded.

Annuity Reserve balances (in millions) as of December 31, 2017, were:

		Core	Variable	Police & Firefighters	Total
Annuity Reserve	\$	55,253.0	4,323.6	4.7	59,581.3

» Market Recognition Account

As authorized by Wis. Stat. § 40.04 (3), this reserve is used to smooth the flow of investment income into the Employee, Employer, and Annuity Reserves and other benefit plans invested in the Core Fund. Under the Market Recognition Account (MRA), all investment income, including realized and unrealized market gains and losses, is deposited into the MRA. At year-end, income equal to the assumed earnings rate is recognized. Any surplus or shortfall in earnings is recognized equally over five years.

Year-end balances in the MRA (In Millions) for the last five years after annual distributions were as follows:

As of:	MRA
December 31, 2013	4,721
December 31, 2014	2,540
December 31, 2015	(3,404)
December 31, 2016	(3,086)
December 31, 2017	3,273

8 PUBLIC ENTITY RISK POOLS

ETF operates four public entity risk pools: Health Insurance, Income Continuation Insurance (ICI), Duty Disability Insurance, and Life Insurance. In accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, these funds are accounted for as enterprise funds.

» Health Insurance Fund

The Health Insurance Fund offers group health insurance for current employees of the State of Wisconsin and of participating local public employers. All public employers in the state are eligible to participate. The State of Wisconsin and 354 local employers participated during the year. The fund includes both a self-insured fee-for-service plan as well as various prepaid plans, primarily Health Maintenance Organizations (HMOs).

The Health Insurance Fund includes four separate risk pools. The first pool includes those members who have chosen health insurance coverage from an HMO. All liabilities for medical claims for these participants are the responsibility of the HMO and are not included in the unpaid claims analysis or in the Required Supplementary Information (RSI).

The second pool includes medical coverage for those members selecting the self-insured indemnity plan offered by ETF. Liabilities for this pool are presented in the unpaid claims analysis and in the Required Supplementary Information.

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The third pool includes self-insured pharmacy benefits for all members regardless of whether they receive medical coverage from an HMO or through the medical coverage indemnity plan. Liabilities for this pool are presented in the unpaid claims analysis and in the Required Supplementary Information.

The fourth pool includes self-insured dental benefits for members selecting this self-insured indemnity plan offered by ETF. Prior to 2016, dental benefits were included as part of the HMO coverage. Liabilities for this pool are presented in the unpaid claims analysis and in the Required Supplementary Information.

» *Income Continuation Insurance Fund*

The Income Continuation Insurance (ICI) Fund offers both long-term and short-term disability benefits (up to 75% of gross salary) for current employees of the State of Wisconsin and participating local public employers. All public employers in Wisconsin are eligible to participate. The State of Wisconsin and 219 local employers currently participate in the plan, and it is self-insured. Since March 2012, premiums have been suspended for the local employers as a result of the increase in funded status of the local employer program.

» *Duty Disability Fund*

The Duty Disability Fund offers special disability insurance for State of Wisconsin and local WRS participants in protective occupations. Participation in the program is mandatory for all WRS employers with protective occupation employees. The State of Wisconsin and 494 local employers currently participate. The plan is self-insured, and the risk is shared between the State of Wisconsin and local government employers in the plan.

The Duty Disability program is intended to compensate WRS protective category employees for duty-related disabilities. Benefits are payable for duty-related injuries or diseases that are likely to be permanent and that cause the employee to retire, accept reduced pay or a light-duty assignment, or that impair the employee's promotional opportunities.

Contributions are actuarially determined and are employer paid. Contributions are based on a graduated, experience-rated formula. During 2017, contribution rates ranged from 0.20% to 5.28% of covered payroll based on employer experience.

» *Life Insurance Fund*

The Life Insurance Fund offers group life insurance coverage for current State of Wisconsin employees and employees of participating local public employers. All public employers in the state are eligible to participate. The State of Wisconsin and 738 local employers currently participate in the program. Employers and active employees make premium contributions, which ETF passes on to the insurance carrier. Participants have the option to select multiple coverage levels, each of which requires different premium contributions. Assets and liabilities are recorded in this program for contributions not yet received and payments not yet remitted to the insurance carrier, respectively.

Public Entity Risk Pool Accounting Policies

Basis of Accounting: All public entity risk pools are accounted for in enterprise funds using the full accrual basis of accounting and the flow of economic resources measurement focus.

Valuation of Investments: Assets of the Health Insurance, ICI, and Duty Disability funds are invested in the Core Retirement Investment Trust and are valued at fair value.

Unpaid Claims Liabilities: The fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. The estimate includes the effects of inflation and other societal and economic factors. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. Unpaid claims liability is presented at face value and is not discounted for Health Insurance. These liabilities are discounted using an interest rate of 7.2% for the ICI and Duty Disability programs. The liabilities of the ICI, Health Insurance, and Duty Disability programs were determined by actuarial methods. Face value of the liability for these programs is not available.

Administrative Expenses: All maintenance expenses are expensed in the period they are incurred. Acquisition costs are immaterial and are treated as maintenance expenses.

Reinsurance: Health insurance plans provided by Health Maintenance Organizations (HMOs) are fully insured by outside insurers. All remaining risk is self-insured with no reinsurance coverage.

Risk Transfer: Participating employers are not subject to supplemental assessments in the event of deficiencies. If the assets of a fund were exhausted, participating employers would not be responsible for the fund's liabilities.

Premium Setting: Premiums are established by the GIB (Health Insurance and ICI) and ETF Board for Duty Disability in consultation with actuaries.

Statutory Authority: All programs are operated under the authority of Chapter 40, Wisconsin Statutes.



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Unpaid Claims Liabilities

Each fund establishes a liability for both reported and unreported insured events, which is an estimate of future payments of losses. The following represents changes in those aggregate liabilities (In Millions) for each fund during the past year. The amounts for Health Insurance Programs include only the portion of the program that is self-insured.

	Income Continuation		Duty Disability**		Health Insurance		Pharmacy Benefits		Dental	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Unpaid claims and claim adjustment expenses at beginning of the calendar year:	\$ 93.5	\$ 87.1	\$ 453.4	\$ 418.9	\$ 2.0	\$ 1.9	\$ (15.0)	\$ (19.5)	\$ 1.9	\$ 0.0
Incurred claims and claim adjustment expenses:										
Provision for insured events of the current calendar year	17.7	20.7	19.2	11.9	16.0	15.1	164.5	156.0	44.4	44.1
Changes in provision for insured events of prior calendar years	1.1	6.8	27.2	57.0	(0.2)	(0.6)	(4.9)	14.4	(0.1)	0.0
Total incurred claims and claim adjustment expenses	18.8	27.5	46.4	68.9	15.8	14.5	159.6	170.4	44.3	44.1
Payments:										
Claims and claim adjustment expenses attributable to insured events of the current calendar year	4.6	5.6	0.0	0.1	14.2	13.1	183.3	171.0	43.4	42.2
Claims and claim adjustment expenses attributable to insured events of prior calendar years	15.0	15.6	35.0	34.3	1.8	1.3	(19.9)	(5.1)	1.8	0.0
Total payments	19.6	21.2	35.0	34.4	16.0	14.4	163.4	165.9	45.2	42.2
Total unpaid claims and claim adjustment expenses at end of the calendar year	\$ 92.7	\$ 93.5	\$ 464.8	\$ 453.4	\$ 1.8	\$ 2.0	\$ (18.8)*	\$ (15.0)*	\$ 1.0	\$ 1.9

*Total unpaid claims at the end of 2017 is the net of \$4.4 million in unpaid claims and \$23.2 million in rebates due from pharmaceutical companies; unpaid claims at the end of 2016 is the net of \$4.5 million in unpaid claims and \$19.5 million in rebates due from pharmaceutical companies.

** Prior to 2017, the Duty Disability fund was reported as a fiduciary fund rather than a proprietary (i.e. risk pool) fund. The beginning year value noted above was the result of a Prior Period Adjustment to re-state the Duty Disability fund as a risk pool.

Amounts may not foot due to rounding

9 OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLANS ADMINISTERED BY ETF

ETF administers four OPEB plans: the State Retiree Life Insurance Fund, the Local Government Retiree Life Insurance Fund, the State Retiree Health Insurance Fund and the Local Government Retiree Health Insurance Fund.

Governance Board

The Group Insurance Board (GIB) sets policy for the life insurance as well as the health insurance programs for state employees and for those local employers who chose to offer them. Membership of the GIB is comprised of the following positions as required by Wisconsin Statutes:

- Appointed by the Governor (no membership requirement);

- Ex officio, Administrator in Department of Administration, Division of Personnel Management (or their designee);
- Appointed by the Governor (insured participant in the WRS who is a teacher);
- Appointed by the Governor (insured participant in the WRS who is a retiree);
- Ex officio, Secretary of the Department of Administration (or their designee);
- Appointed by the Governor (insured participant in the WRS who is an employee of a local government unit);
- Appointed by the Governor (insured participant in the WRS who is not a teacher);
- Ex officio, Attorney General (or their designee);
- Appointed by the Governor (chief executive or member of the governing body of a local government that is a participating employer);
- Ex officio, Commissioner of Insurance (or their designee); and
- Ex officio, Governor (or their designee).

Plan Descriptions

» *Retiree Life Insurance Funds*

The State Retiree Life Insurance Fund includes the State, the University of Wisconsin, and other component units of the State, and is considered a single-employer defined benefit OPEB plan. The Local Government Retiree Life Insurance Fund included 738 local government employers as of December 31, 2017 and is considered a cost-sharing multiple-employer defined benefit OPEB plan. The plans are reported as other employee benefit trust funds. The plans provide post-employment life insurance coverage to all eligible employees of participating employers. The plans are established by Wis. Stats. § 40.70. ETF, under the direction of the Group Insurance Board (GIB), is responsible for the administration of the life insurance programs. ETF contracts with Securian Financial Group, Inc (Securian) as a third party administrator for the Retiree Life Insurance plans. Benefit terms may be modified by the GIB, subject to state and federal legislative constraints.

Membership

Enrollment Eligibility: Generally, members may enroll during a 30-day enrollment period after their date of hire. Members may also enroll after the initial 30-day enrollment period with evidence of insurability. Members under evidence of insurability enrollment must enroll in group life insurance coverage before age 55 to be eligible for Basic or Supplemental coverage.

Membership as of December 31, 2017, included:

	State	Local	Total
Active*	51,438	75,719	127,157
Inactive:			
Pre-Age 65 Annuitants	7,032	10,195	17,227
Post-Age 64 Annuitants	24,973	33,644	58,617
Totals	83,443	119,558	203,001

*Active members include disabled



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Contributions

The GIB approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member’s working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

State and Local Retiree Life Insurance Employer Contribution Rates For the year ended December 31, 2017		
Coverage Type	State	Local
50% Post Retirement Coverage	28% of employee contribution	40% of employee contribution
25% Post Retirement Coverage	N/A	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2017 are as listed below:

Attained Age	Life Insurance Employee Contribution Rates For the year ended December 31, 2017			
	Basic	State Supplemental	Basic	Local Supplemental
Under 30	\$ 0.04	\$ 0.04	\$ 0.05	\$ 0.05
30-34	0.04	0.04	0.06	0.06
35-39	0.04	0.04	0.07	0.07
40-44	0.06	0.06	0.08	0.08
45-49	0.10	0.10	0.12	0.12
50-54	0.16	0.16	0.22	0.22
55-59	0.22	0.22	0.39	0.39
60-64	0.30	0.30	0.49	0.49
65-69	0.39	0.39	0.57	0.57

* Disabled members under age 70 receive a waiver-of-premium benefit.

The table on the next page provides the total amount of contributions paid during 2017 by employers and pre-age 65 annuitants to fund post-retirement benefits.

State and Local Retiree Life Insurance Contributions Paid For the year ended December 31, 2017		
Contribution Type	State	Local
Employer	\$ 1,376,480	\$ 2,062,899
Pre-age 65 Annuitants*	3,602,336	5,672,270
Total	\$ 4,978,816	\$ 7,735,169

*Starting in CY 2017, contributions received from pre-age 65 annuitants are recorded as a reduction of benefit expense on the Statement of Fiduciary Net Position.

Description of Benefits

Retirement Eligibility: At retirement, the member must have active group life insurance coverage and satisfy one of the following:

- WRS coverage prior to January 1, 1990, or
- At least one month of group life insurance coverage in each of five calendar years after 1989 and one of the following:
 - Eligible for an immediate WRS benefit, or
 - At least 20 years from their WRS creditable service as of January 1, 1990, plus their years of group life insurance coverage after 1989, or
 - At least 20 years on the payroll of their last employer.

In addition, terminating members and retirees must continue to pay the employee contributions until age 65 (age 70 if active).

Basic Coverage Benefits: After retirement, basic coverage is continued for life in these amounts of the insurance in force before retirement:

Age	% of Basic Coverage Continuing	
	State	Local
Before age 65	100%	100%
While age 65	75%	75%
While age 66	50%	50%
After age 66	50%	50%/25% Employer Election

Supplemental Coverage Benefits: After retirement, supplemental coverage may be continued until age 65 at 100% of the amount of the insurance in force before retirement at the employee's expense.

Additional Coverage Benefits: After retirement, additional coverage may be continued until age 65 at 100% of the amount of the insurance in force before retirement at the employee's expense.

Spouse and Dependent Coverage Benefits: After retirement, the coverage is terminated.

Investment Contract with Insurance Carrier (Securian)

Investments for the Retiree Life Insurance Funds are held with the insurance carrier, Securian. In accordance with the administrative agreement between the GIB and Securian, interest is calculated and credited to the Retiree Life Insurance plans based on the rate of return for a segment of the insurance carrier's general fund,



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specifically, 10 Year A- Bonds (as a proxy and not tied to any specific investments). The funds invested during the year earn interest based on that year's rate of return for 10 Year A- Bonds. The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto. No significant contract changes occurred during the year.

The targeted asset allocation and expected rates of return are presented in the following table:

State and Local Retiree Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2017			
Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Government Bonds	Barclays Government	1%	1.13%
US Credit Bonds	Barclays Credit	65%	2.61%
US Long Credit Bonds	Barclays Long Credit	3%	3.08%
US Mortgages	Barclays MBS	31%	2.19%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

The annual money-weighted rate of return on plan investments is shown in the below table. The money-weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts actually invested.

State and Local Retiree Life Insurance Plans Schedule of Investment Returns Annual Money-Weighted Rate of Return	
	2017
State Retiree Life Insurance Plan	3.19%
Local Retiree Life Insurance Plan	3.13%

State Retiree Life Insurance Net OPEB Liability (Asset) of Participating Employer

The components of the Net OPEB Liability (Asset) of the participating State employer at December 31, 2017, were as follows (In Millions):

Total OPEB Liability	\$ 845.52
Plan Fiduciary Net Position*	351.97
Participating Employer's Net OPEB Liability (Asset)	<u>\$ 493.55</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	<u>41.63%</u>

*Immaterial difference may exist between the Plan Fiduciary Net Position used in the actuarial valuation and that reported in the Statement of Fiduciary Net Position, due to the timing of the actuarial valuation.

Additional information as of the latest actuarial valuations follows:

Actuarial Valuation Date:	January 1, 2017
Measurement Date of Net OPEB Liability (Asset):	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*	3.44%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	3.60%
Salary Increases:	
Inflation	3.20%
Senior/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table

* Based on the Bond Buyers GO index.

Actuarial assumptions are based upon the Wisconsin Retirement System (WRS) experience study conducted in 2015 using experience from 2012 – 2014. The Total OPEB Liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

A discount rate of 3.60% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.94% for the prior year. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Based on these assumptions, the plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability was applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2034. Therefore, the long-term expected rate of return on plan investments was applied through 2034 and the municipal bond index rate was applied for all remaining periods of projected benefit payments to determine the Total OPEB Liability.

Sensitivity of the State Retiree Life Insurance Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the plan's Net OPEB Liability (Asset) and shows what the plan's Net OPEB Liability (Asset) would be if it were calculated using a single discount rate that is one percentage point lower or one percentage point higher (In Millions):



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	1% Decrease (2.60%)	Current Discount Rate (3.60%)	1% Increase (4.60%)
Total OPEB Liability	\$ 1,023.9	\$ 845.5	\$ 707.0
Plan Fiduciary Net Position	352.0	352.0	352.0
Net OPEB Liability (Asset)	<u>\$ 671.9</u>	<u>\$ 493.5</u>	<u>\$ 355.0</u>

Local Retiree Life Insurance Net OPEB Liability (Asset) of Participating Employers

The components of the Net OPEB Liability (Asset) of the participating local employers at December 31, 2017, were as follows (In Millions):

Total OPEB Liability	\$ 545.09
Plan Fiduciary Net Position*	244.23
Participating Employer's Net OPEB Liability (Asset)	<u>\$ 300.86</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	44.81%

*Immaterial difference may exist between the Plan Fiduciary Net Position used in the actuarial valuation and that reported in the Statement of Fiduciary Net Position, due to the timing of the actuarial valuation.

Additional information as of the latest actuarial valuations follows:

Actuarial Valuation Date:	January 1, 2017
Measurement Date of Net OPEB Liability (Asset):	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*	3.44%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	3.63%
Salary Increases:	
Inflation	3.20%
Senior/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table

* Based on the Bond Buyers GO index.

Actuarial assumptions are based upon the WRS experience study conducted in 2015 using experience from 2012 – 2014. The Total OPEB Liability for December 31, 2017, is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

A discount rate of 3.63% was used to measure the Total OPEB Liability for the current year, as opposed to discount rate of 3.96% for the prior year. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Based on these assumptions, the plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability was applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2037. Therefore, the long-term expected rate of return on plan investments was applied through 2037 and the municipal bond index rate was applied for all remaining periods of projected benefit payments to determine the Total OPEB Liability.

Sensitivity of the Local Retiree Life Insurance Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the plan's Net OPEB Liability (Asset) and shows what the plan's Net OPEB Liability (Asset) would be if it were calculated using a single discount rate that is one percentage point lower or one percentage point higher (In Millions):

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
Total OPEB Liability	\$ 669.5	\$ 545.1	\$ 449.6
Plan Fiduciary Net Position	244.2	244.2	244.2
Net OPEB Liability (Asset)	<u>\$ 425.3</u>	<u>\$ 300.9</u>	<u>\$ 205.4</u>

» Retiree Health Insurance Funds

The Retiree Health Insurance plans offer group health insurance to retired State of Wisconsin and local government employees. Retirees pay the full premium amount. The State Retiree Health Insurance Fund includes the State, the University of Wisconsin, and other component units of the State. The Local Government Retiree Health Insurance Fund includes 354 local government employers. The plans are not administered through a trust and are therefore reported as agency funds. The Retiree Health Insurance Funds contain certain non-OPEB components relating to post-Medicare pharmacy and health insurance benefits.

ETF and the GIB have statutory authority for program administration and oversight [Wis. Stats. §§ 15.165 (2) and 40.03 (6)].

Membership

State of Wisconsin and local government employees participating in the State Health Insurance Plan or the Wisconsin Public Employers Insurance Plan (local government plans) are eligible to continue their health insurance coverage after leaving covered employment. Membership as of December 31, 2017, included 26,692 former state employees or their beneficiaries and 1,987 former local government employees and beneficiaries.

Description of Benefits

Employees may choose between self-insured health plans and alternate health plans with specific provider networks (i.e., HMOs). The HMOs follow GIB guidelines for eligibility and program requirements. All HMOs offer a prescribed benefit package called Uniform Benefits and participate in a yearly competitive premium rate bid



FINANCIAL SECTION

process. The Standard Plan and State Maintenance Plan are self-insured by the GIB and administered by WPS Health Insurance through December 31, 2017. The Standard Plan is a preferred provider plan.

The pharmacy benefit is self-insured by the GIB and administered by Navitus Health Solutions.

Effective January 1, 2012, prescription drug coverage for Medicare eligible retirees enrolled in the State group health insurance program is provided by a self-funded Medicare Part D Employer Group Waiver Plan (EGWP). A Medicare "Wrap" product is also included to provide full coverage to members, as required by uniform benefits, when they reach the Medicare coverage gap, also known as the "donut hole."

10 MILWAUKEE RETIREMENT SYSTEM

The Milwaukee Retirement System (MRS), consisting of two funds within the Milwaukee Public Schools Retirement System, is reported as an Investment Trust Fund. MRS provides assets to ETF for investing in the Core and Variable Funds, described in the Investments section of Note 1. The Core and Variable Funds are managed by SWIB, with oversight by a board of trustees as authorized in Wis. Stat. § 25.17. SWIB is not registered with the Securities and Exchange Commission as an investment company. Participation of the MRS in the Core and Variable Funds is described in the Wisconsin Administrative Code, § ETF 10.12. Monthly, ETF distributes pro-rata shares of total Core Fund and total Variable Fund earnings, less administrative expenses to the MRS accounts. The MRS accounts are adjusted to fair value and gains/losses are recorded directly in the accounts per Wisconsin Administrative Code, § ETF 10.12 (2).

No state statute, legal provision, or legally-binding guarantee exists to support the value of shares. At December 31, 2017, the Core and Variable Funds held \$108.4 billion in investment related accounts, of which \$3.5 billion is classified as cash equivalents. In addition, the Core and Variable Funds held \$1.6 billion of securities lending collateral.

Summary information by investment classification in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, for the Core and Variable Funds at December 31, 2017, is presented in Note 3. Condensed financial data for the Core and Variable Funds for the year ended December 31, 2017, is presented on the next page.

Core and Variable Retirement Investment Funds
Condensed Statements of Net Position
As of December 31, 2017
 (In Thousands)

Assets:	Core	Variable	Combined
Cash & Cash Equivalents	\$ 3,417,883	\$ 98,379	\$ 3,516,262
Securities Lending Collateral	1,522,476	54,186	1,576,662
Due From Other Funds	634	0	634
Prepaid Items	25,547	1,878	27,425
Investment Receivables	1,558,339	37,517	1,595,856
Investments, at fair value	104,574,185	8,042,006	112,616,191
Total Assets	111,099,064	8,233,966	119,333,030
Liabilities:			
Securities Lending Collateral Liability	1,522,476	54,186	1,576,662
Obligation Under Reverse Repurchase Agreement	6,114,256	0	6,114,256
Short Sell Obligations	2,722,194	0	2,722,194
Collateral Due to Counterparty	2,860	0	2,860
Investment Payables	465,850	1,340	467,190
Total Liabilities	10,827,636	55,526	10,883,162
Net Position Held in Trust for:			
Internal Investment Pool Participants	100,098,394	8,158,108	108,256,502
Milwaukee Retirement Systems	173,034	20,332	193,366
Total	\$ 100,271,428	\$ 8,178,440	\$ 108,449,868

Core and Variable Retirement Investment Funds
Condensed Statements of Changes in Net Position
As of December 31, 2017
 (In Thousands)

Additions:	Core	Variable	Combined
Net Increase (Decrease) in Fair Value of Investments	\$ 12,427,469	\$ 1,403,547	\$ 13,831,016
Interest	568,507	952	569,459
Dividends	1,088,223	155,293	1,243,516
Securities Lending Income	31,296	6,571	37,867
Other	213,128	0	213,128
Total Additions	14,328,623	1,566,363	15,894,986
Deductions:			
Investment Expense	478,382	9,001	487,383
Securities Lending Rebates and Fees	7,791	429	8,220
Net Withdrawals by Pool Participants	2,990,625	394,791	3,385,416
Total Deductions	3,476,798	404,221	3,881,019
Net Increase (Decrease)	10,851,825	1,162,142	12,013,967
Net Investment Position Held in Trust			
Beginning of Year	89,419,603	7,016,298	96,435,901
End of Year	\$ 100,271,428	\$ 8,178,440	\$ 108,449,868

11 CONTINGENCIES, UNUSUAL EVENTS, & SUBSEQUENT EVENTS

» *Loss Contingencies*

A federal lawsuit has been brought against the department and others challenging the State of Wisconsin Group Health Insurance Program's exclusion for "[p]rocedures, services, and supplies related to surgery and sex hormones associated with gender reassignment." Plaintiffs are seeking various remedies, including damages for pain and suffering. The amount of any potential damage award is indeterminate at this time.

On September 5, 2008, the Internal Revenue Service (IRS) provided SWIB with a "Notice of Transferee Liability". This claim seeks taxes, penalties, and interest relating to the sale of Shockley Communications Corporation (SCC) stock in 2001.

SWIB is classified as a tax-exempt entity by the IRS. However, the IRS asserts that the shareholders' sale of SCC stock in 2001 should have been characterized as a sale of assets by SCC, on which SCC should have paid income taxes. Based on the theory of transferee liability, the IRS asserts that the former SCC shareholders, including SWIB, are liable for SCC's unpaid taxes, penalties, and interest.

SWIB has filed a petition in the United States Tax Court contesting the proposed IRS assessment. In April 2014, SWIB and the IRS agreed to stay the Tax Court proceeding pending the resolution of the tax case initiated by the principal shareholders of SCC challenging the IRS' characterization of the SCC sale. In 2015, the Tax Court found that the principal shareholders of SCC were liable as putative transferees for the tax, penalties, and interest owed by SCC related to its sale. In October 2017, the 11th Circuit Court of Appeals upheld the 2015 Tax Court opinion. Although SWIB plans to continue to aggressively contest the IRS' assertions of SWIB's tax liability, and SWIB has separate and distinct arguments from the principal shareholders of SCC, at the end of 2015, SWIB determined it was prudent to accrue a potential loss from the SCC transaction based on the Tax Court's adverse opinion. SWIB's potential liability, as a putative transferee of SCC assets, is reasonably estimated to be between \$16.6 million and \$53.8 million as of December 31, 2017. Although results may differ, this estimated range of loss is based on a possible settlement strategy with the IRS and the maximum potential liability to the IRS for the taxes, interest, and potential penalties of SCC based on the Tax Court's decision against the principal shareholders. Accordingly, in calendar year 2015, SWIB accrued a loss of \$16.6 million, which represents the estimated minimum amount of the possible loss to which SWIB believes it may be exposed.

» *Subsequent Events*

In March 2018, ETF's vendor for developing a new benefits administration system, myETF, stopped providing services. This unexpected stoppage significantly affected development of myETF. As of December 31, 2017, ETF has capitalized \$21.9 million in development costs related to this new system. This is reported as part of the \$33.9 million in capital assets for the WRS.

REQUIRED SUPPLEMENTARY INFORMATION

» PUBLIC ENTITY RISK POOLS

Claims Development Information

The tables on the following pages illustrate how the funds' earned revenues and investment income compare to related costs of loss and other expenses assumed by the funds as of the end of each of the last ten years. The rows of the tables are defined as follows:

1. Net Earned Required Contributions and Investment Revenues. Shows the total of each calendar year's earned contribution revenues and investment revenues.
2. Unallocated Expense. Shows each calendar year's other operating costs of the fund, including overhead and claims expenses not allocable to individual claims.
3. Estimated Incurred Claims and expenses as of the End of the Policy Year. Shows the fund's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported as the end of the first year in which the event that triggered coverage under the contract occurred (called policy year).
4. Paid (cumulative) as of Year-End. Shows the cumulative amounts paid as of the end of successive years for each policy year.
5. Re-estimated Incurred Claims and expenses. Shows how each policy year incurred claims increased or decreased as of the end of successive policy years. This annual re-estimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known.
6. Increase (Decrease) in Estimated Incurred Claims from End of Policy Year. Compares the latest re-estimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years. The columns of the tables show data for successive policy years.



FINANCIAL SECTION

Public Entity Risk Pools
Required Supplementary Information
Pharmacy Benefit Claims Development Information
(In Millions)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1. Net earned required contributions and investment revenues	\$ 138.8	\$ 155.5	\$ 178.9	\$ 169.9	\$ 153.7	\$ 159.6	\$ 157.7	\$ 166.5	\$ 214.3	\$ 223.5
2. Unallocated expense	8.8	6.4	8.7	6.4	8.0	4.4	6.0	6.0	5.9	5.8
3. Estimated incurred claims and expenses as of the end of the policy year	124.0	134.8	148.4	144.6	141.3	149.0	163.5	176.9	156.0	164.5
4. Paid (cumulative) as of *										
End of Policy Year	126.3	139.1	155.8	150.7	148.3	156.6	173.4	196.4	171.0	183.3
One Year Later	123.9	134.1	147.3	145.1	141.2	148.3	163.5	177.0	151.0	
Two Years Later	123.9	134.1	147.3	145.1	141.2	148.3	163.5	177.1		
Three Years Later	123.9	134.1	147.3	145.1	141.2	148.3	163.5			
Four Years Later	123.9	134.1	147.3	145.1	141.2	148.3				
Five Years Later	123.9	134.1	147.3	145.1	141.2					
Six Years Later	123.9	134.1	147.3	145.1						
Seven Years Later	123.9	134.1	147.3							
Eight Years Later	123.9	134.1								
Nine Years Later	123.9									
5. Reestimated incurred claims and expenses:										
End of Policy Year	124.0	134.8	148.4	144.6	141.3	149.0	163.5	176.9	156.0	164.5
One Year Later	123.9	134.1	147.3	145.1	141.2	148.3	163.5	177.0	151.0	
Two Years Later	123.9	134.1	147.3	145.1	141.2	148.3	163.5	177.1		
Three Years Later	123.9	134.1	147.3	145.1	141.2	148.3	163.5			
Four Years Later	123.9	134.1	147.3	145.1	141.2	148.3				
Five Years Later	123.9	134.1	147.3	145.1	141.2					
Six Years Later	123.9	134.1	147.3	145.1						
Seven Years Later	123.9	134.1	147.3							
Eight Years Later	123.9	134.1								
Nine Years Later	123.9									
6. Increase (decrease) in estimated incurred claims and expenses from end of policy year	\$ (0.1)	\$ (0.7)	\$ (1.1)	\$ 0.5	\$ (0.1)	\$ (0.7)	\$ 0.0	\$ 0.2	\$ (5.0)	\$ 0.0

*Paid Claims include payments expected to be reimbursed as rebate payments from participating pharmaceutical companies. Incurred claims are presented net of anticipated rebates.

In accordance with GASB Statement No. 74, retiree health is reported separately in an agency fund and is not included with the active health information in this table.

**Public Entity Risk Pools
Required Supplementary Information
Health Insurance Claims Development Information
(In Millions)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1. Net earned required contributions and investment revenues	\$22.5	\$41.5	\$36.6	\$27.9	\$33.1	\$29.9	\$26.0	\$22.5	\$28.5	\$35.6
2. Unallocated expense	5.3	5.0	5.4	6.2	5.5	5.2	7.0	5.2	8.8	9.3
3. Estimated incurred claims and expenses as of the end of the policy year	30.5	25.9	24.0	21.4	17.7	16.9	17.7	14.7	15.1	16.0
4. Paid (cumulative) as of										
End of Policy Year	25.7	21.6	20.5	18.7	15.1	14.6	15.4	12.8	13.1	14.2
One Year Later	28.3	23.4	22.6	20.7	17.2	16.0	16.7	14.3	14.9	
Two Years Later	28.2	23.5	22.6	20.7	17.1	16.0	16.7	14.3		
Three Years Later	28.2	23.5	22.6	20.7	17.1	16.0	16.7			
Four Years Later	28.2	23.5	22.6	20.7	17.1	16.0				
Five Years Later	28.2	23.5	22.6	20.7	17.1					
Six Years Later	28.2	23.5	22.6	20.7						
Seven Years Later	28.2	23.5	22.6							
Eight Years Later	28.2	23.5								
Nine Years Later	28.2									
5. Reestimated incurred claims and expenses:										
End of Policy Year	30.5	25.9	24.0	21.4	17.7	16.9	17.7	14.7	15.1	16.0
One Year Later	28.3	23.5	22.6	20.7	17.2	16.0	16.7	14.3	14.9	
Two Years Later	28.2	23.5	22.6	20.7	17.1	16.0	16.7	14.3		
Three Years Later	28.2	23.5	22.6	20.7	17.1	16.0	16.7			
Four Years Later	28.2	23.5	22.6	20.7	17.1	16.0				
Five Years Later	28.2	23.5	22.6	20.7	17.1					
Six Years Later	28.2	23.5	22.6	20.7						
Seven Years Later	28.2	23.5	22.6							
Eight Years Later	28.2	23.5								
Nine Years Later	28.2									
6. Increase (decrease) in estimated incurred claims and expenses from end of policy year	\$(2.3)	\$(2.4)	\$(1.4)	\$(0.7)	\$(0.6)	\$(0.9)	\$(1.0)	\$(0.4)	\$(0.2)	\$0.0

In accordance with GASB Statement No. 74, retiree health is reported separately in an agency fund and is not included with the active health information in this table

Amounts above only include the portion of the medical program that is self-insured.



FINANCIAL SECTION

Public Entity Risk Pools
Required Supplementary Information
Dental Insurance Claims Development Information
(In Millions)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1. Net earned required contributions and investment revenues	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 41.9	\$ 44.3
2. Unallocated expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.9
3. Estimated incurred claims and expenses as of the end of the policy year	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	44.1	44.4
4. Paid (cumulative) as of										
End of Policy Year	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	42.2	43.4
One Year Later	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	44.0	
Two Years Later	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Three Years Later	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
Four Years Later	0.0	0.0	0.0	0.0	0.0	0.0				
Five Years Later	0.0	0.0	0.0	0.0	0.0					
Six Years Later	0.0	0.0	0.0	0.0						
Seven Years Later	0.0	0.0	0.0							
Eight Years Later	0.0	0.0								
Nine Years Later	0.0									
5. Reestimated incurred claims and expenses:										
End of Policy Year	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	44.1	44.4
One Year Later	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	44.0	
Two Years Later	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Three Years Later	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
Four Years Later	0.0	0.0	0.0	0.0	0.0	0.0				
Five Years Later	0.0	0.0	0.0	0.0	0.0					
Six Years Later	0.0	0.0	0.0	0.0						
Seven Years Later	0.0	0.0	0.0							
Eight Years Later	0.0	0.0								
Nine Years Later	0.0									
6. Increase (decrease) in estimated incurred claims and expenses from end of policy year	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ (0.1)	\$ 0.0

*Prior to 2016 Dental Benefits were included as part of fully insured HMO coverage.

Public Entity Risk Pools
Required Supplementary Information
Income Continuation Insurance Claims Development Information
 (In Millions)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1. Net earned required contributions and investment revenues	\$ (9.1)	\$ 28.8	\$ 25.0	\$ 16.6	\$ 25.0	\$ 25.7	\$ 20.5	\$ 16.3	\$ 27.1	\$ 38.3
2. Unallocated expense	2.4	1.8	2.0	2.3	1.9	2.0	5.7	1.8	3.0	1.8
3. Estimated incurred claims and expenses as of the end of the policy year	22.4	33.4	34.3	42.4	33.4	36.0	20.5	22.8	20.7	17.7
4. Paid (cumulative) as of										
End of Policy Year	5.1	5.5	6.0	6.7	5.9	6.4	5.9	6.6	5.6	4.6
One Year Later	9.2	9.7	11.0	11.9	11.0	11.8	11.9	12.5	10.6	
Two Years Later	10.0	10.8	12.2	12.8	12.3	13.8	13.6	14.3		
Three Years Later	10.6	11.7	13.3	13.6	13.8	15.1	14.8			
Four Years Later	11.1	12.6	14.2	14.3	14.5	16.0				
Five Years Later	11.6	13.3	15.3	14.9	15.4					
Six Years Later	12.1	14.2	16.2	15.4						
Seven Years Later	12.6	14.9	17.0							
Eight Years Later	13.0	15.5								
Nine Years Later	13.4									
5. Reestimated incurred claims and expenses:										
End of Policy Year	22.4	33.4	34.3	42.4	33.4	36.0	20.5	22.8	20.7	17.7
One Year Later	15.8	17.5	23.0	22.3	23.1	22.6	20.4	23.9	21.1	
Two Years Later	15.3	17.5	20.1	20.0	20.9	24.0	22.5	23.4		
Three Years Later	14.7	17.7	20.1	19.5	20.9	24.3	22.2			
Four Years Later	14.5	18.5	21.2	19.5	20.5	23.5				
Five Years Later	14.7	18.8	22.5	19.5	21.0					
Six Years Later	15.3	19.1	23.0	19.7						
Seven Years Later	15.3	19.6	23.3							
Eight Years Later	15.7	19.7								
Nine Years Later	16.0									
6. Increase (decrease) in estimated incurred claims and expenses from end of policy year	\$ (6.4)	\$ (13.7)	\$ (11.0)	\$ (22.7)	\$ (12.4)	\$ (12.5)	\$ 1.7	\$ 0.6	\$ 0.4	\$ 0.0



FINANCIAL SECTION

Public Entity Risk Pools
Required Supplementary Information
Duty Disability Insurance Claims Development Information
(In Millions)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1. Net earned required contributions and investment revenues	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 50.3	\$ 100.5
2. Unallocated expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.8	4.5
3. Estimated incurred claims and expenses as of the end of the policy year	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.9	19.2
4. Paid (cumulative) as of										
End of Policy Year	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
One Year Later	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	
Two Years Later	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Three Years Later	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
Four Years Later	0.0	0.0	0.0	0.0	0.0	0.0				
Five Years Later	0.0	0.0	0.0	0.0	0.0					
Six Years Later	0.0	0.0	0.0	0.0						
Seven Years Later	0.0	0.0	0.0							
Eight Years Later	0.0	0.0								
Nine Years Later	0.0									
5. Reestimated incurred claims and expenses:										
End of Policy Year	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.9	19.2
One Year Later	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.2	
Two Years Later	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Three Years Later	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
Four Years Later	0.0	0.0	0.0	0.0	0.0	0.0				
Five Years Later	0.0	0.0	0.0	0.0	0.0					
Six Years Later	0.0	0.0	0.0	0.0						
Seven Years Later	0.0	0.0	0.0							
Eight Years Later	0.0	0.0								
Nine Years Later	0.0									
6. Increase (decrease) in estimated incurred claims and expenses from end of policy year	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ (5.7)	\$ 0.0

*Prior to 2016 data not available.

Wisconsin Retirement System
Schedules of Changes in Net Pension Liability (Asset) and Related Ratios
 (In Millions)

Calendar Year Ended, December 31	2017	2016	2015	2014	2013
Total Pension Liability					
Service Cost	\$1,842.9	\$1,814.1	\$1,787.9	\$1,757.0	\$1,745.0
Interest on the Total Pension Liability	6,627.2	6,372.4	6,347.1	6,089.3	5,680.7
Benefit Changes	0.0	0.0	0.0	0.0	0.0
Difference between Expected and Actual Experience*	4,459.5	150.3	(4,247.3)	437.3	2,659.9
Assumption Changes	0.0	0.0	1,412.0	0.0	0.0
Benefit Payments, including refunds of employee contributions	(5,249.6)	(5,062.2)	(4,861.2)	(4,574.6)	(4,258.0)
Net Change in Total Pension Liability	7,679.9	3,274.6	438.5	3,708.9	5,827.7
Total Pension Liability - Beginning	93,747.4**	90,129.7	89,691.2	85,982.2	80,154.6
Total Pension Liability - Ending (a)	\$101,427.3	\$93,404.3	\$90,129.7	\$89,691.2	\$85,982.2
Plan Fiduciary Net Position					
Employer Contributions	\$1,017.6	963.1	977.7	987.8	\$914.7
Employee Contributions	965.5	921.9	937.2	941.9	871.3
Pension Plan Net Investment Income	14,875.4	7,273.1	(673.1)	4,891.0	11,347.3
Benefit Payments, including refunds of employee contributions	(5,249.6)	(5,062.2)	(4,861.2)	(4,574.6)	(4,258.0)
Pension Plan Administrative Expense	(26.1)	(20.4)	(22.7)	(24.0)	(22.9)
Net Change in Plan Fiduciary Net Position	11,582.7	4,075.4	(3,642.1)	2,222.0	8,852.4
Plan Fiduciary Net Position - Beginning	92,813.8***	88,504.7	92,146.8	89,924.7	81,072.3
Plan Fiduciary Net Position - Ending (b)	\$104,396.5	\$92,580.1	\$88,504.7	\$92,146.8	\$89,924.7
Net Pension Liability(Asset) - Ending (a) - (b)	\$(2,969.1)	\$824.2	\$1,625.0	\$(2,455.6)	\$(3,942.5)
Plan Fiduciary Net Position as a Percentage of Total Pension	102.93 %	99.12%	98.20%	102.74 %	104.59 %
Covered Employee Payroll	\$13,943.1	\$13,706.0	\$13,530.5	\$13,219.5	\$12,884.8
Net Pension Liability(Asset) as a Percentage of Covered Employee Payroll	(21.29%)	6.01%	12.01%	(18.58%)	(30.60%)

Immaterial differences may exist between the amounts in this schedule and those reported in the Statement of Fiduciary Net Position

Amounts may not foot due to rounding.

* Starting with 2015, this item includes the impact of known Market Recognition account deferred gains/losses on the liability for dividend payments.

** As of calendar year 2017, the Long-Term Disability Insurance (LTDI) program is reported within the Wisconsin Retirement System (WRS). Beginning of year liabilities for 2017 were adjusted by \$343,079,422 to reflect the LTDI program.

*** As of calendar year 2017, the LTDI program is reported within the WRS. Beginning of year net position for 2017 was adjusted by \$233,691,533 to reflect the LTDI program.



FINANCIAL SECTION

**Wisconsin Retirement System
Schedule of Required Employer Contributions**
(In Millions)

Calendar Year Ending December 31,	Actuarially Determined Contributions	Actual Contributions	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2013	905	905	0	12,885	7.02%
2014	977	977	0	13,220	7.39%
2015	968	968	0	13,531	7.15%
2016	954	954	0	13,706	6.96%
2017	1,015	1,015	0	13,943	7.28%

**Wisconsin Retirement System
Schedule of Investment Returns
Last Ten Calendar Years**
Annual Money-Weighted Rate of Return (IRR), Net of Investment Expenses

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Core Trust Fund	15.85%	8.29%	(0.63%)	5.44%	13.18%	13.40%	1.25%	11.92%	21.76%	(26.31%)
Variable Trust Fund	23.27%	10.49%	(1.11%)	7.24%	28.78%	16.94%	(3.02%)	15.23%	33.06%	(38.96%)

State Retiree Life Insurance Schedules of Changes in Net OPEB Liability (Asset) and Related Ratios (In Millions)	
Calendar Year Ended, December 31	2017
Total OPEB Liability	
Service Cost	\$ 26.1
Interest on the Total OPEB Liability	30.7
Benefit Changes	0.0
Difference between Expected and Actual Experience	(5.3)
Assumption Changes	49.0
Benefit Payments	(17.7)
Net Change in Total OPEB Liability	82.8
Total OPEB Liability - Beginning	762.6
Total OPEB Liability - Ending (a)	\$ 845.5
Plan Fiduciary Net Position	
Employer Contributions	1.4
Net Investment Income	11.5
Benefit Payments	(17.7)
OPEB Plan Administrative Expense	(0.6)
Net Change in Plan Fiduciary Net Position	(5.4)
Plan Fiduciary Net Position - Beginning	357.4
Plan Fiduciary Net Position - Ending (b)	\$ 352.0
Net OPEB Liability(Asset) - Ending (a) - (b)	\$ 493.5
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	41.63%
Covered Employee Payroll	\$ 3,184.0
Net OPEB Liability(Asset) as a Percentage of Covered Employee Payroll	15.50%

Immaterial differences may exist between the amounts in this schedule and those reported in the Statement of Fiduciary Net Position



FINANCIAL SECTION

Local Retiree Life Insurance Schedules of Changes in Net OPEB Liability (Asset) and Related Ratios (In Millions)	
Calendar Year Ended, December 31	2017
Total OPEB Liability	
Service Cost	\$ 18.1
Interest on the Total OPEB Liability	19.8
Benefit Changes	0.0
Difference between Expected and Actual Experience	(4.9)
Assumption Changes	33.5
Benefit Payments	(7.3)
Net Change in Total OPEB Liability	59.2
Total OPEB Liability - Beginning	485.9
Total OPEB Liability - Ending (a)	\$ 545.1
Plan Fiduciary Net Position	
Employer Contributions	2.1
Net Investment Income	7.6
Benefit Payments	(7.3)
OPEB Plan Administrative Expense	(1.2)
Net Change in Plan Fiduciary Net Position	1.2
Plan Fiduciary Net Position - Beginning	243.1
Plan Fiduciary Net Position - Ending (b)	\$ 244.2
Net OPEB Liability (Asset) - Ending (a) - (b)	\$ 300.9
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	44.81%
Covered Employee Payroll	\$ 4,205.3
Net OPEB Liability (Asset) as a Percentage of Covered Employee Payroll	7.15%

Immaterial differences may exist between the amounts in this schedule and those reported in the Statement of Fiduciary Net Position

**State and Local Retiree Life Insurance Plans
Schedule of Investment Returns
Annual Money-Weighted Rate of Return, Net of Investment Expenses**

	2017
State Retiree Life Insurance Plan	3.19%
Local Retiree Life Insurance Plan	3.13%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

Valuation Date:	December 31, 2015
Actuarial Cost Method:	Frozen Entry Age
Amortization Method:	Level Percent-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)
Actuarial Assumptions	
Net Investment Rate of Return:	5.5%
Weighted based on assumed rate for:	
Pre-retirement:	7.2%
Post-retirement:	5.0%
Salary Increases	
Inflation:	3.2%
Seniority/Merit:	0.2% - 5.6%
Post-retirement Benefit Adjustments:	2.1*

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

STATISTICAL SECTION

Wisconsin Retirement System (WRS) Statistics

Active Participants by Employment Category

Year	General	Teachers	Executives & Elected Officials	Protective Occupations With Social Security	Protective Occupations Without Social Security	Totals
State Participants						
2008	42,920	19,712	709	8,824	0	72,165
2009	42,814	20,002	709	8,890	0	72,415
2010	42,785	20,502	697	8,756	0	72,740
2011	41,136	20,184	717	8,354	0	70,391
2012	42,433	20,776	733	8,327	0	72,269
2013	42,898	21,065	730	8,398	0	73,091
2014	42,982	21,279	732	8,900	0	73,893
2015	42,498	21,282	728	8,528	0	73,036
2016	42,460	21,722	727	8,605	0	73,514
2017	42,485	22,354	715	8,531	0	74,085
Local Participants						
2008	96,273	82,520	744	11,292	2,727	193,556
2009	97,489	82,516	744	11,389	2,740	194,878
2010	97,175	81,866	733	11,354	2,761	193,889
2011	93,797	78,348	720	11,280	2,718	186,863
2012	92,122	77,938	687	11,083	2,734	184,564
2013	91,422	77,995	679	10,856	2,745	183,697
2014	90,900	78,339	677	10,703	2,743	183,362
2015	90,887	77,979	668	10,773	2,734	183,041
2016	91,383	78,128	642	10,863	2,755	183,771
2017	90,622	78,384	636	10,934	2,752	183,328
Total Participants						
2008	139,193	102,232	1,453	20,116	2,727	265,721
2009	140,303	102,518	1,453	20,279	2,740	267,293
2010	139,960	102,368	1,430	20,110	2,761	266,629
2011	134,933	98,532	1,437	19,634	2,718	257,254
2012	134,555	98,714	1,420	19,410	2,734	256,833
2013	134,320	99,060	1,409	19,254	2,745	256,788
2014	133,882	99,618	1,409	19,603	2,743	257,255
2015	133,385	99,261	1,396	19,301	2,734	256,077
2016	133,843	99,850	1,369	19,468	2,755	257,285
2017	133,107	100,738	1,351	19,465	2,752	257,413

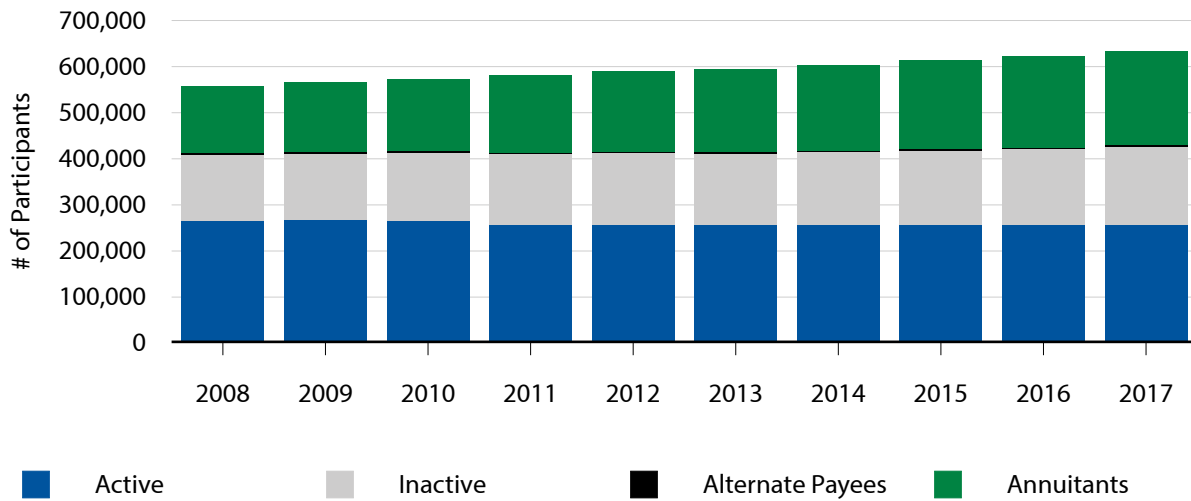


STATISTICAL SECTION

Total WRS Participants

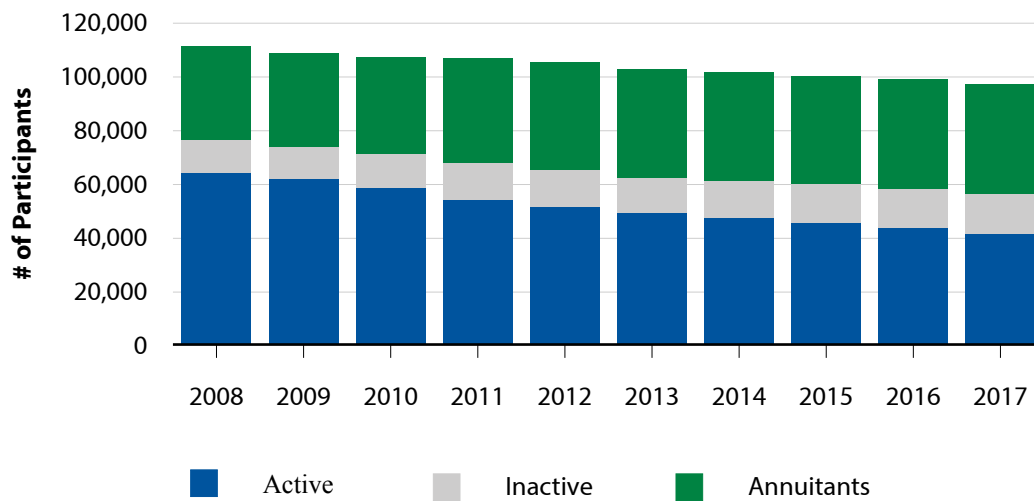
Year	Active	Inactive	Alternate Payees	Annuitants	Total Participants
2008	265,721	143,471	3,837	144,033	557,062
2009	267,293	144,424	3,929	150,671	566,317
2010	266,629	145,803	4,012	155,775	572,219
2011	257,254	153,123	4,063	167,453	581,893
2012	256,833	155,887	4,086	173,655	590,461
2013	256,788	153,721	4,040	180,056	594,605
2014	257,255	157,072	4,051	185,605	603,983
2015	256,077	161,851	4,111	191,795	613,834
2016	257,285	163,145	4,046	197,647	622,123
2017	257,413	167,996	4,093	203,300	632,802

Total WRS Participants



WRS Participants with Variable Election

Year	Active	Inactive	Annuitants	Totals
2008	64,420	12,025	34,927	111,372
2009	62,032	12,169	34,836	109,037
2010	58,781	12,519	35,866	107,166
2011	54,273	13,889	38,949	107,111
2012	51,771	13,858	39,873	105,502
2013	49,299	13,376	40,317	102,992
2014	47,671	13,805	40,402	101,878
2015	45,931	14,276	40,152	100,359
2016	44,083	14,223	40,647	98,953
2017	41,935	14,572	40,877	97,384

WRS Participants with Variable Election


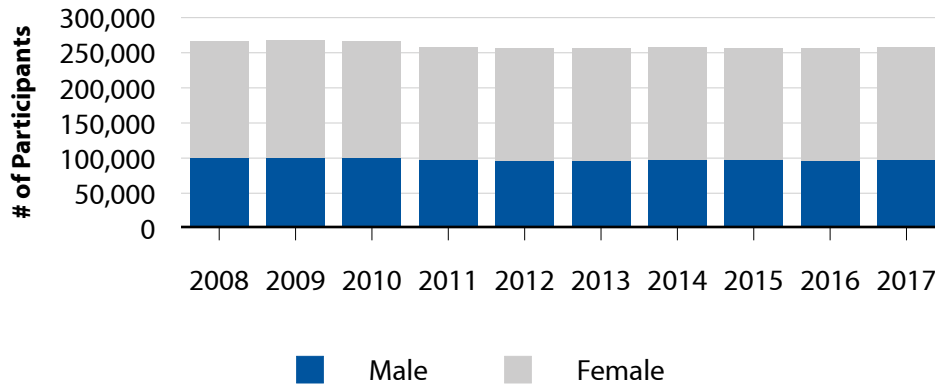


STATISTICAL SECTION

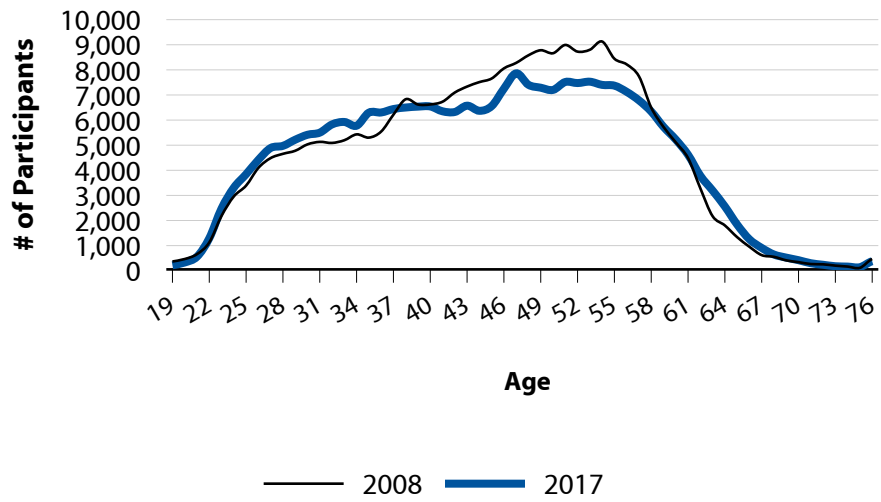
Active WRS Participants by Gender

Year	Teachers		Protective Occupations		All Other Participants		Totals	
	Male	Female	Male	Female	Male	Female	Male	Female
2008	32,256	69,976	18,715	4,128	49,535	91,111	100,506	165,215
2009	32,228	70,290	18,862	4,157	49,542	92,214	100,632	166,661
2010	32,155	70,213	18,744	4,127	49,563	91,827	100,462	166,167
2011	30,784	67,748	18,374	3,978	47,829	88,541	96,987	160,267
2012	30,983	67,761	18,278	3,866	47,836	88,109	97,097	159,736
2013	30,979	68,115	18,354	3,840	47,908	87,592	97,241	159,547
2014	30,949	68,669	18,337	4,009	48,155	87,136	97,441	159,814
2015	30,621	68,640	18,094	3,941	47,971	86,810	96,686	159,391
2016	30,708	69,142	18,192	4,031	47,913	87,299	96,813	160,472
2017	30,915	69,823	18,128	4,089	47,975	86,483	97,018	160,395

Active WRS Participants by Gender



WRS Active Participants by Age





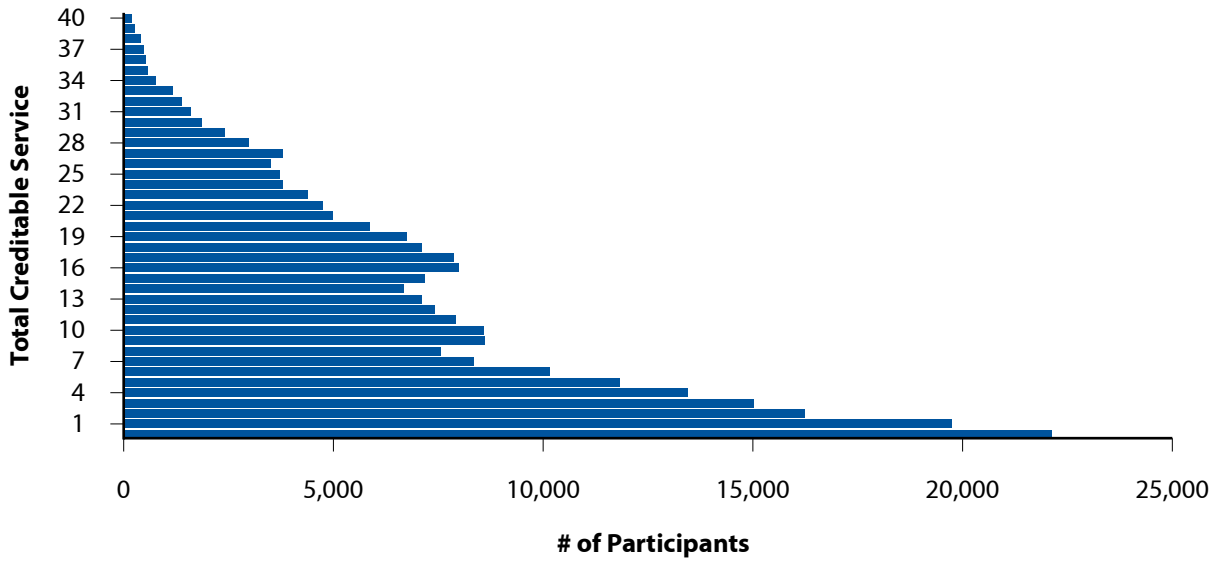
STATISTICAL SECTION

WRS Covered Payroll by Employer Type
(In Millions)

Year	Local Employers							Totals
	School Districts	Counties	Cities	Technical Colleges	Villages	Towns	Special Districts	
2008	4,802	1,511	1,194	547	215	58	134	8,461
2009	4,959	1,553	1,241	579	223	60	156	8,771
2010	5,037	1,530	1,229	596	225	60	165	8,842
2011	5,006	1,537	1,236	607	227	63	171	8,847
2012	4,906	1,526	1,226	611	228	66	177	8,740
2013	4,956	1,551	1,244	616	233	66	187	8,853
2014	5,042	1,591	1,287	603	238	69	188	9,018
2015	5,167	1,629	1,318	611	246	70	195	9,236
2016	5,199	1,656	1,340	615	252	73	210	9,345
2017	5,292	1,703	1,379	620	267	68	151	9,480

Year	State Government			Totals All Employers
	State Agencies	University	Totals	
2008	2,178	1,651	3,829	12,290
2009	2,161	1,690	3,851	12,622
2010	2,170	1,732	3,902	12,744
2011	2,126	1,746	3,872	12,719
2012	2,137	1,751	3,888	12,628
2013	2,212	1,820	4,032	12,885
2014	2,306	1,895	4,201	13,219
2015	2,372	1,922	4,294	13,530
2016	2,432	1,929	4,361	13,706
2017	2,496	1,967	4,463	13,943

Active Participants by Creditable Service



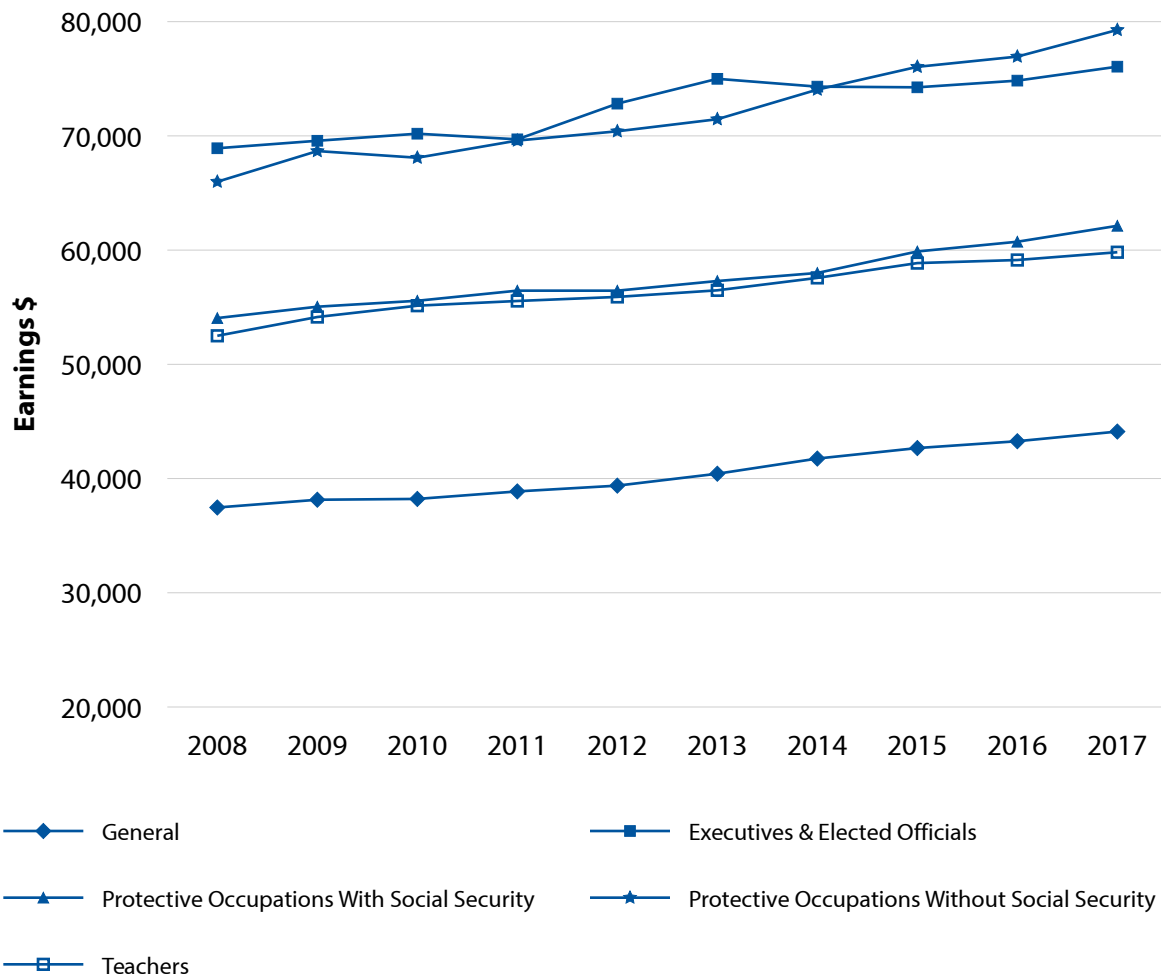
WRS Covered Payroll by Employment Category
(In Millions)

Year	General Employees	Teachers	Executives & Elected Officials	Protective Occupations with Social Security	Protective Occupations without Social Security	Totals
2008	5,367	5,534	102	1,105	182	12,290
2009	5,492	5,704	104	1,132	190	12,622
2010	5,504	5,809	105	1,136	190	12,744
2011	5,485	5,797	105	1,139	193	12,719
2012	5,496	5,707	107	1,122	196	12,628
2013	5,638	5,809	109	1,129	200	12,885
2014	5,815	5,923	111	1,163	207	13,219
2015	5,951	6,064	112	1,191	212	13,530
2016	6,045	6,118	112	1,217	214	13,706
2017	6,135	6,230	111	1,248	219	13,943



STATISTICAL SECTION

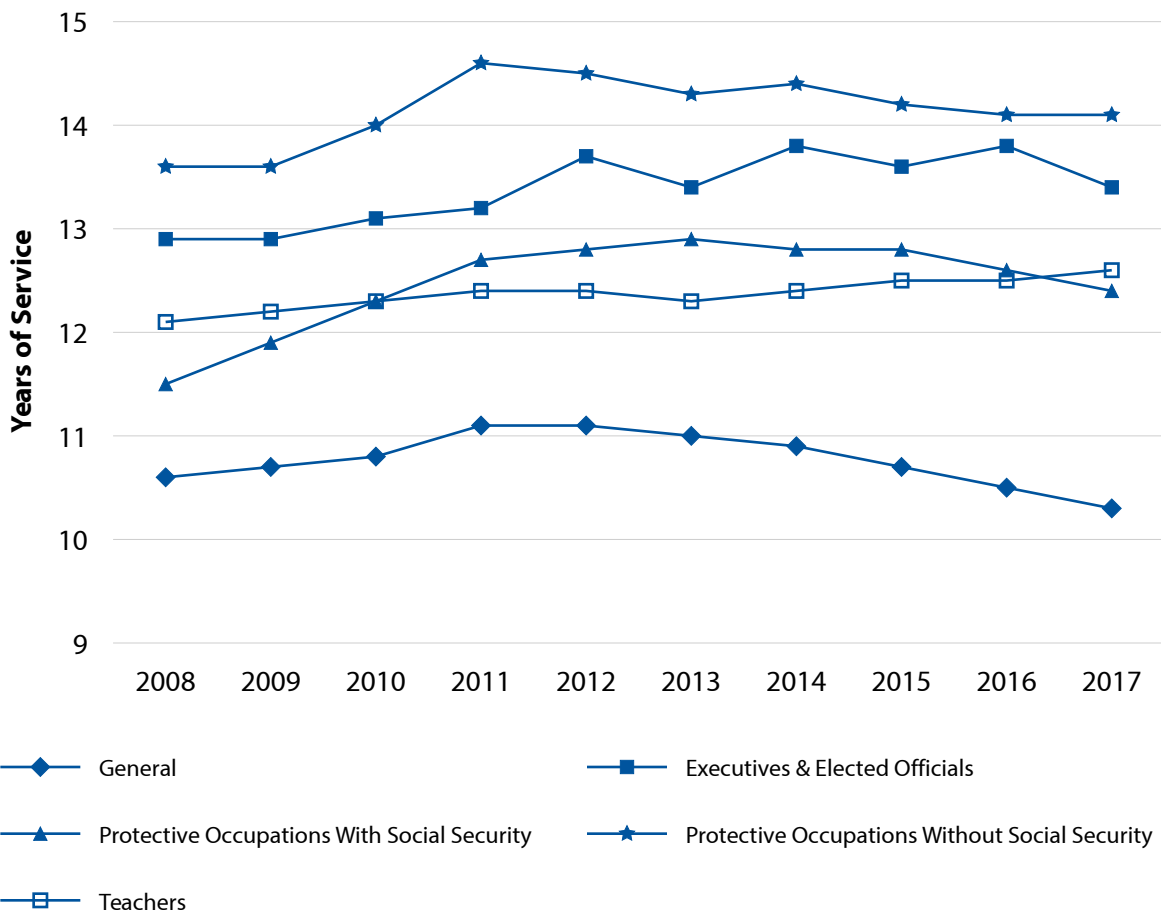
Average Annual Earnings



Average Annual Earnings

Year	General	Teachers	Executives & Elected Officials	Protective Occupations With Social Security	Protective Occupations Without Social Security	Average
2008	37,465	52,498	68,917	54,051	65,987	44,969
2009	38,145	54,143	69,572	55,045	68,671	46,047
2010	38,216	55,135	70,191	55,564	68,087	46,501
2011	38,874	55,546	69,699	56,451	69,590	47,098
2012	39,379	55,902	72,824	56,448	70,402	47,535
2013	40,422	56,480	74,996	57,294	71,460	48,403
2014	41,750	57,569	74,312	57,999	74,051	49,634
2015	42,669	58,864	74,252	59,881	76,045	50,770
2016	43,268	59,133	74,838	60,733	76,942	51,273
2017	44,114	59,814	76,059	62,127	79,274	52,162

Average Creditable Service



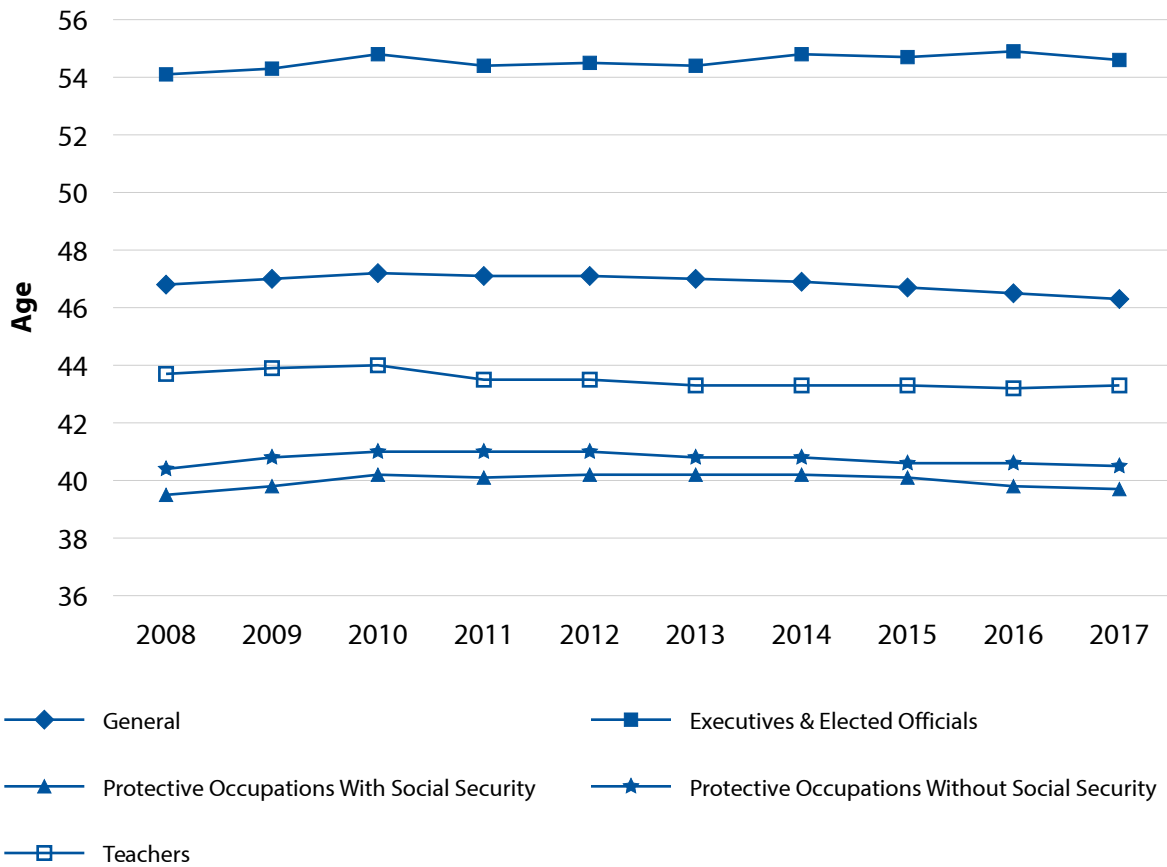
Average Creditable Service

Year	General	Teachers	Executives & Elected Officials	Protective Occupations With Social Security	Protective Occupations Without Social Security	Average
2008	10.6	12.1	12.9	11.5	13.6	11.3
2009	10.7	12.2	12.9	11.9	13.9	11.3
2010	10.8	12.3	13.1	12.3	14.0	11.5
2011	11.1	12.4	13.2	12.7	14.6	11.8
2012	11.1	12.4	13.7	12.8	14.5	11.8
2013	11.0	12.3	13.4	12.9	14.3	11.7
2014	10.9	12.4	13.8	12.8	14.4	11.7
2015	10.7	12.5	13.6	12.8	14.2	11.6
2016	10.5	12.5	13.8	12.6	14.1	11.5
2017	10.3	12.6	13.4	12.4	14.1	11.4



STATISTICAL SECTION

Average Age



Average Age

Year	General	Teachers	Executives & Elected Officials	Protective Occupations With Social Security	Protective Occupations Without Social Security	Average
2008	46.8	43.7	54.1	39.5	40.4	45.0
2009	47.0	43.9	54.3	39.8	40.8	44.9
2010	47.2	44.0	54.8	40.2	41.0	45.4
2011	47.1	43.5	54.4	40.1	41.0	45.2
2012	47.1	43.5	54.5	40.2	41.0	45.2
2013	47.0	43.3	54.4	40.2	40.8	45.1
2014	46.9	43.3	54.8	40.2	40.8	45.0
2015	46.7	43.3	54.7	40.1	40.6	44.8
2016	46.5	43.2	54.9	39.8	40.6	44.7
2017	46.3	43.3	54.6	39.7	40.5	44.6

Active Participants by Employer Type

Year	Local Employers							Totals
	School Districts	Counties	Cities	Technical Colleges	Villages	Towns	Special Districts	
2008	114,264	35,798	23,812	10,035	4,910	1,491	3,246	193,556
2009	115,380	35,437	23,744	10,268	5,021	1,510	3,518	194,878
2010	114,882	34,652	23,661	10,431	5,031	1,507	3,725	193,889
2011	110,008	33,549	22,993	10,129	4,952	1,552	3,680	186,863
2012	108,758	33,045	22,506	10,036	4,838	1,566	3,815	184,564
2013	108,504	33,044	22,251	9,873	4,746	1,550	3,729	183,697
2014	108,565	32,836	22,211	9,751	4,717	1,519	3,763	183,362
2015	108,492	32,746	22,177	9,487	4,716	1,501	3,922	183,041
2016	109,245	32,757	22,071	9,393	4,789	1,489	4,027	183,771
2017	109,969	32,760	22,236	9,340	4,908	1,367	2,748	183,328

Year	State Government			Totals All Employers
	State	University	Totals	
2008	41,611	30,554	72,165	265,721
2009	41,497	30,918	72,415	267,293
2010	41,215	31,525	72,740	266,629
2011	39,642	30,749	70,391	257,254
2012	40,745	31,524	72,269	256,833
2013	41,333	31,758	73,091	256,788
2014	42,063	31,830	73,893	257,255
2015	42,096	30,940	73,036	256,077
2016	42,741	30,773	73,514	257,285
2017	42,941	31,144	74,085	257,413

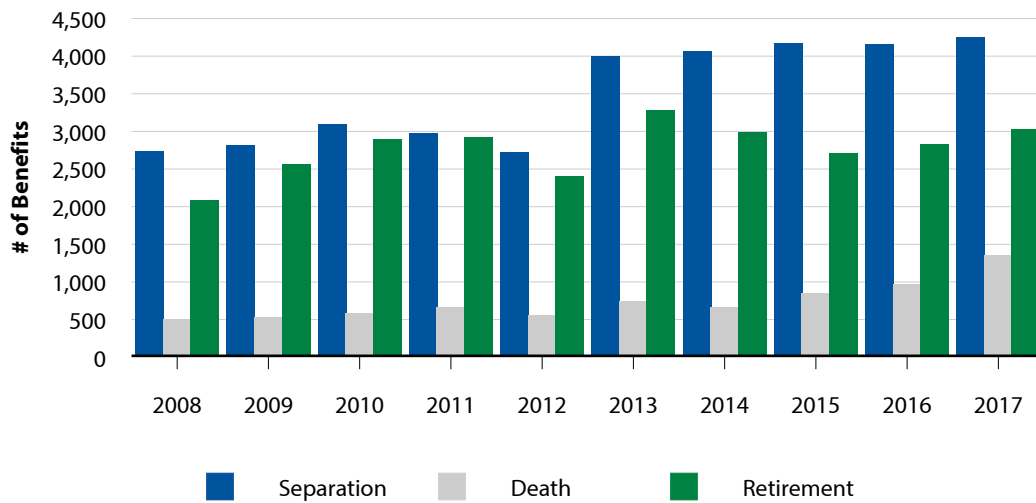


STATISTICAL SECTION

Number of Lump Sum Benefits Paid

Year	Separation	Death	Retirement
2008	2,738	512	2,089
2009	2,817	534	2,571
2010	3,093	584	2,896
2011	2,979	670	2,929
2012	2,725	556	2,403
2013	3,998	740	3,281
2014	4,061	662	2,987
2015	4,167	855	2,710
2016	4,155	968	2,832
2017	4,250	1,362	3,027

Number of Lump Sum Benefits Paid

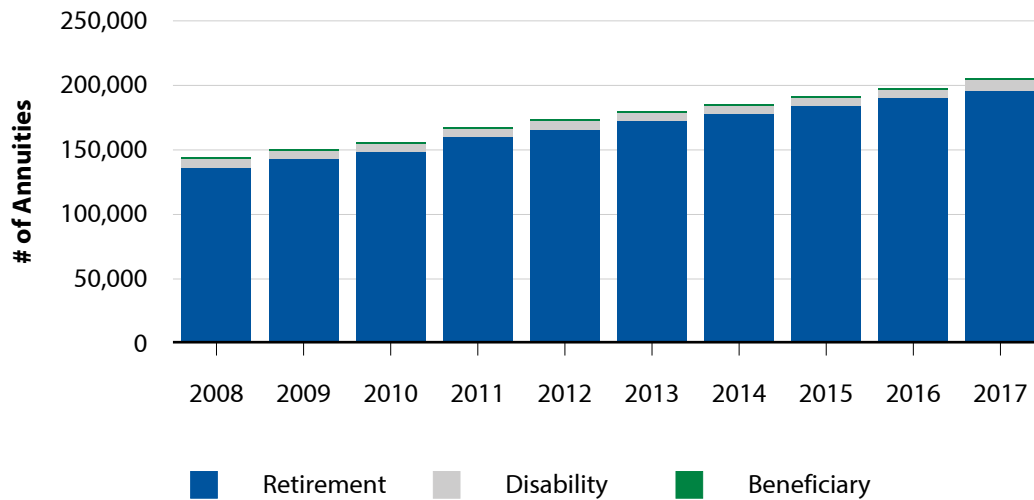


Number of Annuities in Force

Year	Retirement	Disability [^]	Beneficiary	Totals
2008	136,502	6,397	1,134	144,033
2009	143,261	6,224	1,186	150,671
2010	148,380	6,194	1,201	155,775
2011	160,044	6,201	1,208	167,453
2012	165,966	6,473	1,216	173,655
2013	172,430	6,393	1,233	180,056
2014	177,959	6,363	1,283	185,605
2015	184,180	6,305	1,310	191,795
2016	190,111	6,198	1,338	197,647
2017	195,762	8,532	1,349	205,643

[^] Beginning in 2017, Disability count includes annuities in force for the Long-Term Disability Insurance program.

Annuities in Force





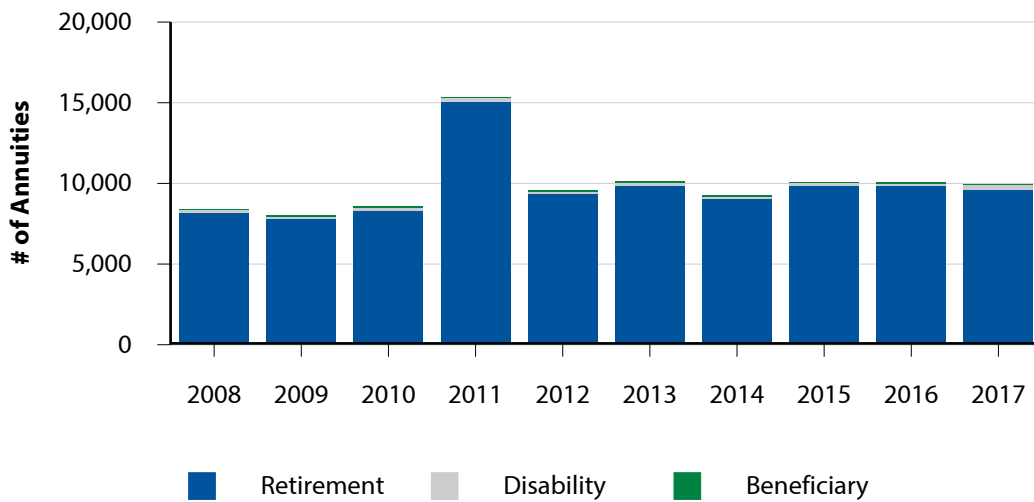
STATISTICAL SECTION

Number of New Annuities Approved

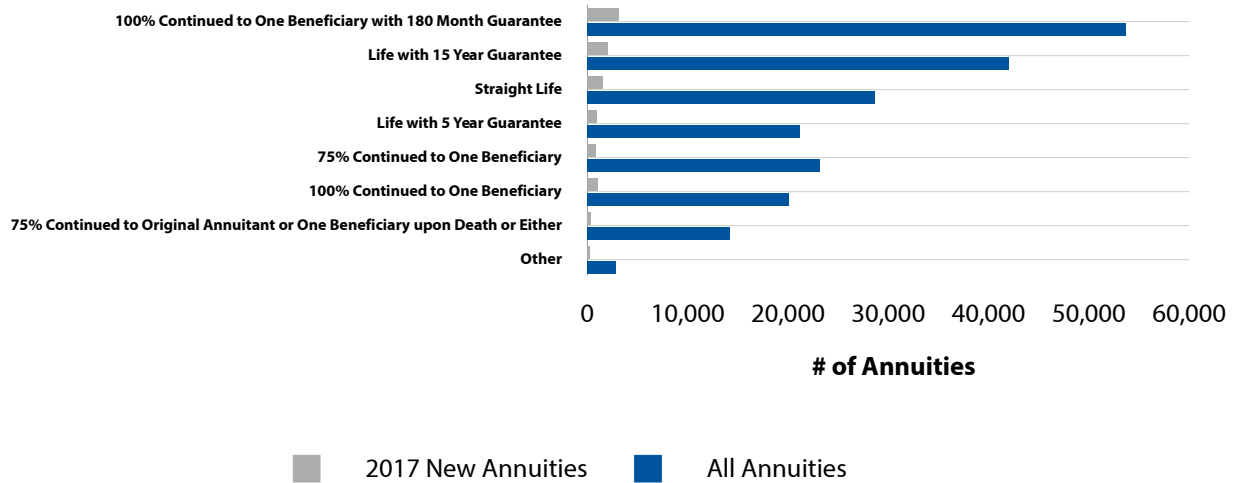
Year	Retirement	Disability [^]	Beneficiary	Totals
2008	8,165	174	61	8,400
2009	7,779	156	73	8,008
2010	8,330	159	69	8,558
2011	15,096	196	60	15,352
2012	9,322	183	67	9,572
2013	9,889	146	70	10,105
2014	9,080	125	69	9,274
2015	9,881	124	57	10,062
2016	9,866	98	62	10,026
2017	9,591	327	42	9,960

[^] Beginning in 2017, Disability count includes annuities in force for the Long-Term Disability Insurance program.

New Annuities Approved



Annuities by Payment Option



Average Monthly Annuities by Years of Service

	Years of Service									
	0 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40 - 45	Over 45
Average Monthly Annuity	\$ 458	\$ 588	\$ 838	\$ 1,228	\$ 1,783	\$ 2,507	\$ 3,124	\$ 3,992	\$ 5,399	\$ 8,399
Average Final Average Salary	\$ 23,774	\$ 33,405	\$ 38,835	\$ 45,993	\$ 52,158	\$ 57,086	\$ 59,155	\$ 60,615	\$ 64,023	\$ 65,951
Number of Annuitants	6,724	17,340	21,391	23,849	25,898	29,748	39,473	15,189	2,464	243

Annuities by Type of Benefit

Monthly Annuity Amount	Total Number of Annuities	Type of Annuity			Annuity Payment Option			
		Retirement	Disability [^]	Beneficiary	Life Annuity	Life with Guarantee	Joint Survivor	Other [^]
\$ 0 - 500	27,865	26,683	666	516	4,718	11,171	11,892	84
\$ 500 - 1,000	32,938	30,878	1,424	636	5,779	11,884	14,764	511
\$ 1,000 - 1,500	29,292	27,105	1,837	350	4,300	9,485	14,678	829
\$ 1,500 - 2,000	26,699	24,881	1,642	176	3,369	7,828	14,842	660
\$ 2,000 - 2,500	25,320	23,980	1,220	120	2,905	6,888	15,222	305
\$ 2,500 - 3,000	21,587	20,747	746	94	2,518	5,721	13,236	112
\$ 3,000 - 3,500	15,988	15,402	500	86	1,934	4,075	9,935	44
\$ 3,500 - 4,000	11,018	10,686	279	53	1,290	2,781	6,939	8
\$ 4,000 - 4,500	7,126	6,945	155	26	892	1,692	4,538	4
\$ 4,500 - 5,000	4,604	4,509	76	19	499	1,087	3,016	2
Over \$ 5,000	8,146	8,031	56	59	987	1,763	5,382	14
Total	210,583	199,847	8,601	2,135	29,191	64,375	114,444	2,573

[^] Includes annuities in force for the Long Term Disability Insurance program.



STATISTICAL SECTION

Revenues by Source ⁽¹⁾
(In Thousands)

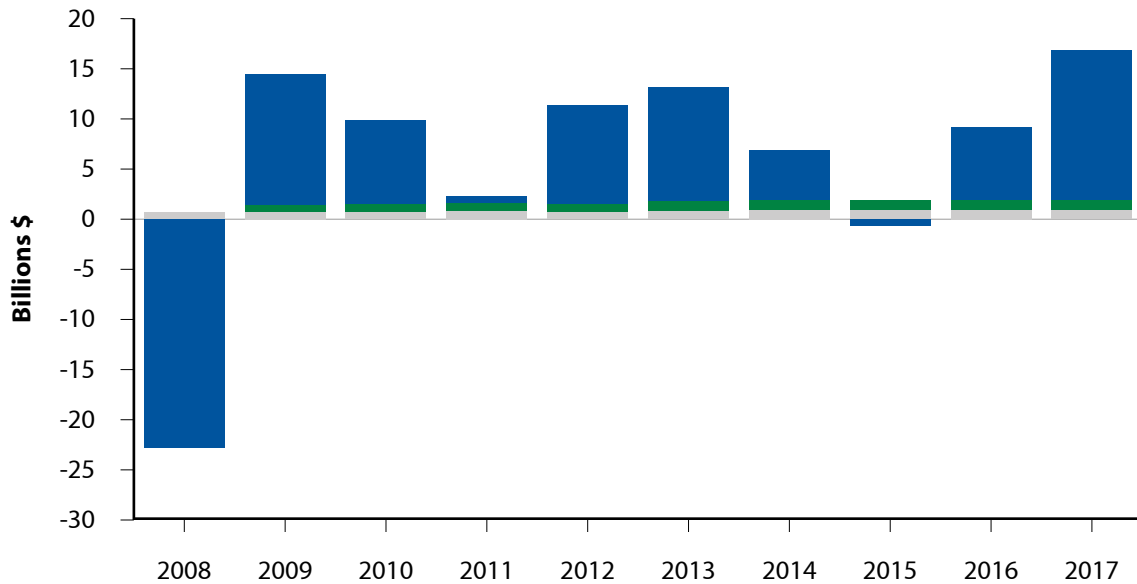
Year	Employee Contributions ⁽²⁾		Employer Contributions ⁽³⁾		Investment Income	Other Income	Total Revenues
	Dollars	% of Annual Payroll	Dollars	% of Annual Payroll			
2008	736,149	6.0%	683,520	5.6%	(22,744,110)	1,618	(21,322,822)
2009	736,689	5.8%	705,997	5.6%	13,024,986	1,117	14,468,790
2010	787,460	6.2%	750,702	5.9%	8,317,435	990	9,856,588
2011	797,856	6.3%	789,244	6.2%	664,151	849	2,252,100
2012	757,151	6.0%	799,350	6.3%	9,858,710	678	11,415,889
2013	871,260	6.8%	914,698	7.1%	11,343,231	532	13,129,721
2014	906,499	6.9%	1,023,197	7.7%	4,888,240	642	6,818,578
2015	937,225	6.9%	977,734	7.2%	(674,988)	248	1,240,219
2016	921,864	6.7%	963,122	7.0%	7,271,531	341	9,156,858
2017	965,453	6.9%	1,017,559	7.3%	14,868,726	5,558	16,857,296

1 Employee required contributions made in accordance with statutory requirements. Employer required contributions were made in accordance with actuarially-determined contribution requirements.

2 Employee contributions include all employee required, employee additional and benefit adjustment contributions, including those paid by the employer on behalf of the employee.

3 Employer contributions include all employer required contributions, including contributions for unfunded actuarial accrued liability.

Revenues by Source



Employee Contributions Employer Contributions Investment Income



Expenses by Type

(In Millions)

Year	Age and Service Benefits		Disability Benefits [^]	Death Benefits	Separation Benefits	Administrative Expense	Other Benefit Expense	Total Expenses
	Retirees	Beneficiaries						
2008	3,627.5	17.2	\$ 149.1	\$ 28.8	\$ 27.4	\$ 19.1	\$ 0.0	\$ 3,869.0
2009	3,609.6	17.4	146.3	24.4	24.8	20.9	0.0	3,843.3
2010	3,683.2	17.2	145.2	29.1	26.4	17.6	0.0	3,918.7
2011	3,941.6	17.8	144.4	33.1	28.0	18.6	0.0	4,183.5
2012	4,023.8	18.2	141.5	24.8	26.6	21.5	0.0	4,256.4
2013	4,035.5	18.2	132.9	38.0	33.3	22.9	0.0	4,280.8
2014	4,309.0	19.5	135.9	33.5	34.4	24.0	42.3	4,598.6
2015	4,587.3	20.7	140.5	31.8	37.6	22.7	43.3	4,883.9
2016	4,759.2	21.5	140.5	30.4	39.3	20.4	71.3	5,082.6
2017	4,972.5	21.8	185.7	31.3	38.4	26.1	0.0	5,275.8

[^] Beginning in 2017, balance includes expenses related to Long-Term Disability Insurance program

Principal Participating Employers Current Year and Nine Years Ago

Participating Government	2017			2008		
	Covered Employees	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System
State of Wisconsin	74,085	1	28.8%	72,165	1	27.2%
Milwaukee Teachers Retirement System	5,917	2	2.3	6,931	2	2.6
Madison Metro School District	4,547	3	1.8	4,187	3	1.6
Green Bay Area School District	2,980	4	1.2	2,894	6	1.1
City of Madison	2,955	5	1.1	2,981	4	1.1
Kenosha Unified School District	2,777	6	1.1	2,970	5	1.1
Racine Unified School District	2,749	7	1.1	2,717	7	1.0
Dane County	2,406	8	0.9	2,338	8	0.9
Appleton Area School District	1,911	9	0.7	1,723	10	0.6
Milwaukee Area Technical College	1,641	10	0.6	1,911	9	0.7
All Other	155,445		60.4	164,904		62.1
Total (1,499 employers)	257,413		100.0%	265,721		100.0%



STATISTICAL SECTION

Group Health Insurance Program Statistics

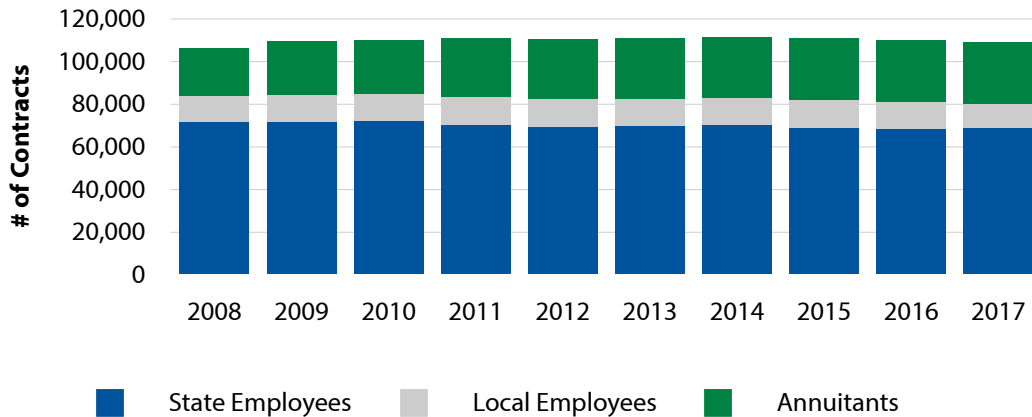
Health Insurance Contracts

Year	Active Employees	Continuants*	Annuitants				Totals
			Annuity Deduction	Sick Leave Conversion	Direct Pay [^]	Total Retired	
State							
2008	71,925	0	9,433	10,825	0	20,258	92,183
2009	71,924	590	11,112	11,288	0	22,400	94,914
2010	72,313	478	9,179	11,788	1,732	22,699	95,490
2011	70,656	378	9,126	14,157	1,727	25,010	96,044
2012	69,650	430	9,146	14,398	1,827	25,371	95,451
2013	69,772	367	9,187	14,701	1,777	25,665	95,804
2014	70,219	178	8,913	15,074	1,823	25,810	96,207
2015	68,964	160	8,903	15,800	1,664	26,367	95,491
2016	68,463	180	8,550	16,453	1,568	26,571	95,214
2017	68,864	170	8,359	16,824	1,509	26,692	95,726
Local							
2008	12,159	0	1,873	n/a	0	1,873	14,032
2009	12,398	88	2,557	n/a	0	2,557	15,043
2010	12,700	89	2,258	n/a	225	2,483	15,272
2011	12,826	86	2,284	n/a	236	2,520	15,432
2012	12,679	80	2,366	n/a	229	2,595	15,354
2013	12,749	80	2,295	n/a	253	2,548	15,377
2014	12,890	43	2,283	n/a	252	2,535	15,468
2015	12,957	47	2,164	n/a	238	2,402	15,406
2016	12,812	37	2,003	n/a	205	2,208	15,057
2017	11,640	46	1,800	n/a	187	1,987	13,673

*This data unavailable prior to 2009

[^]This data unavailable prior to 2010

Health Insurance Contracts*



*For display purposes, state and local continuants were statistically insignificant and therefore not included in this chart.

Group Health Insurance Program Premiums by Source
(In Thousands)

Year	Employer	Employee (1)	Annuitant	Sick Leave Conversion	Medicare	Stabilization	Life Insurance	Totals
State								
2008	834,363	51,160	60,171	92,434	10,713	26	0	1,048,867
2009	965,386	n/a	63,453	100,390	11,909	25	95	1,141,258
2010	1,067,164	n/a	72,861	111,676	11,864	0	390	1,263,954
2011	1,112,382	n/a	73,166	130,840	11,733	0	464	1,328,585
2012	1,034,066	n/a	61,495	130,154	17,865	0	412	1,243,993
2013	1,082,211	n/a	64,201	133,809	19,438	0	485	1,300,144
2014	1,128,667	n/a	67,624	141,449	18,633	0	640	1,357,013
2015	1,173,419	n/a	71,537	155,688	23,053	0	681	1,424,378
2016	1,113,654	n/a	73,035	166,994	24,767	0	845	1,379,295
2017	1,130,698	n/a	75,086	171,961	20,339	0	797	1,398,881
Local								
2008	137,141	7,398	12,021	n/a	467	1	0	157,028
2009	167,907	n/a	13,324	n/a	461	1	0	181,693
2010	189,480	n/a	15,362	n/a	574	0	3	205,419
2011	205,211	n/a	14,700	n/a	427	0	0	220,338
2012	198,476	n/a	13,926	n/a	1,846	0	0	214,248
2013	206,812	n/a	14,746	n/a	2,047	0	0	223,605
2014	219,413	n/a	14,969	n/a	1,808	0	3	236,193
2015	222,514	n/a	14,918	n/a	2,051	0	4	239,487
2016	222,052	n/a	14,452	n/a	1,982	0	9	238,495
2017	195,553	n/a	13,771	n/a	1,835	0	1	211,160
Local Annuitants								
2008	0	n/a	856	n/a	0	0	3	859
2009	0	n/a	958	n/a	0	0	4	962
2010	0	n/a	1,045	n/a	0	0	4	1,049
2011	0	n/a	985	n/a	0	0	2	987
2012	0	n/a	1,085	n/a	0	0	3	1,088
2013	0	n/a	1,097	n/a	0	0	3	1,100
2014	0	n/a	969	n/a	0	0	3	972
2015	0	n/a	865	n/a	0	0	2	867
2016	0	n/a	742	n/a	0	0	0	742
2017	0	n/a	688	n/a	0	0	0	688

⁽¹⁾ Beginning in 2009 the employee paid portion of active participant health insurance premiums is no longer identifiable.



STATISTICAL SECTION

Group Life Insurance Program Statistics

Life Insurance Premiums Collected

(In Thousands)

Year	Employee					Employer			Totals
	Basic	Suppl	Additional	Spouse & Dependent	Total	Basic	Suppl	Total	
State									
2008	6,600	4,861	6,585	1,039	19,085	3,161	1,312	4,473	23,558
2009	7,074	5,198	7,409	1,053	20,734	3,408	1,408	4,816	25,550
2010	7,363	5,404	7,834	1,253	21,854	3,519	1,453	4,971	26,826
2011	7,302	4,577	7,248	1,275	20,402	3,488	1,180	4,668	25,070
2012	6,285	4,557	6,758	1,233	18,833	2,873	1,204	4,078	22,911
2013	6,235	4,513	7,008	1,222	18,978	2,926	1,222	4,148	23,125
2014	6,323	4,573	7,351	1,217	19,465	3,028	1,262	4,290	23,755
2015	6,412	4,625	7,639	1,204	19,880	3,071	1,275	4,346	24,226
2016	6,519	4,688	7,912	1,193	20,312	3,074	1,271	4,345	24,657
2017	6,573	4,700	8,156	1,202	20,631	3,106	1,274	4,380	25,011
Local									
2008	10,352	2,337	6,747	1,337	20,773	2,868	71	2,939	23,712
2009	10,573	2,540	7,224	1,342	21,679	3,185	17	3,201	24,881
2010	10,950	2,642	7,636	1,329	22,558	3,247	53	3,300	25,858
2011	10,933	2,702	7,761	1,298	22,694	3,250	54	3,304	25,997
2012	10,612	2,692	7,666	1,248	22,218	3,319	51	3,370	25,588
2013	10,497	2,736	7,575	1,216	22,024	3,264	17	3,281	25,305
2014	10,561	2,789	7,737	1,209	22,296	3,317	16	3,334	25,629
2015	10,640	2,897	7,992	1,196	22,725	3,495	18	3,513	26,238
2016	10,976	3,072	8,312	1,191	23,551	3,576	19	3,595	27,146
2017	10,973	3,127	8,517	1,185	23,802	3,682	21	3,703	27,505

Group Life Insurance In Force
(In Thousands)

Year	Pre-Retirement			Post-Retirement	Spouse & Dependent	Totals
	Basic	Supplemental	Additional			
State						
2008	3,101,958	2,267,825	2,897,834	348,802	594,715	9,211,134
2009	3,288,721	2,401,767	3,175,970	371,715	605,205	9,843,378
2010	3,302,757	2,410,238	3,247,085	396,600	601,900	9,958,580
2011	3,296,564	2,385,886	3,250,843	449,897	567,755	9,950,945
2012	3,231,871	2,321,576	3,258,782	493,214	561,610	9,867,053
2013	3,327,163	2,387,599	3,424,431	536,246	562,840	10,238,279
2014	3,392,305	2,431,610	3,563,096	581,765	570,825	10,539,601
2015	3,449,798	2,462,720	3,673,851	628,843	566,585	10,781,797
2016	3,592,964	2,537,127	3,870,341	685,322	568,225	11,253,979
2017	3,690,966	2,594,857	4,008,538	735,296	559,785	11,589,442
Local						
2008	3,998,963	1,157,300	3,369,883	230,296	895,485	9,651,927
2009	4,173,626	1,237,027	3,614,168	247,986	897,225	10,170,032
2010	4,280,427	1,296,473	3,809,183	263,635	882,590	10,532,308
2011	4,303,919	1,364,577	3,903,476	296,558	852,035	10,720,565
2012	4,182,413	1,346,900	3,801,144	339,426	819,980	10,489,863
2013	4,340,129	1,412,278	4,146,681	369,512	810,265	11,078,865
2014	4,440,538	1,458,009	4,263,886	401,639	805,950	11,370,022
2015	4,537,463	1,534,501	4,408,995	433,245	807,400	11,721,604
2016	4,706,013	1,620,126	4,609,255	472,046	803,760	12,211,200
2017	4,747,370	1,646,364	4,718,591	509,136	795,935	12,417,396



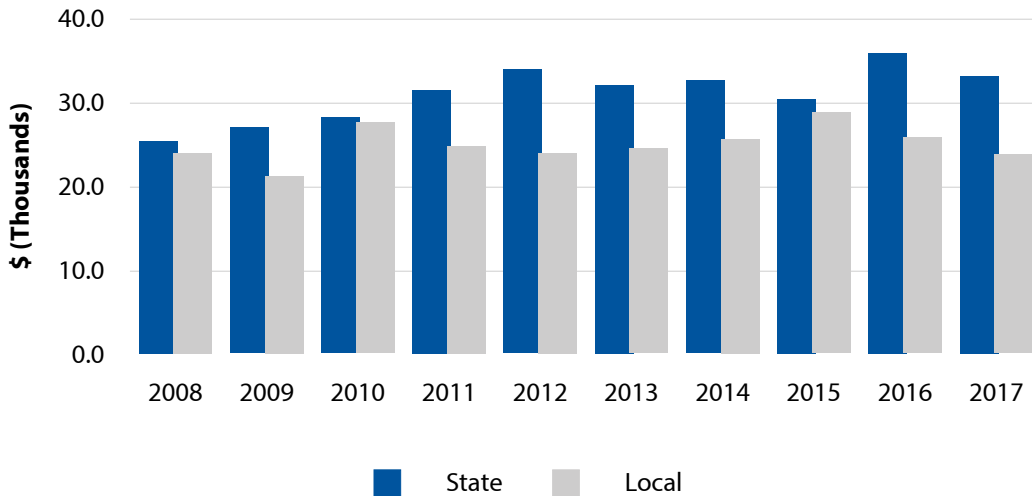
STATISTICAL SECTION

Group Life Insurance Program Paid Claims
(In Thousands)

Year	Pre-Retirement			Post-Retirement	Spouse & Dependent	Living Benefits ⁽¹⁾	Totals
	Life	AD&D	Disability				
State							
2008	12,438	948	1,834	8,688	1,182	365	25,455
2009	13,567	1,152	1,697	9,300	1,116	314	27,146
2010	14,356	893	1,496	10,473	959	162	28,339
2011	16,749	1,285	1,184	9,881	1,241	1,211	31,551
2012	17,137	1,260	1,343	12,040	1,027	1,185	33,992
2013	17,179	284	323	12,894	1,309	252	32,241
2014	13,243	1,314	1,512	14,772	1,091	792	32,724
2015	14,302	45	6	14,180	887	1,111	30,531
2016	19,808	935	(475)	13,897	966	894	36,025
2017	15,337	736	(955)	16,168	842	1,089	33,217
Local							
2008	15,929	1,286	578	4,439	1,617	296	24,145
2009	12,408	444	1,070	5,552	1,540	240	21,254
2010	16,512	1,513	943	5,954	1,458	1,332	27,712
2011	14,646	1,188	1,215	6,141	1,633	81	24,904
2012	13,704	788	1,175	6,588	1,180	655	24,090
2013	14,456	1,305	6	7,415	1,331	37	24,550
2014	13,195	1,468	1,484	7,337	1,246	928	25,658
2015	16,181	1,225	611	8,705	1,051	1,165	28,938
2016	13,216	743	1,245	8,954	1,202	504	25,864
2017	12,846	486	(245)	8,993	1,031	764	23,875

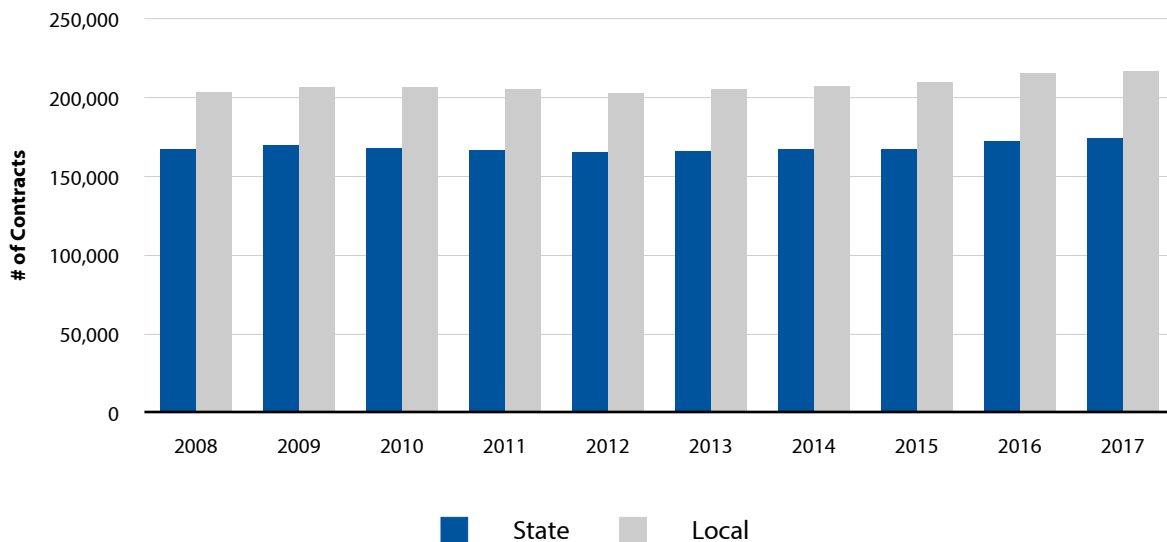
¹ Living Benefits may originate as Pre-Retirement, Post-Retirement or Spouse & Dependent Benefits

Group Life Insurance Program Paid Claims



Life Insurance Program Contracts and Participants

Year	Pre-Retirement			Post-Retirement	Spouse & Dependent	Total Contracts	Total Participants
	Basic	Suppl	Addl				
State							
2008	58,668	42,246	26,444	15,431	24,796	167,585	74,099
2009	59,045	42,467	26,959	16,034	25,145	169,650	75,079
2010	58,070	41,840	26,805	16,584	25,008	168,307	74,654
2011	57,673	41,247	26,503	17,847	23,446	166,716	75,520
2012	56,773	40,243	26,288	18,921	23,153	165,378	75,694
2013	56,516	39,940	26,297	20,025	23,203	165,981	76,541
2014	56,652	39,958	26,237	21,168	23,478	167,493	77,820
2015	56,194	39,441	26,120	22,396	23,309	167,460	78,590
2016	58,073	40,135	27,009	23,767	23,393	172,377	81,840
2017	58,470	40,611	27,337	24,973	23,020	174,411	83,443
Local							
2008	87,150	24,444	34,430	20,912	36,905	203,841	108,062
2009	87,616	25,128	35,114	21,787	36,940	206,585	109,403
2010	86,828	25,336	35,257	22,671	36,340	206,432	109,499
2011	85,714	26,155	34,768	23,956	35,036	205,629	109,670
2012	83,863	26,053	33,833	25,573	33,704	203,026	109,436
2013	83,519	26,111	35,166	27,049	33,297	205,142	110,568
2014	83,887	26,288	35,241	28,634	33,117	207,167	112,521
2015	84,087	27,065	35,355	30,209	33,230	209,946	114,296
2016	86,252	28,163	36,194	31,927	32,810	215,346	118,179
2017	85,914	28,258	36,167	33,644	32,786	216,769	119,558

Life Insurance Contracts




STATISTICAL SECTION

Duty Disability Insurance Statistics

(In Millions)

Year	Employers	Active Participants	Disabilitants	Benefit Payments	Contributions	Average Contribution Rate
2008	500	22,843	836	\$27	\$51	3.93%
2009	502	23,019	839	\$29	\$52	3.89%
2010	504	22,871	938	\$30	\$52	3.91%
2011	503	22,352	957	\$30	\$53	3.98%
2012	501	22,144	964	\$30	\$53	4.02%
2013	512	21,976	973	\$31	\$54	4.06%
2014	506	22,346	990	\$32	\$9	0.70%
2015	497	22,035	1,002	\$33	\$9	0.64%
2016	496	22,223	1,007	\$34	\$4	0.28%
2017	495	22,217	1,014	\$43	\$9	0.61%

Funded Status

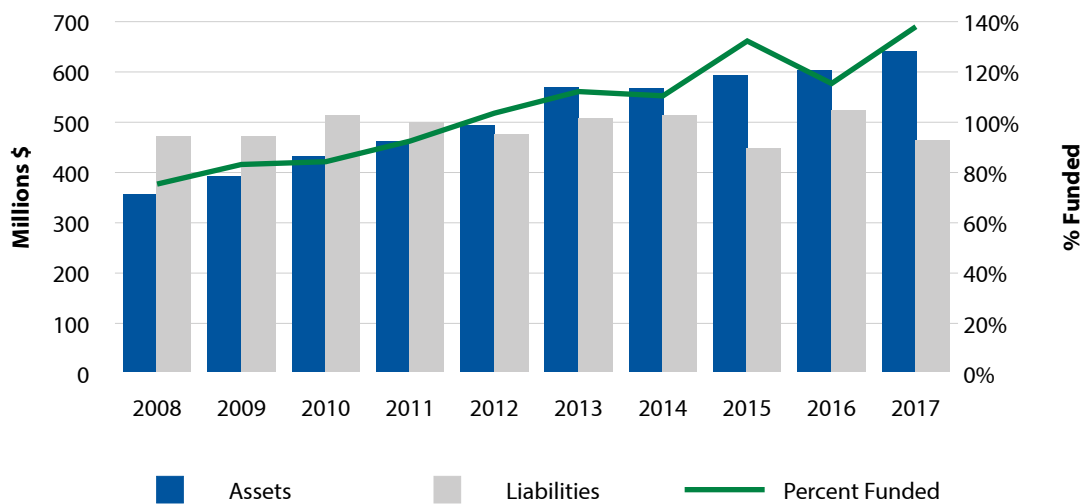
(In Millions)

Year	Assets	Liabilities*	Unfunded (Overfunded) Liability	Percent Funded	Covered Payroll	UAAL as % of Covered Payroll
2008	\$355.5	\$471.7	\$116.2	75.4%	\$1,286.7	9.0%
2009	\$392.4	\$471.7	\$79.3	83.2%	\$1,322.5	6.0%
2010	\$432.1	\$512.8	\$80.7	84.3%	\$1,326.3	6.1%
2011	\$461.6	\$499.0	\$37.4	92.5%	\$1,332.7	2.8%
2012	\$494.1	\$477.0	\$(17.1)	103.6%	\$1,318.3	(1.3)%
2013	\$568.9	\$507.1	\$(61.8)	112.2%	\$1,328.2	(4.7)%
2014	\$567.2	\$513.2	\$(54.0)	110.5%	\$1,370.7	(3.9)%
2015	\$592.8	\$448.1	\$(144.7)	132.3%	\$1,401.3	(10.3)%
2016	\$603.8	\$523.2	\$(80.6)	115.4%	\$1,430.8	(5.6)%
2017 *	\$641.4	\$464.8	\$(176.6)	138.0%	\$1,467.6	(12.0)%

UAAL = Unfunded Actuarial Accrued Liability

*Beginning in 2017, Duty Disability Insurance is reported as an enterprise fund following GASB Statement No. 10. This resulted in a change in the way the actuarial liability is calculated compared to prior years.

Duty Disability Funding



Duty Disability Insurance Principal Participating Employers Current Year and Nine Years Ago

Participating Government	Covered Employees	2017		2008		Percentage of Total System
		Rank	Percentage of Total System	Covered Employees	Rank	
State of Wisconsin	8,532	1	38.4%	8,824	1	38.6%
City of Madison	864	2	3.8%	760	2	3.3%
Dane County	438	3	2.0%	452	3	2.0%
City of Green Bay	378	4	1.7%	354	4	1.5%
City of Kenosha	347	5	1.6%	343	5	1.5%
City of Racine	324	6	1.5%	333	6	1.5%
City of West Allis	218	7	1.0%	243	8	1.1%
City of Waukesha	216	8	1.0%	212	9	0.9%
City of Oshkosh	205	9	0.9%	201	11	0.9%
City of Janesville	202	10	0.9%	188	10	0.8%
All Other	10,493		47.2%	10,933		47.9%
Total (495 employers)	22,217		100.0%	22,843		100.0%



STATISTICAL SECTION

Duty Disability Annuities by Type of Benefit

Monthly Benefit Amount	Number of Annuitants	Type of Annuity	
		Disability	Beneficiary
\$ 0 - 500	26	26	0
\$ 500 - 1,000	65	48	17
\$ 1,000 - 1,500	70	65	5
\$ 1,500 - 2,000	108	106	2
\$ 2,000 - 2,500	104	96	8
\$ 2,500 - 3,000	89	85	4
\$ 3,000 - 3,500	134	127	7
\$ 3,500 - 4,000	100	96	4
\$ 4,000 - 4,500	90	88	2
\$ 4,500 - 5,000	93	93	0
Over \$ 5,000	81	77	4
Total	960	907	53

* This table excludes annuitants whose benefit is totally offset by other income sources.

**Duty Disability Insurance
Average Monthly Benefit by Years of Service**

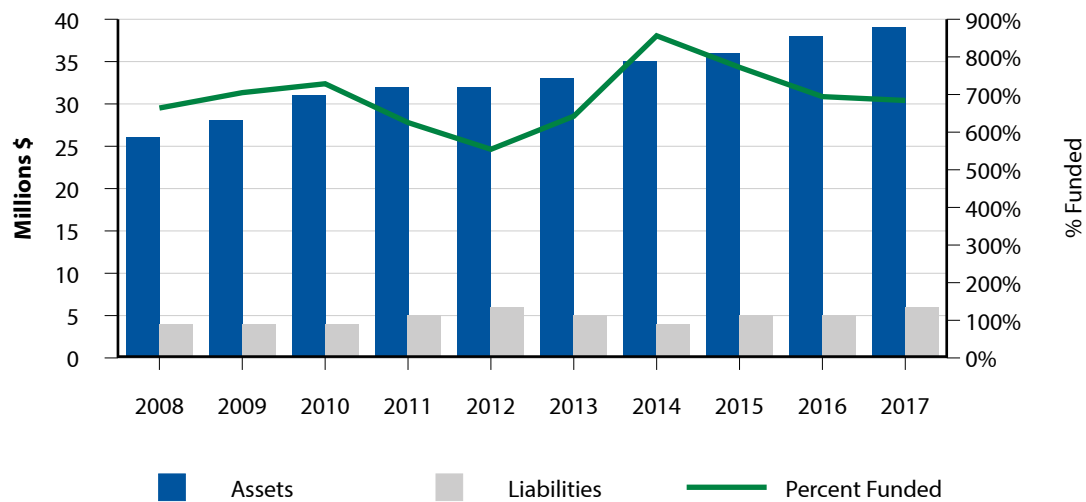
	Years of Service						
	0 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35
Average Monthly Annuity	\$ 3,342	\$ 3,785	\$ 3,467	\$ 3,039	\$ 2,312	\$ 1,689	\$ 2,020
Average Final Average Salary	\$ 2,537	\$ 3,434	\$ 3,657	\$ 3,874	\$ 3,951	\$ 4,436	\$ 3,846
Number of Annuitants	51	169	206	256	198	75	5

* This table excludes annuitants for whom years of service data is not available

Local Income Continuation Insurance Statistics (\$ In Millions)

Year	Members	Claims	Assets	Liabilities	Unfunded (Overfunded) Liability	Funded Ratio
Local						
2008	7,837	67	\$25.9	\$3.9	\$(22.0)	664.1%
2009	8,229	87	\$28.2	\$4.0	\$(24.2)	705.0%
2010	7,964	75	\$30.6	\$4.2	\$(26.4)	728.6%
2011	7,878	93	\$31.9	\$5.1	\$(26.8)	625.5%
2012	7,593	90	\$31.6	\$5.7	\$(25.9)	554.4%
2013	8,344	130	\$33.4	\$5.2	\$(28.2)	642.3%
2014	8,463	118	\$35.1	\$4.1	\$(31.0)	856.1%
2015	8,597	137	\$36.3	\$4.7	\$(31.6)	772.3%
2016	8,710	149	\$37.5	\$5.4	\$(32.1)	694.4%
2017	8,431	129	\$39.0	\$5.7	\$(33.3)	684.2%

Local Income Continuation Insurance Funding



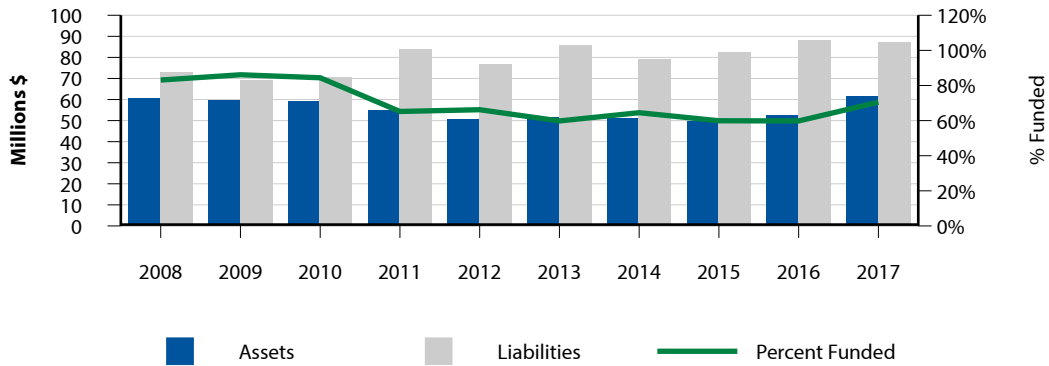


STATISTICAL SECTION

State Income Continuation Insurance Statistics
(\$ In Millions)

Year	Members	Claims	Assets	Liabilities	Unfunded (Overfunded) Liability	Funded Ratio
State						
2008	55,908	1,419	\$60.5	\$72.8	\$12.3	83.1%
2009	56,596	1,399	\$59.4	\$69.0	\$9.6	86.1%
2010	56,068	1,415	\$59.3	\$70.3	\$11.0	84.4%
2011	52,573	1,545	\$54.6	\$83.7	\$29.1	65.2%
2012	53,488	1,663	\$50.7	\$76.6	\$25.9	66.2%
2013	51,692	1,648	\$51.4	\$85.9	\$34.5	59.8%
2014	51,379	1,645	\$50.8	\$78.8	\$28.0	64.5%
2015	49,769	1,581	\$49.4	\$82.5	\$33.1	59.9%
2016	49,724	1,434	\$52.6	\$88.0	\$35.4	59.8%
2017	51,295	1,413	\$61.3	\$87.0	\$25.7	70.5%

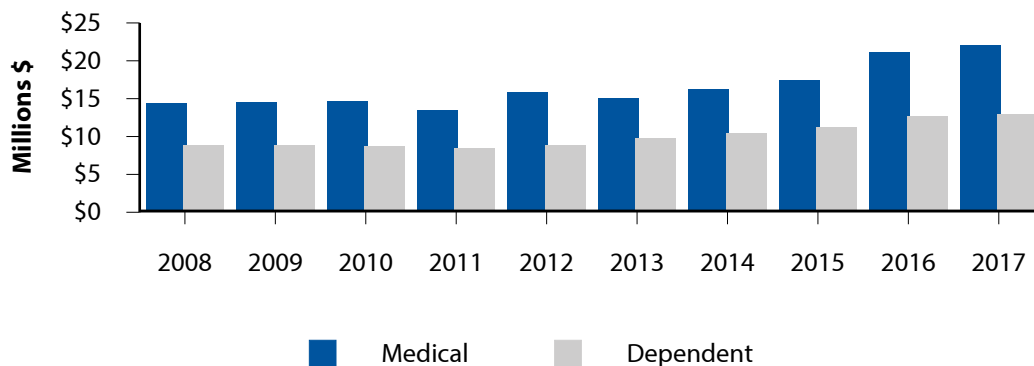
State Income Continuation Insurance Funding



Employee Reimbursement Accounts Program Statistics Salary Reductions and Claims

Year	Medical					Dependent Care			
	Accounts	Salary Reductions	Claims	Forfeitures	Carryover	Accounts	Salary Reductions	Claims	Forfeitures
2008	10,922	14,372,252	14,178,505	193,747	0	2,186	8,934,444	8,854,653	79,791
2009	10,975	14,455,388	14,243,697	211,691	0	2,211	8,948,891	8,860,082	88,810
2010	11,428	14,690,079	14,496,161	193,918	0	2,166	8,737,997	8,668,217	69,780
2011	10,723	13,498,149	13,373,269	124,880	0	2,133	8,476,558	8,420,493	56,065
2012	12,373	15,948,452	15,828,849	119,603	0	2,245	8,911,658	8,847,562	64,096
2013	12,956	15,149,278	14,922,337	226,941	0	2,469	9,750,422	9,675,871	74,551
2014	13,370	16,163,180	15,911,661	251,519	0	2,672	10,496,707	10,398,333	98,374
2015	14,496	17,522,880	17,363,053	159,827	922,961	2,964	11,258,100	11,063,383	194,717
2016	17,562	21,212,300	20,278,280	235,481	1,621,500	3,284	12,668,920	12,440,766	228,154
2017	19,102	22,051,502	21,521,725	281,232	1,870,045	3,343	12,996,661	12,761,819	234,842

Salary Reductions



Administrative Funding

Year	Receipts				Expenses			Surplus / (Deficit)
	Fees	Interest	Forfeitures	Totals	Administrator	State	Total	
2008	396,608	144,012	273,538	814,158	601,120	118,127	719,247	94,911
2009	409,931	28,172	300,500	738,603	603,121	123,055	726,176	12,427
2010	430,071	9,449	263,698	703,218	709,032	117,967	826,999	(123,781)
2011	427,725	10,435	180,945	619,105	681,803	111,024	792,827	(173,722)
2012	418,251	7,260	183,699	609,210	753,307	226,690	979,997	(370,787)
2013	500,554	3,910	301,492	805,956	786,888	230,327	1,017,215	(211,259)
2014	671,414	3,685	349,893	1,024,992	847,955	388,875	1,236,830	(211,838)
2015	667,768	5,371	354,544	1,027,683	516,225	246,118	762,343	265,340
2016	536,844	8,647	463,635	1,009,126	592,241	398,038	990,279	18,847
2017	566,568	67,035	516,074	1,149,677	644,467	277,945	922,412	227,265



STATISTICAL SECTION

Administrative Expense Statistics

Administrative Expenses

(In Thousands)

Year	ETF Expenses #	Investment Expenses	Third Party Administrator Contracts								Deferred Comp	Total Administration
			ERA	Commuter Benefits	Health	Dental*	Wellness^	Pharmacy	ICI	LTDI		
2008	25,682	226,364	601	94	2,183	0	0	10,427	1,859	912	2,440	270,659
2009	28,449	230,129	603	94	2,244	0	0	9,717	1,348	1,764	2,548	277,012
2010	25,446	245,806	709	79	2,461	0	0	13,379	1,525	1,616	2,659	295,943
2011	28,775	241,413	682	77	2,264	0	0	9,056	1,449	1,692	2,639	287,935
2012	31,500	290,608	753	73	2,235	0	0	12,413	1,455	1,777	2,160	343,630
2013	33,514	362,011	787	87	2,286	0	0	8,756	1,419	1,881	2,484	413,526
2014	36,355	356,811	848	94	2,874	0	0	10,700	5,026	13,189	2,890	426,916
2015	32,795	350,036	516	60	2,938	0	0	10,779	1,508	3,104	3,126	413,579
2016	36,647	391,427	592	55	3,149	1,190	0	10,683	2,380	5,571	1,999	452,812
2017	43,052	487,384	645	22	3,342	1,212	7,738	10,593	1,231	2,170	2,966	560,355

*This data unavailable prior to 2016

^This data unavailable prior to 2017

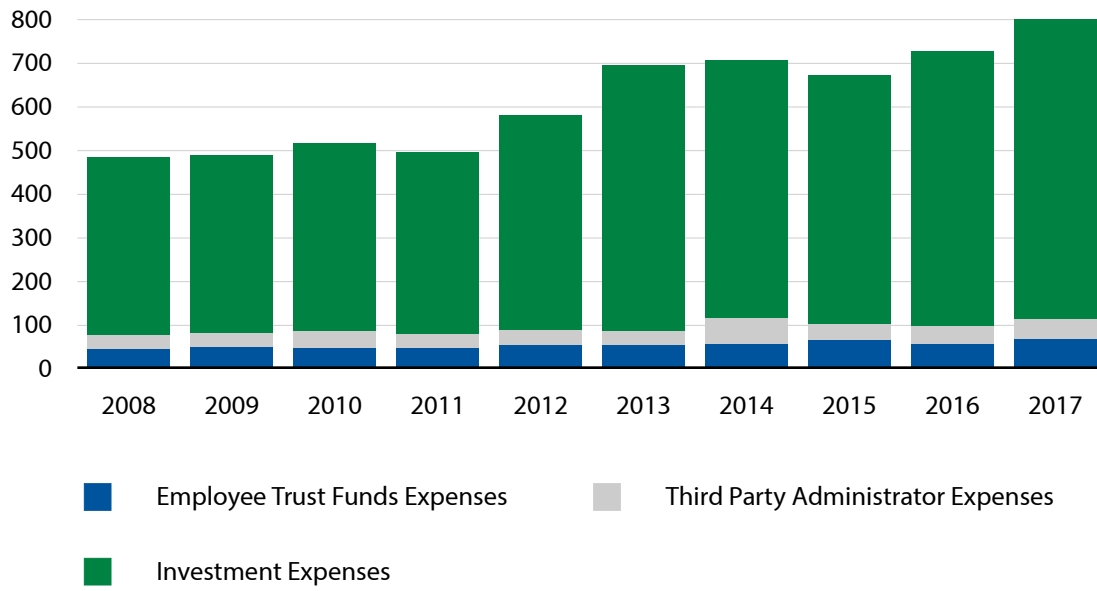
Beginning in 2017, ETF Expenses include the change in the actuarial accrued liability related to loss adjustment expense for the Duty Disability program

Administrative Expenses per Participant

Year	Participants	Employee Trust Funds #		Investment Expenses		Third Party Administrators		Total Administration	
		Amount (\$000's)	Per Participant	Amount (\$000's)	Per Participant	Amount (\$000's)	Per Participant	Amount (\$000's)	Per Participant
2008	557,062	25,779	46.3	226,364	406.4	18,516	33.2	270,659	485.9
2009	566,317	28,565	50.4	230,129	406.4	18,318	32.3	277,012	489.1
2010	572,219	27,709	48.4	245,806	429.6	22,428	39.2	295,943	517.2
2011	581,893	28,664	49.3	241,413	414.9	17,859	30.7	287,936	494.8
2012	590,461	32,154	54.5	290,608	492.2	20,867	35.3	343,629	582.0
2013	594,605	33,817	56.9	362,011	608.8	17,699	29.8	413,527	695.5
2014	603,983	34,484	57.1	356,811	590.8	35,621	59.0	426,916	706.8
2015	613,834	41,512	67.6	350,036	570.2	22,031	35.9	413,579	673.8
2016	622,123	35,766	57.5	391,427	629.2	25,619	41.2	452,812	727.8
2017	632,802	43,052	68.0	487,384	770.2	29,919	47.3	560,355	885.5

Beginning in 2017, ETF Expenses include the change in the actuarial accrued liability related to loss adjustment expense for the Duty Disability program

Administrative Expenses per Participant



ACTUARIAL SECTION



July 16, 2018

Employee Trust Funds Board
C/o ETF
P.O. Box 7931
Madison, Wisconsin 53707-7931

**Re: Wisconsin Retirement System (WRS)
Actuarial Valuation as of December 31, 2017**

Ladies and Gentlemen:

The basic financial objective of the WRS is to establish and receive contributions which:

- When expressed in terms of percents of active member payroll, will remain approximately level from generation-to-generation; and
- When combined with present assets and future investment return, will be sufficient to meet the financial obligations of WRS to present and future retirees and beneficiaries.

The purpose of the valuation was to determine contribution rates for the 2019 fiscal year. The valuation should not be relied upon for any other purpose. The valuation process develops contribution rates that are sufficient to fund the plan's normal cost (i.e., the costs assigned by the valuation method to the year of service about to be rendered), as well as to fund unfunded actuarial accrued liabilities as a level percent of active member payroll over a finite period. The valuations were completed based upon population data, asset data, and plan provisions in effect on December 31, 2017. Note that GRS also prepares separate financial reporting information for accounting purposes.

The valuation was based upon information, furnished by the plan's administrative staff, concerning Retirement System benefits, financial transactions, and individual members, terminated members, retirees and beneficiaries. We checked the data for internal and year-to-year consistency, but did not audit the data. As a result, we do not assume responsibility for the accuracy or completeness of the data provided.

The actuary prepared the following supporting schedules for the Comprehensive Annual Financial Report:

Percent Increase in Salaries
Single Life Retirement Values
Rates of Retirement for Those Eligible to Retire
Early Retirement Pattern
Percentage of Active Members Withdrawing (Select and Ultimate)
Percentage of Active Members becoming Disabled
Solvency Test
Summary of Accrued and Unfunded Accrued Liabilities

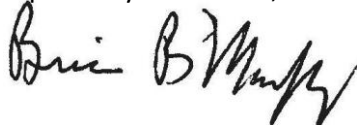
Assets are valued on a statutory market related basis that recognizes assumed return fully each year and spreads each year's gain or loss above or below assumed return over a closed five-year period.

Actuarial valuations are based upon assumptions regarding future activity in specific risk areas including the rates of investment return and payroll growth, eligibility for the various classes of benefits, and longevity among retired lives. The Board adopts these assumptions after considering the advice of the actuary and other professionals. The assumptions and the methods are in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. Each actuarial valuation takes into account all prior differences between actual and assumed experience in each risk area and adjusts the contribution rates as needed. The December 31, 2017 valuations were based upon assumptions that were recommended in connection with a study of experience covering the 2012-2014 period. Future actuarial measurements may differ significantly from those presented in the valuations due to such factors as experience differing from that anticipated by actuarial assumptions, changes in plan provision, actuarial assumptions/methods or applicable law. Due to the limited scope of the assignment, we did not perform an analysis of the potential range of future measurements. Readers desiring a more complete understanding of the actuarial condition of the WRS are encouraged to obtain and read the complete valuation reports. The material in the Actuarial Section and Financial Section of this CAFR contains some, but not all, of the information in the valuation reports.

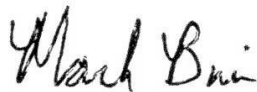
Based upon the results of the December 31, 2017 valuations, we are pleased to report to the Board that the Wisconsin Retirement System is meeting its basic financial objective and continues to operate in accordance with actuarial principles of level percent of payroll financing.

Brian B. Murphy, Mark Buis, and James D. Anderson are Members of the American Academy of Actuaries (MAAA), and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,



Brian B. Murphy, FSA, EA, FCA, MAAA



Mark Buis, FSA, EA, FCA, MAAA



James D. Anderson, FSA, EA, FCA, MAAA

BBM/MB/JDA:wp

WISCONSIN RETIREMENT SYSTEM
ACTUARIAL STATEMENT OF ASSETS AND LIABILITIES
 (In Millions)

	December 31, 2017	December 31, 2016	Increase (Decrease)
Assets and Employer Obligations			
Net Assets			
Cash, Investments & Receivables			
Less: Payables & Suspense Items			
Core Division	92,730.6	88,484.6	4,246.0
Variable Division	8,071.9	6,911.5	1,160.4
Totals	100,802.5	95,396.1	5,406.4
Obligations of Employers			
Unfunded Accrued Liability	16.8	17.8	(1.0)
Total Assets	100,819.3	95,413.9	5,405.4
Reserves and Surplus			
Reserves			
Actuarial Present Value of Projected Benefits Payable to Terminated Vested Participants and Active Members:			
Member Normal Contributions	18,237.3	17,177.6	1,059.7
Member Additional Contributions	197.1	184.0	13.1
Employer Contributions	23,160.0	22,288.3	871.7
Total Contributions	41,594.4	39,649.9	1,944.5
Actuarial Present Value of Projected Benefits Payable to Current Retirees and Beneficiaries:			
Core Annuities	53,590.0	50,941.4	2,648.6
Variable Annuities	3,682.1	3,645.1	37.0
Total Annuities	57,272.1	54,586.5	2,685.6
Total Reserves	98,866.5	94,236.4	4,630.1
Surplus			
Core Annuity Reserve Surplus	1,310.0	1,030.6	279.4
Variable Annuity Reserve Surplus	642.8	146.9	495.9
Total Surplus	1,952.8	1,177.5	775.3
Total Reserves and Surplus	100,819.3	95,413.9	5,405.4



ACTUARIAL SECTION

SUMMARY OF WRS BENEFIT PROVISIONS

Normal Retirement Eligibility

The age a participant becomes eligible for an unreduced age and service annuity is:

General		Protective Occupation		Executive & Elected [^]	
Age	Service	Age	Service	Age	Service
65	Any *	54	Any*	62	Any*
57	30	53	25	57	30

**Participants first employed after 1989 and terminated before April 24, 1998 must have creditable service in five calendar years. Participants first employed after June 30, 2011 must have five years of creditable service.*

^These conditions apply to those people hired on or before December 31, 2016. For others, the General eligibility conditions apply.

Normal Retirement Annuity

The age and service annuity payable at Normal Retirement Age is based on Final Average Earnings (FAE) and Creditable Service (CS) as follows:

Multiplier for Service Rendered			Group
Before 2000	Between 2000 and 2011	After 2011	
2.165%	2.0%	1.6%	Executive group and elected officials
2.165%	2.0%	2.0%	Protective occupation participants covered by Social Security
2.665%	2.5%	2.5%	Protective occupation participants not covered by Social Security
1.765%	1.6%	1.6%	All other participants

FAE is generally the average of the three highest years of earnings preceding retirement (July 1 - June 30 for teachers, educational support staff, and judges; calendar year for others). These years do not have to be consecutive. For legislators and state constitutional officers who are ineligible to receive pay increases during their term, FAE is the statutory rate of earnings at termination.

Maximum formula annuity is 85% of FAE for protective occupation participants not covered by Social Security, 65% of FAE for protectives covered by Social Security, and 70% for all other participants. If greater than the formula amount, an annuity equal to the actuarial equivalent of two times the required accumulated contributions is paid in lieu of the formula amount.

Early Retirement: Any participant who has attained age 55 and any protective occupation participant who has attained age 50 may apply for an early retirement annuity. The benefit is reduced 0.4% for each month that the annuity effective date precedes the Normal Retirement Age. For non-protective participants terminating after June 30, 1990, the 0.4% is reduced for months after the attainment of age 57 and before the annuity effective date by .001111% for each month of creditable service.

Voluntary Termination Before Immediate Benefit Eligibility: A participant who terminates service before being eligible for a retirement annuity may either (1) receive a refund of accumulated contributions, or (2) leave contributions on deposit and apply for a retirement annuity on or after the minimum retirement age based upon age and accrued service at time of termination.

Post-Retirement Adjustments: Annuities are increased annually if the investment income credited to retired life funds is in excess of the assumed rate (presently 5%), other plan experiences are within projected ranges, and the resulting adjustment would be at least 0.5% (2.0% for the variable fund).

Previously granted adjustments can be revoked if the investment income is insufficient to support these previously granted increases. However, a Core Fund annuity cannot be reduced below the amount granted upon inception. Slightly different provisions apply to variable annuities.

Disability Annuity: Eligibility for disability under the Wisconsin Retirement System means, generally, total and permanent incapacity to engage in gainful employment. The participant must have completed at least six months of creditable service in each of at least five out of the last seven calendar years preceding application for disability. The service requirement is waived if the disability is from service-related causes.

For protective occupations, eligibility also can be met if member has 15 years of service, is between the ages of 50 and 55 and unable to safely and efficiently perform one's duties.

Disability Amounts: Amounts payable in case of disability depend upon the plan from which payment is made and are described below.

	Pre-10/16/92 WRS Plan	Post-10/15/92 Long-Term Disability Insurance (LTDI) Plan
Participants Covered	Participants hired before 10/16/92 who do not elect LTDI coverage.	Participants entering after 10/15/92 and participants on 10/15/92 who elect LTDI coverage.
Benefit to age 65*	WRS formula benefit based on service projected to normal retirement age.	40% of FAE for participants covered by Social Security; 50% of FAE for non-covered participants who cannot qualify for Social Security disability benefits.
Benefit at age 65*	Continuation of pre-65 amount.	WRS benefit accrued to date of disability plus 7% of FAE money purchase benefit during disability period, both of which are adjusted in accordance with the dividend rate.

**Conversion age is later for participants becoming disabled after age 61. The post-1992 LTDI plan was closed to new disabilities effective January 1, 2018. The pre-1992 plan was reinstated for all new disabilities after that point.*

Death In Service: (a) Prior to age 50 for protective participants and age 55 for others, the benefit is the equivalent of twice the accumulated employee required and all additional contributions and employer amounts contributed prior to 1974 for teachers or 1966 for others. (b) After age 50 for protective participants, and age 55 for others, the benefit is the amount that would have been paid if participant had retired and elected the 100% survivor option. The benefit is payable to a spouse, child, or other dependent.

Interest credits: For years after 1999, and for people with some active service after 1999, participant core accounts (including the variable at core accounts) are credited with interest at the full (core) effective rate. For others, accounts are credited with interest as shown below:



ACTUARIAL SECTION

Date of Participation	Rate Credited For Purpose of	
	Money Purchase Minimum	Refunds
Prior to 1982	Core effective rate	Core effective rate
January 1, 1982 and later and terminated prior to January 1, 2000	5%	3%
January 1, 1982 and later and not terminated prior to January 1, 2000	Core Effective Rate	Core Effective Rate

Interest is credited on member Variable Fund accounts based on the prior year ending account balance and the Variable effective rate.

Interest on both Core and Variable member additional deposit accounts is based on the prior year ending account balance and the appropriate effective rate.

Contribution Rates: The financial objective of the WRS is to establish and receive contributions that will remain level from year to year and decade to decade.

Effective June 28, 2011, the employee contribution for general category employees, teachers and executives and elected officials is equal to one-half the actuarially required contribution. The employee contribution for protective occupations is the same percentage as general employees. The employer is responsible for the remainder of the actuarially determined contribution. The employer may not pay any portion of the employee contribution unless provided for by a pre-existing collective bargaining agreement.

Normal form of Benefit: The normal form of benefit is a straight life annuity with no death benefits. Optional forms of benefit which are actuarially reduced are listed below:

- A life annuity with 60 or 180 monthly payments guaranteed.
- A joint survivorship annuity with 75% continued to beneficiary.
- A joint survivorship annuity with 100% continued to beneficiary.
- A joint survivorship annuity reduced 25% upon either your death or your beneficiary's death.
- A joint survivorship annuity with 100% continued to beneficiary combined with 180 monthly payments guaranteed.

For formula benefit calculations, optional forms are calculated at the lower of the current age or age 62 (Normal Retirement Age for Protective occupations).

Vesting: Participants hired prior to July 1, 2011 vest immediately. After July 1, 2011, participants vest after five years of service.

ACTUARIAL METHOD AND ASSUMPTIONS USED IN WRS VALUATIONS

The principal areas of risk assumption are:

1. Long-term rates of investment income likely to be generated by the assets of the retirement fund. This includes both realized and unrealized appreciation and depreciation.
2. Rates of mortality among participants, retirees and beneficiaries.
3. Rates of withdrawal of active participants.
4. Rates of disability among participants.
5. Patterns of salary increases to be experienced by participants.
6. The age and service distribution of actual retirements.

In an actuarial valuation, the actuary projects the monetary value of each assumption for each distinct experience group, for the next year and for each year over the next half-century or longer.

Once actual risk experience has occurred and been observed, it will not coincide exactly with assumed risk experience, regardless of the skill of the actuary, the completeness of the data, and the precision of the calculations. Each valuation provides a complete recalculation of assumed future risk experience and takes into account all past differences between assumed and actual risk experience. The result is a continual series of small adjustments to the computed contribution rate. From time to time it becomes necessary to adjust the package of risk measurements to reflect basic experience trends -- but not random year-to-year fluctuations.

The actuarial funding method used in the valuation was the Frozen Initial Liability (FIL) method. Under this method, the amount of remaining unfunded actuarial accrued liabilities at any valuation date is affected only by the monthly amortization payments, compound interest, the added liability created by new employer units, and any added liabilities caused by changes in benefit provisions.

»Economic Assumptions

The **Investment Return Assumption** for plan assets is 7.2%.

For determining plan liabilities, the **Discount Rate** is 5.0% for retired participants, 5.0% for active and inactive participants following retirement, and 7.2% for active and inactive participants prior to their retirement. A valuation performed assuming a 5.5% discount rate for all participants at all stages of life, reproduces the results of an actuarial valuation using the 5.0% post-retirement and 7.2% pre-retirement assumptions. Thus, it can be said that the net discount rate assumed in the valuations was 5.5% per year, compounded annually (net after administrative expenses).

The **Wage Inflation Rate** assumed in this valuation was 3.2% per year. The wage inflation rate is defined to be the portion of total pay increases for an individual that are due to macroeconomic forces, including productivity, price inflation, and labor market conditions. The wage inflation rate does not include pay changes related to individual merit and seniority effects.

No specific **Price Inflation** assumption is required to perform this valuation. The price inflation assumption used to evaluate the investment return assumption is 2.7%.

The assumed **Real Rate of Return** over wage inflation is defined to be the portion of total investment return that is more than the assumed total wage growth rate. Considering other economic assumptions, the 7.2%



ACTUARIAL SECTION

pre-retirement investment return rate translates to an assumed real rate of return over wage inflation of 4.0%. The assumed real rate of return over price inflation is 4.5% considering an inflation assumption of 2.7%.

Merit and Longevity pay increase assumptions for individual active participants are shown for sample services below. An additional 3.2% recognizes wage inflation, including price inflation, productivity increases, and other macroeconomic forces.

% Merit and Longevity Increase Next Year						
Service	General	University Teachers	Public School Teachers	Protective Occupation With SS	Protective Occupation Without SS	Executive/Elected
1	3.5%	3.0%	5.6%	4.8%	5.5%	2.5%
2	3.5%	3.0%	5.6%	4.8%	5.5%	2.5%
3	3.1%	2.9%	5.2%	4.1%	4.7%	2.0%
4	2.8%	2.8%	4.7%	3.5%	3.8%	1.6%
5	2.5%	2.7%	4.3%	2.8%	3.0%	1.1%
10	1.5%	2.2%	2.6%	1.1%	0.9%	0.2%
15	1.1%	1.7%	1.4%	0.8%	0.5%	0.2%
20	0.9%	1.2%	0.6%	0.7%	0.4%	0.2%
25	0.6%	0.9%	0.3%	0.6%	0.3%	0.2%
30	0.4%	0.7%	0.2%	0.5%	0.2%	0.2%

» **Decrement Probabilities**

The Active Member Population is assumed to remain constant. For purposes of financing the unfunded liabilities, total payroll is assumed to grow at the wage inflation rate of 3.20% per year.

The mortality table used to measure mortality for participants was the Wisconsin 2012 Mortality Table. The rates in this table were based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generated improvement scale (multiplied by 50%). This mortality assumption was adopted by the Board in connection with the 2012-2014 Experience Study. Sample retirement values from this table are shown below. This assumption is used to measure the probabilities of participants dying before retirement and the probabilities of each benefit payment being made after retirement.

Single Life Retirement Values (Retired Participants)

Wisconsin 2012 Mortality Table With 5% Interest

Sample Attained Ages	Present Value of \$1 Monthly for Life*		Future Life Expectancy (years)*		Mortality Rates*	
	Males	Females	Males	Females	Males	Females
40	\$212.26	\$217.36	44.7	47.9	0.000948	0.000590
45	203.68	209.93	39.7	42.8	0.001247	0.000914
50	192.96	200.73	34.7	37.8	0.001684	0.001357
55	180.13	189.56	29.9	32.9	0.003963	0.002431
60	165.76	176.25	25.3	28.2	0.005668	0.003490
65	148.55	160.13	20.9	23.5	0.008629	0.005295
70	129.00	141.01	16.7	19.0	0.014193	0.008956
75	107.29	119.37	12.8	14.8	0.024118	0.016265
80	84.55	96.13	9.4	11.0	0.044374	0.030495
85	63.32	73.03	6.5	7.8	0.082894	0.061073

*With a fully generational mortality table, the mortality rate depends on the year of birth. Later years of birth will correspond to a lower mortality rate at a given age.

The values shown above are for non-disabled participants in 2017. For disabled participants, the following table is used:

Single Life Retirement Values (Disabled Participants)

Wisconsin 2012 Mortality Table With 5% Interest

Sample Attained Ages	Present Value of \$1 Monthly for Life		Future Life Expectancy (years)		Mortality Rates*	
	Males	Females	Males	Females	Males	Females
40	\$198.79	\$207.55	37.2	41.5	0.000963	0.000599
45	186.85	197.77	32.3	36.5	0.001266	0.000928
50	173.07	185.91	27.5	31.6	0.001710	0.001378
55	157.06	171.77	23.0	26.8	0.004022	0.002492
60	138.40	154.89	18.6	22.2	0.005871	0.003669
65	117.92	135.14	14.6	17.8	0.009167	0.005624
70	95.73	113.02	11.0	13.7	0.015308	0.009513
75	73.46	89.53	7.9	10.1	0.026012	0.017277
80	53.99	67.03	5.4	7.0	0.047857	0.032392
85	38.26	48.95	3.7	4.9	0.089402	0.064873

*With a fully generational mortality table, the mortality rate depends on the year of birth. Later years of birth will correspond to a lower mortality rate at a given age.



ACTUARIAL SECTION

Active Participant Mortality Rates

The active participant mortality assumption is used to measure the probability of participants becoming deceased while in service.

Sample Attained Ages	Mortality Rates*	
	Males	Females
20	0.000132	0.000077
25	0.000159	0.000085
30	0.000201	0.000117
35	0.000353	0.000210
40	0.000474	0.000295
45	0.000624	0.000457
50	0.000842	0.000679
55	0.001982	0.001216
60	0.002834	0.001745
65	0.004315	0.002648
70	0.007097	0.004478
75	0.012059	0.008133
80	0.022187	0.015248

**With a fully generational mortality table, the mortality rate depends on the year of birth. Later years of birth will correspond to a lower mortality rate at a given age.*

**Rates of Retirement for Those Eligible to Retire—Normal Retirement Pattern**

% Retiring Next Year

Age	General		Public School		University		Protective*		Exec.& Elected
	Male	Female	Male	Female	Male	Female	With S.S.	W/O S.S.	
50	0%	0%	0%	0%	0%	0%	6%	4%	0%
51	0	0	0	0	0	0	7	4	0
52	0	0	0	0	0	0	9	5	0
53	0	0	0	0	0	0	23	17	0
54	0	0	0	0	0	0	19	25	0
55	0	0	0	0	0	0	19	21	0
56	0	0	0	0	0	0	19	27	0
57	18	15	36	28	12	14	19	30	12
58	18	15	31	28	12	12	18	30	12
59	18	15	24	28	12	10	16	30	12
60	18	15	30	28	12	12	20	26	12
61	18	15	28	28	12	16	20	15	12
62	25	25	37	36	12	14	22	20	12
63	30	25	32	30	12	19	26	40	12
64	25	25	27	27	12	13	17	40	12
65	25	28	29	35	15	18	30	40	12
66	32	32	33	35	17	22	25	40	20
67	26	26	27	30	16	17	30	40	15
68	19	22	24	30	16	16	30	40	15
69	19	20	24	30	16	14	30	40	10
70	19	20	20	35	16	18	100	100	10
71	19	20	20	30	18	18	100	100	10
72	19	20	20	22	14	18	100	100	15
73	19	20	20	22	14	18	100	100	15
74	19	20	20	22	10	18	100	100	15
75	100	100	100	100	100	100	100	100	100

*Includes reduced retirements for protective with 20+ years of service.



ACTUARIAL SECTION

Rates of Retirement for Those Eligible to Retire—Early Retirement Pattern

% Retiring Next Year

Age	General		Public School		University		Exec.& Elected
	Male	Female	Male	Female	Male	Female	
55	9.0%	7.0%	13.0%	12.0%	4.0%	5.5%	3.0%
56	9.0	7.0	13.0	12.0	3.0	5.5	3.0
57	4.8	5.0	12.0	12.0	2.5	4.0	3.0
58	5.8	6.0	13.0	12.0	2.5	5.5	3.0
59	6.5	6.0	14.0	13.0	3.0	6.5	3.0
60	8.5	8.5	14.0	17.0	4.3	8.0	5.0
61	8.5	8.5	15.0	17.0	5.0	6.0	5.0
62	16.0	16.0	21.0	23.0	6.0	12.0	
63	17.0	16.0	21.0	23.0	7.0	12.0	
64	17.0	16.0	21.0	23.0	7.0	12.0	

The assumed rates of separation from employment prior to service retirement due to disability and other causes are shown below for sample ages. For other terminations it was assumed that a percentage, depending on age of participants terminating after age 35 with five or more years of service, will leave their contributions on deposit and be paid a benefit at normal retirement age and that the remaining participants would take a separation benefit. The percentage taking a separation benefit is 25% at age 35, grading downward to 0% at retirement eligibility. All participants terminating prior to normal retirement age with less than five years of service were assumed to take a separation benefit.

Assumed Termination Rates
% of Active Participants Terminating

Age & Service	Protective		Public Schools		University		Exec. & Elected	Other		
	With S.S.	W/O S.S.	Male	Female	Male	Female		Male	Female	
0	17.0%	4.0%	18.3%	16.0%	16.0%	16.0%	18.0%	16.8%	20.0%	
1	8.0	3.5	11.0	10.8	14.0	15.0	14.0	12.7	14.1	
2	5.0	1.5	7.8	7.7	12.0	13.0	12.0	9.0	11.0	
3	4.3	1.3	5.9	5.8	10.0	10.0	10.0	7.3	8.9	
4	3.8	1.2	4.9	5.0	8.5	9.9	10.0	7.0	8.5	
5	3.1	1.1	3.6	4.3	8.0	8.4	8.0	4.8	6.7	
6	3.0	1.0	3.2	3.8	7.5	6.4	7.0	4.3	5.6	
7	2.9	0.9	2.6	3.4	5.7	5.7	6.0	4.2	5.0	
8	2.5	0.8	2.6	2.8	4.6	4.7	6.0	3.4	4.7	
9	2.2	0.7	2.4	2.5	4.0	4.2	6.0	3.1	4.5	
25	10 & Over	2.0	0.7	1.3	2.2	4.0	5.0	6.0	2.5	4.5
30		1.8	0.7	1.3	1.9	3.9	4.6	5.1	2.5	4.3
35		1.6	0.7	1.3	1.6	3.6	4.2	4.3	2.4	3.5
40		1.3	0.6	1.3	1.3	3.1	3.4	4.1	2.1	2.7
45		1.1	0.6	1.3	1.1	2.3	2.6	3.2	1.8	2.2
50		1.0	0.5	1.3	1.0	1.9	2.1	2.5	1.5	1.9
55		1.0	0.5	1.3	1.0	1.8	2.0	2.4	1.5	1.8
60		1.0	0.5	1.3	1.0	1.8	2.0	2.4	1.5	1.8

Disability Rates
% of Active Participants Becoming Disabled

Age	Protective		Public Schools		University		Exec. & Elected		General	
	With S.S.	W/O S.S.	Male	Female	Male	Female	Male	Female	Male	Female
20	0.01%	0.04%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%
25	0.01	0.04	0.01	0.01	0.00	0.00	0.00	0.00	0.01	0.01
30	0.01	0.04	0.01	0.01	0.00	0.00	0.00	0.00	0.01	0.02
35	0.02	0.04	0.01	0.01	0.00	0.02	0.01	0.01	0.01	0.03
40	0.02	0.06	0.01	0.02	0.01	0.03	0.01	0.01	0.03	0.04
45	0.03	0.11	0.03	0.05	0.01	0.03	0.01	0.01	0.06	0.06
50	0.06	0.64	0.08	0.10	0.02	0.06	0.02	0.02	0.13	0.09
55	0.87	0.48	0.16	0.14	0.05	0.09	0.09	0.09	0.24	0.16
60	1.46	0.14	0.26	0.21	0.07	0.13	0.11	0.11	0.43	0.23



ACTUARIAL SECTION

Summary of Member Valuation Data

General Participants & Teachers

Valuation Date	Participating Employers	Active Participants	Annual Payroll (In Millions)	Annual Average Pay (\$)	% Increase In Average Pay
12/31/2008	1,431	238,994	10,806.3	45,216	4.3%
12/31/2009	1,438	240,401	11,098.1	46,165	2.1%
12/31/2010	1,444	239,959	11,195.4	46,655	1.1%
12/31/2011	1,450	232,518	10,947.0	47,080	0.9%
12/31/2012	1,450	231,765	11,041.0	47,639	1.2%
12/31/2013	1,450	231,973	11,270.0	48,584	2.0%
12/31/2014	1,454	232,433	11,574.0	49,794	2.5%
12/31/2015	1,457	232,646	12,016.6	51,652	3.7%
12/31/2016	1,463	233,693	12,163.8	52,050	0.8%
12/31/2017	1,473	233,845	12,364.7	52,876	1.6%

Executive Group & Elected Officials

Valuation Date	Participating Employers	Active Participants	Annual Payroll (In Millions)	Annual Average Pay (\$)	% Increase In Average Pay
12/31/2008	259	1,430	100.6	70,316	6.0%
12/31/2009	258	1,427	101.0	70,786	0.7%
12/31/2010	254	1,418	101.2	71,394	0.9%
12/31/2011	257	1,393	98.6	70,802	(0.8)%
12/31/2012	249	1,408	104.1	73,968	4.5%
12/31/2013	249	1,397	106.0	76,125	2.9%
12/31/2014	251	1,401	109.0	77,998	2.5%
12/31/2015	254	1,396	112.2	80,372	3.0%
12/31/2016	252	1,369	111.3	81,300	1.2%
12/31/2017	245	1,351	110.8	82,013	0.9%

Protective with Social Security

Valuation Date	Participating Employers	Active Participants	Annual Payroll (In Millions)	Annual Average Pay (\$)	% Increase In Average Pay
12/31/2008	500	20,038	1,099.3	54,859	4.7%
12/31/2009	502	20,205	1,124.1	55,636	1.4%
12/31/2010	504	20,019	1,124.7	56,184	1.0%
12/31/2011	503	19,610	1,119.0	57,065	1.6%
12/31/2012	501	19,353	1,105.1	57,104	0.1%
12/31/2013	512	19,290	1,121.0	58,127	1.8%
12/31/2014	506	19,533	1,151.0	58,916	1.4%
12/31/2015	497	19,301	1,190.9	61,701	4.7%
12/31/2016	496	19,468	1,217.4	62,533	1.3%
12/31/2017	495	19,465	1,248.4	64,136	2.6%

Protective Without Social Security

Valuation Date	Participating Employers	Active Participants	Annual Payroll (In Millions)	Annual Average Pay (\$)	% Increase In Average Pay
12/31/2008	55	2,724	181.2	66,502	3.2%
12/31/2009	57	2,733	189.0	69,149	4.0%
12/31/2010	58	2,754	188.8	68,559	(0.9)%
12/31/2011	57	2,711	189.5	69,898	2.0%
12/31/2012	57	2,727	193.5	70,949	1.5%
12/31/2013	58	2,736	197.0	71,960	1.4%
12/31/2014	58	2,733	204.0	74,487	3.5%
12/31/2015	57	2,734	210.3	76,920	3.3%
12/31/2016	56	2,755	213.2	77,387	0.6%
12/31/2017	56	2,752	219.2	79,651	2.9%

All Participants

Valuation Date	Participating Employers	Active Participants	Annual Payroll (In Millions)	Annual Average Pay (\$)	% Increase In Average Pay
12/31/2008	1,462	263,186	12,187.4	46,307	4.4%
12/31/2009	1,469	264,766	12,512.2	47,258	2.1%
12/31/2010	1,474	264,150	12,610.1	47,738	1.0%
12/31/2011	1,480	256,232	12,354.1	48,215	1.0%
12/31/2012	1,478	255,253	12,443.7	48,750	1.1%
12/31/2013	1,479	255,396	12,694.0	49,703	2.0%
12/31/2014	1,482	256,100	13,038.0	50,910	2.4%
12/31/2015	1,487	256,077	13,530.0	52,836	3.8%
12/31/2016	1,495	257,285	13,705.7	53,270	0.8%
12/31/2017	1,499	257,413	13,943.1	54,166	1.7%



ACTUARIAL SECTION

Summary of Accrued and Unfunded Accrued Liabilities

(In Millions)

Valuation Year	Aggregate Accrued Liabilities	Valuation Assets	Assets as a % of Accrued Liabilities	Unfunded Accrued Liabilities	Annual Active Member Payroll	UAL as a % of Annual Active Member Payroll
2008	77,412.0	77,159.4	99.7%	252.6	12,289.6	2.1%
2009	79,104.6	78,911.3	99.8%	193.3	12,622.2	1.5%
2010	80,758.8	80,626.9	99.8%	131.9	12,744.0	1.0%
2011	79,039.3	78,940.0	99.9%	99.3	12,855.6	0.8%
2012	78,682.7	78,613.0	99.9%	69.7	12,627.6	0.6%
2013	85,328.7	85,276.1	99.9%	52.6	12,884.8	0.4%
2014	89,392.1	89,360.4	100.0%	31.7	13,219.5	0.2%
2015	91,526.5	91,502.4	100.0%	24.1	13,530.5	0.2%
2016	95,414.0	95,396.2	100.0%	17.8	13,706.0	0.1%
2017	100,819.3	100,802.5	100.0%	16.8	13,943.1	0.1%

Funding Metrics

(In Millions)

Valuation Date Dec 31	Actuarial Value of Assets	F-I-L Accrued Liability For				Percent Funded for			
		Annuitants and Beneficiaries	Member Contribs.	Active & Inactive Members	Total	Annuitants and Beneficiaries	Participant Contribs.	Active & Inactive Members	Total
2008	77,159.4	38,372.6	16,045.3	22,994.1	77,412.0	100.0%	100.0%	98.9%	99.7%
2009	78,911.3	39,734.2	16,156.6	23,213.8	79,104.6	100.0%	100.0%	99.2%	99.8%
2010	80,626.9	41,139.0	16,253.6	23,366.2	80,758.8	100.0%	100.0%	99.4%	99.8%
2011	78,940.0	43,609.4	14,434.4	20,995.5	79,039.3	100.0%	100.0%	99.5%	99.9%
2012	78,613.0	44,055.5	14,401.1	20,226.1	78,682.7	100.0%	100.0%	99.7%	99.9%
2013	85,276.1	48,460.5	15,559.2	21,309.0	85,328.7	100.0%	100.0%	99.8%	99.9%
2014	89,360.4	51,131.1	16,259.3	22,001.7	89,392.1	100.0%	100.0%	99.9%	100.0%
2015	91,502.4	52,851.8	16,707.2	21,967.5	91,526.5	100.0%	100.0%	99.9%	100.0%
2016	95,396.2	55,764.0	17,361.7	22,288.3	95,414.0	100.0%	100.0%	99.9%	100.0%
2017	100,802.5	59,224.9	18,434.4	23,160.0	100,819.3	100.0%	100.0%	99.9%	100.0%

WRS Contribution Rates

» Notes to Contribution Rates Schedule

1. Prior to June 28, 2011 the employee contribution rate was set by Wis Stats. 40.05 (1) and part or all the required employee contributions could be paid by the employer on behalf of the employee. Effective June 28, 2011 the employee contribution rate for general and executive/elected category employees is equal to the general category rate. Employers may not pay the employee contribution on their behalf unless provided for by an existing collective bargaining agreement.

2. The unfunded liability was recalculated in 1990 to reflect benefit improvements and is being amortized on a level percentage of salary basis over a period of 40 years beginning January 1, 1990, for the employers in the WRS prior to 2009, or on the effective date of the employer's participation, whichever is later. Liabilities for employers joining the WRS beginning in 2009 are amortized over 30 years. Prior service rates vary by employers. The percentage reported represents a weighted average.

General Participants and Teachers

	Current Cost	Prior Cost	Employer Total	Employee	BAC	Total
2008	4.6%	0.2%	4.8%	5.0%	1.0%	10.8%
2009	4.5%	0.2%	4.7%	5.0%	0.9%	10.6%
2010	4.8%	0.2%	5.0%	5.0%	1.2%	11.2%
2011	5.1%	0.1%	5.2%	5.0%	1.5%	11.7%
2011*	5.8%	0.1%	5.9%	5.8%	0.0%	11.7%
2012	5.9%	0.1%	6.0%	5.9%	0.0%	11.9%
2013	6.65%	0.1%	6.75%	6.65%	0.0%	13.4%
2014	7.0%	0.0%	7.0%	7.0%	0.0%	14.0%
2015	6.8%	0.0%	6.8%	6.8%	0.0%	13.6%
2016	6.6%	0.0%	6.6%	6.6%	0.0%	13.2%
2017	6.8%	0.1%	6.9%	6.8%	0.0%	13.7%

Executive Group and Elected Officials

	Current Cost	Prior Cost	Employer Total	Employee	BAC	Total
2008	8.5%	0.1%	8.6%	3.0%	0.0%	11.6%
2009	8.5%	0.0%	8.5%	3.0%	0.0%	11.5%
2010	8.7%	0.0%	8.7%	3.2%	0.0%	11.9%
2011	9.4%	0.0%	9.4%	3.9%	0.0%	13.3%
2011*	6.65%	0.0%	6.65%	6.65%	0.0%	13.3%
2012	7.05%	0.0%	7.05%	7.05%	0.0%	14.1%
2013	7.0%	0.0%	7.0%	7.0%	0.0%	14.0%
2014	7.75%	0.0%	7.75%	7.75%	0.0%	15.5%
2015	7.7%	0.0%	7.7%	7.7%	0.0%	15.4%
2016	6.6%	0.0%	6.6%	6.6%	0.0%	13.2%
2017	6.8%	0.1%	6.9%	6.8%	0.0%	13.7%

* 2011 WI Act 10 adjusted employee and employer contribution rates effective June 28, 2011



ACTUARIAL SECTION

Protective with Social Security

	Current Cost	Prior Cost	Duty Disability	Employer Total	Employee	BAC	Total
2008	8.2%	0.1%	3.9%	12.2%	5.1%	0.0%	17.3%
2009	8.1%	0.1%	3.9%	12.1%	5.0%	0.0%	17.1%
2010	8.6%	0.0%	3.9%	12.5%	5.5%	0.0%	18.0%
2011	8.9%	0.0%	4.0%	12.9%	5.8%	0.0%	18.7%
2011*	8.9%	0.0%	4.0%	12.9%	5.8%	0.0%	18.7%
2012	9.0%	0.0%	4.0%	13.0%	5.9%	0.0%	18.9%
2013	9.75%	0.0%	4.1%	13.85%	6.65%	0.0%	20.5%
2014	10.1%	0.0%	0.7%	10.8%	7.0%	0.0%	17.8%
2015	9.5%	0.0%	0.6%	10.1%	6.8%	0.0%	16.9%
2016	9.4%	0.0%	0.3%	9.7%	6.6%	0.0%	16.3%
2017	10.6%	0.1%	0.6%	11.3%	6.8%	0.0%	18.1%

Protective without Social Security

	Current Cost	Prior Cost	Duty Disability	Employer Total	Employee	BAC	Total
2008	10.8%	0.4%	3.9%	15.1%	3.4%	0.0%	18.5%
2009	10.6%	0.3%	3.9%	14.8%	3.2%	0.0%	18.0%
2010	11.3%	0.3%	3.9%	15.5%	3.9%	0.0%	19.4%
2011	12.2%	0.3%	4.0%	16.5%	4.8%	0.0%	21.3%
2011*	11.2%	0.3%	4.0%	15.5%	5.8%	0.0%	21.3%
2012	11.3%	0.3%	4.0%	15.6%	5.9%	0.0%	21.5%
2013	12.35%	0.3%	4.1%	16.75%	6.65%	0.0%	23.4%
2014	13.7%	0.3%	0.7%	14.7%	7.0%	0.0%	21.7%
2015	13.1%	0.3%	0.6%	14.0%	6.8%	0.0%	20.8%
2016	13.2%	0.2%	0.3%	13.7%	6.6%	0.0%	20.3%
2017	14.9%	0.1%	0.6%	15.6%	6.8%	0.0%	22.4%

* 2011 WI Act 10 adjusted employee and employer contribution rates effective June 28, 2011

Analysis of Actuarial Experience WRS

Gains and Losses in Accrued Liabilities During 2017 Resulting Differences Between Assumed Experience & Actual Experience

(In Millions)

Type of Activity	General	Executive & Elected	Protective Occupation With Social Security	Protective Occupation Without Social Security	Total
Normal Retirement					
If members retire at older ages or with lower final average pay than assumed, there is a gain. If younger ages or higher pay, there is a loss.	\$(7.7)	\$(1.1)	\$(16.6)	\$(1.6)	\$(27.0)
Early Retirement					
If fewer members choose early retirement than assumed, there is a loss. If more early retirements, there is a gain.	(11.3)	(1.4)	(1.0)	0.3	(13.4)
Death with Benefit					
If survivor claims are less than assumed, there is a gain. If more claims, there is a loss.	(2.5)	0.0	0.2	(0.1)	(2.4)
Disability Retirement					
If disability claims are less than assumed, there is a gain. If more claims, a loss.	14.3	0.1	0.8	0.7	15.9
Other Separations					
If more liabilities are released by separations than assumed, there is a gain. If smaller releases, a loss.	36.6	0.3	1.1	(0.6)	37.4
Salary Increases					
If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.	114.0	(14.7)	3.9	(2.2)	101.0
Investment Return					
If there is greater investment income than assumed, there is a gain. If less income, a loss.	287.8	0.1	48.6	12.5	349.0
Other Activity	(91.8)	(8.2)	(10.3)	(12.1)	(122.4)
Total Gain (Loss)	\$339.4	\$(24.9)	\$26.7	\$(3.1)	\$338.1
% of accrued liability	0.9%	(12.2)%	0.6%	(0.3)%	0.8%



ACTUARIAL SECTION

Changes in Number of Annuities - WRS

Year	Annuity Type	Beginning	Additions	Deletions	Ending
2017	Retirement	190,111	9,591	3,940	195,762
	Disability	6,198	98	205	6,091
	Beneficiary	1,338	42	31	1,349
	Total	197,647	9,731	4,176	203,202
2016	Retirement	184,180	9,866	3,935	190,111
	Disability	6,305	98	205	6,198
	Beneficiary	1,310	62	34	1,338
	Total	191,795	10,026	4,174	197,647
2015	Retirement	177,959	9,881	3,660	184,180
	Disability	6,363	124	182	6,305
	Beneficiary	1,283	57	30	1,310
	Total	185,605	10,062	3,872	191,795
2014	Retirement	172,430	9,080	3,551	177,959
	Disability	6,393	125	155	6,363
	Beneficiary	1,233	69	19	1,283
	Total	180,056	9,274	3,725	185,605
2013	Retirement	165,966	9,889	3,425	172,430
	Disability	6,473	146	226	6,393
	Beneficiary	1,216	70	53	1,233
	Total	173,655	10,105	3,704	180,056
2012	Retirement	160,044	9,322	3,400	165,966
	Disability	6,201	183	(89)	6,473
	Beneficiary	1,208	67	59	1,216
	Total	167,453	9,572	3,370	173,655
2011	Retirement	148,380	15,096	3,432	160,044
	Disability	6,194	196	189	6,201
	Beneficiary	1,201	60	53	1,208
	Total	155,775	15,352	3,674	167,453
2010	Retirement	143,261	8,330	3,211	148,380
	Disability	6,224	159	189	6,194
	Beneficiary	1,186	69	54	1,201
	Total	150,671	8,558	3,454	155,775
2009	Retirement	136,502	7,779	1,020	143,261
	Disability	6,397	156	329	6,224
	Beneficiary	1,134	73	21	1,186
	Total	144,033	8,008	1,370	150,671
2008	Retirement	135,026	8,165	6,689	136,502
	Disability	6,558	174	335	6,397
	Beneficiary	1,322	61	249	1,134
	Total	142,906	8,400	7,273	144,033



ACTUARIAL SECTION

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INVESTMENT SECTION

Investments

Prepared by the State of Wisconsin Investment Board

»MESSAGE FROM THE EXECUTIVE DIRECTOR

For public employees in Wisconsin, the State of Wisconsin Investment Board (SWIB) is a unique and valuable partner. Investing for the financial security of more than 622,000 individuals - and for the 1,500 Wisconsin employers who contribute on behalf of their employees - SWIB's strong management of the Wisconsin Retirement System (WRS) has helped fuel one of the best-funded public pensions in the country. Over the past ten years, approximately 70 percent of the revenues needed to fund the WRS have come from the investment earnings.

SWIB implements a disciplined, prudent, and innovative investment strategy to manage the WRS trust funds. Our portfolio of investments is highly diversified, carefully monitored, and designed to strike an appropriate balance between risk and returns. The investment strategy provides moderate downside protection from another dramatic downturn while still earning reasonable returns in other market conditions. In 2017, our investment management generated significant positive returns for the funds we manage. The Core Fund, the primary trust fund for the WRS, returned 16.2 percent gross of fees, which was ahead of its target benchmark of 15.7 percent. The Core Fund also exceeded its, five-, ten-, and twenty-year benchmarks. This return contributed to a positive annuity adjustment for WRS retirees for the fifth consecutive year and will help keep contribution rates for employees and employers stable. The Variable Fund returned 23.2 percent, which was ahead of its target benchmark of 23.1 percent. The Variable Fund also exceeded its five-, ten-, and twenty-year benchmarks.

A major reason for our success is because of our ability to manage more than 60 percent of the trust fund assets internally. We have been able to build a stronger internal management program because of our ability to attract and retain highly qualified professionals who are passionate about achieving superior investment returns on behalf the participants of the WRS. Because we can manage the funds internally for multiples less than what it costs to use external managers, we have been able to generate significant savings for the WRS. In 2017, we saved \$110 million in costs compared to our peers. Our cost saving strategies combined with our investment strategy, have provided an additional \$759 million to the Core Fund above what the markets earned over the past five years.

As proud as we are of our past performance, we continue to remain focused on the future and the challenges that lie ahead. We remain committed to investing in our people, processes and technology to keep us at the forefront of the investment industry.

It is an honor to work for the public employees, employers, and the entire State of Wisconsin. We will continue to do our best to ensure a strong and stable WRS for the future.



Rochelle Klaskin, Interim Executive Director
State of Wisconsin Investment Board

INVESTMENT SECTION

»ABOUT THE INVESTMENT BOARD

SWIB is a trusted and skilled investment organization contributing to the strong financial future of the beneficiaries of the funds entrusted to us. SWIB is responsible for managing the assets of the WRS, the State Investment Fund (SIF), and five separately managed funds.

The largest portion of the assets managed by SWIB is the trust funds of the WRS. The assets managed by SWIB include the SIF, a pool of invested cash balances of the WRS and various state and local government units. The remaining assets are separately managed funds invested by SWIB including the Injured Patients and Families Compensation Fund, State Life Insurance Fund, Local Government Property Insurance Fund, Tuition Trust Fund, and State Historical Society of Wisconsin Endowment Fund.

SWIB is directed by an independent Board of Trustees and staffed with professional money managers and investment support staff. The SWIB Board of Trustees consists of nine members meeting specific membership requirements, as directed by Wis. Stat. section 15.76. The Board of Trustees appoints the SWIB executive director. The executive director oversees staff, develops and recommends agency and investment policies for Board adoption, and ensures adherence to state and federal law and policies. Trustee responsibilities include establishing asset allocation, investment guidelines, and performance benchmarks.

SWIB publishes an annual report and a detailed schedule of investments as of the end of the calendar year. More information about SWIB and the funds it manages can be found at www.swib.state.wi.us.

»WISCONSIN RETIREMENT SYSTEM

The WRS is a hybrid defined benefit plan. It contains elements of both a 401(k) or defined contribution plan and a defined benefit plan. More than 622,000 current and former state and local government employees and their families rely on the WRS for some of their retirement security.

The Core Fund, the larger of the two WRS funds, with diversified holdings in stocks, bonds, private equity, real estate, hedge funds, and other investments, earned 16.2 percent in 2017, which is ahead of its benchmark of 15.7 percent. SWIB's strong performance is due to the investment strategy that has been implemented. That investment strategy is designed to weather a variety of economic environments to ensure the WRS is able to meet its obligations today and in the future. It also allows SWIB to meet one of its standards of responsibility that is outlined in state statutes. That statute, s. 25.15 (2) (b), says SWIB should "diversify investments in order to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so." Because of SWIB's sound investment performance over the long-term, the Core Fund, which had a net asset value of approximately \$100.3 billion as of December 31, 2017, also outperformed its three-, five-, and ten-year benchmarks.

The objective of the Core Fund investment strategy is to earn returns comparable to the actuarial objective of 7.2 percent over the long-term, but with less risk than the typical 60 percent equities/40 percent fixed income portfolio. The annualized 20-year return for the Core Fund, as of December 31, 2017, was 7.1 percent, which is ahead of its benchmark of 6.7%.

The Variable Fund, an optional, U.S. and international stock fund, ended the year with a return of 23.2 percent, which is ahead of its benchmark of 23.1 percent. The Variable Fund's net asset value was approximately \$8.2 billion as of December 31, 2017. As of December 31, 2017, the Variable Fund's 20-year annualized return was 7.2%, outperforming the benchmark return of 6.7%.

The investment strategy for the Variable Fund is to achieve returns equal to or above that of similar stock portfolios over a market cycle.

»BASIS OF PRESENTATION OF INVESTMENT DATA

The investments of the WRS are reported at fair value as prescribed by the Governmental Accounting Standards Board (GASB) and per section 25.17(14) of the Wisconsin Statutes. Unrealized gains and losses are included as investment income.

The fair value of the WRS assets is obtained or estimated in accordance with a pricing hierarchy established with SWIB's custodian. As prescribed by the hierarchy, a variety of independent pricing sources are used to price assets based on type, class, or issue.

When a portfolio includes securities or instruments for which the custodial bank does not receive fair value information from its vendor pricing sources, a variety of third-party pricing methods are used, including appraisals, pricing models, and other methods deemed acceptable by industry standards.

Cash and cash equivalents consist of short-term investments which are used to meet the liquidity requirements of the WRS. Cash and cash equivalents held by the WRS can include cash on deposit, foreign currencies, cash posted as collateral to counterparties, repurchase agreements, certificates of deposit, U.S. Treasury Bills, short-term investment funds, and other U.S or foreign liquid financial instruments with maturities that are generally less than three months. Cash and cash equivalents are reported at fair value or cost, which approximates fair value.

Exchange-traded securities such as equities, preferred stock, certain derivatives, and exchange-traded funds are generally valued at the official closing price (usually the last trade price) or the last bid price on the security's primary exchange.

Privately-held debt is priced using approaches that value each holding based on the best available information using the following hierarchy of pricing sources:

1. Custodian-supplied prices for assets that can be priced in accordance with the pricing hierarchy established with SWIB's custodian
2. Prices provided by a third party with expertise in the bond market

For private market investments where no readily ascertainable market value exists, including limited partnerships and real estate pooled funds, fair value is estimated based on the net asset value as reported by the general partner. The capital account balance as stated in the most recent available quarterly reporting period is adjusted for subsequent cash flows to derive fair value. The financial statements of the limited partnerships and real estate pooled funds are audited by independent auditors annually.

Certain portfolios make investments in privately-held companies alongside a strategic partner, such as a limited partnership fund manager. These co-investments are valued by SWIB's strategic partner, using a variety of methodologies such as reviews of subsequent financing rounds, discounted cash flow analyses, cash flow multiples analyses, reviews of market comparable sales or metrics, and reviews of third-party appraisals.

Real estate properties wholly owned by SWIB are valued by independent appraisers every three years. In years when appraisals are not performed, properties are informally appraised by the asset advisor. Each year, audited financial statements are prepared for each property.

INVESTMENT SECTION

SWIB employs portfolio strategies which involve investments across multiple asset classes. The “Multi Asset Investments” on the WRS’s financial statements consists primarily of hedge funds. SWIB values hedge funds based on monthly statements or estimated returns received from each of the hedge fund’s administrators. A third-party administrator’s responsibility is to independently account for the hedge fund’s activity and calculate the net asset value of the fund. Generally, hedge fund administrators price financial instruments traded in active markets based on quoted market prices or binding dealer quotations. For certain over-the-counter instruments, fair value is determined based on valuation models used by the administrator. Annually, the financial statements prepared by the administrator are audited by independent auditors.

Derivative financial instruments are marked to fair value daily, with valuation changes recognized in income during the period the instruments are held and when the instrument is sold or expires.

A limited number of securities are carried at cost. Certain non-public or closely-held investments are not reported at fair value, but are carried at cost since no independent quotation is available to estimate fair value for these securities.

»INVESTMENT POLICY

As part of SWIB’s fiduciary responsibilities, SWIB is required by section 25.15(2)(b) of the Wisconsin Statutes “To diversify investments in order to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, considering each trust’s or fund’s portfolio as a whole at any point in time.” SWIB exercises this duty in part by establishing its investment policy and by setting the asset allocation.

The Board-approved investment policy for the WRS is intended to assist in development of a diversified portfolio of investments within acceptable risk parameters. The policy represents a delegation of standing authority to the executive director and investment managers within the organization to make prudent investments within the investment guidelines, pursuant to sections 15.02(4) and 25.15(2) of the Wisconsin Statutes and section IB 2.02 of the Wisconsin Administrative Code.

Additionally, the Investment Committee (IC) was created to provide oversight of SWIB investments within the parameters established by the Board of Trustees. Oversight includes analysis of risk and return of the portfolio, asset class, and Core and Variable Funds. The IC is responsible for proposing to the Board of Trustees changes to the WRS investment policy, approving investment guidelines or strategies for internally-managed portfolios, approving the general strategies for each asset class, and for approving new investment instruments and derivatives strategies. Effective June 2017, the IC became responsible for approving and maintaining guidelines for internally-managed portfolios pursuant of the Board’s investment policy. Previously, the internally-managed portfolio guidelines were approved by the Board of Trustees with recommendations coming from the IC. The change in oversight for internally-managed portfolios provides SWIB staff with the ability to more quickly respond to changing investment conditions and is more consistent with the Board’s delegation of investment authority to internal investment management staff. The Board of Trustees reserves all rights to modify and amend IC guidelines at any time at its discretion.

In 2017, the IC included, and the Board of Trustees approved, within the WRS Investment Guidelines a derivative use policy, rebalancing procedures, and a leverage use policy. The derivatives use policy sets forth the objectives, monitoring, and reporting guidelines relating to derivative investments. The rebalancing procedures used in both mandatory and discretionary asset class rebalancing are now described more fully in the Investment Guidelines, and the leverage use policy describes SWIB’s leverage philosophy. The total amount of financial leverage is approved by the Board of Trustees through the WRS asset allocation process.

»SCHEDULE OF INVESTMENT RESULTS

The tables below present returns for the Core and Variable Funds on a total fund basis as well as by asset class. Appropriate benchmark returns are provided for comparison purposes.

Time-Weighted Core Fund & Asset Class Returns
As of December 31, 2017

	1-Year Return %	5-Year Return %	10-Year Return %
Core Fund	16.2	8.6	5.9
<i>Benchmark</i>	15.7	8.2	5.5
Public Equities	24.0	11.5	5.8
<i>Aggregated Equities Benchmark</i>	24.0	11.4	5.5
Fixed Income	5.4	2.2	4.6
<i>Aggregated Fixed Income Benchmark</i>	5.0	2.0	4.1
Inflation Sensitive	3.2	(0.9)	3.5
<i>Aggregated Inflation Sensitive Benchmark</i>	3.1	(0.9)	3.0
Real Estate	9.6	13.5	5.0
<i>100% ODCE Benchmark (since 1/1/13)</i>	7.7	11.6	7.0
Private Equity/Debt	16.8	14.0	9.1
<i>Aggregated Private Equity Benchmark</i>	14.3	11.8	7.6
Multi Asset	14.5	6.3	5.9
<i>Aggregated Multi Asset Benchmark</i>	16.4	7.6	4.9

Returns are gross of management fees, with the exception of Private Equity/Debt, which are net of fees.

Time-Weighted Variable Fund Returns
As of December 31, 2017

	1-Year Return %	5-Year Return %	10-Year Return %
Variable Fund	23.2	13.3	7.1
<i>Benchmark</i>	23.1	13.0	6.8
Public Equities	23.3	13.3	7.1
<i>Aggregated Equities Benchmark</i>	23.1	13.0	6.8

Returns are gross of management fees.

INVESTMENT SECTION

»ASSET ALLOCATION

SWIB's Board of Trustees has established the asset allocation pursuant to a comprehensive and ongoing evaluation of the appropriate risk and return standards for each fund under management.

The Board adopts the WRS asset allocation policy, based on recommendations by the IC, the Board's asset allocation consultant, Chief Investment Officer, and Managing Director of Asset and Risk Allocation. SWIB undertakes a comprehensive review of its strategic asset allocation plan every other year, including asset/liability modeling, to determine a suitable target allocation for each asset class included in the Core and Variable Funds, and an annual review to assess whether any interim adjustments should be made. The strategic nature of these reviews contemplates a long-term time horizon over which potential results are evaluated. This exercise is not an attempt to predict short-term market movements, but an effort to understand the long-term impacts of poor, normal, and above average market results.

In addition to potential future market impact, SWIB also contemplates the objectives of the funds, the impact of actuarial analysis, and the soundness of investment return and risk expectations. SWIB's asset allocation policies reflect the Board's program of risk allocation that involves reducing equity exposure by leveraging low-volatility assets, such as "fixed income" securities. This investment strategy results in Core Fund strategic targets which exceed 100% of invested assets. Currently, the Core Fund has adopted an asset allocation target of 10% financial leverage; however, over time, it is anticipated that SWIB may move toward an asset allocation that includes 20% leverage. Before implementing leverage beyond 10%, the Board, SWIB's asset allocation consultant, and staff will engage in additional focused asset allocation discussion and the Board will approve any additional financial leverage.

SWIB's asset allocation review process also includes assumptions regarding expected rates of return. Long-term (e.g. 30-year) expected real rates of return on pension plan investments are determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The table entitled Asset Allocation Targets and Expected Returns presents the policy asset allocation targets and the best estimates of expected geometric rates of return for each major asset class as of December 31, 2017.

Retirement Funds
Asset Allocation Targets and Expected Returns
 As of December 31, 2017

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	50 %	8.2 %	5.3 %
Fixed Income	24.5	4.2	1.4
Inflation Sensitive Assets	15.5	3.8	1.0
Real Estate	8	6.5	3.6
Private Equity/Debt	8	9.4	6.5
Multi-Asset	4	6.5	3.6
Total Core Fund	110 %	7.3 %	4.4 %
Variable Fund Asset Class			
U.S. Equities	70 %	7.5 %	4.6 %
International Equities	30	7.8	4.9
Total Variable Fund	100 %	7.9 %	5.0 %

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

For purposes of determining asset allocation targets, investments may be categorized differently than they are within the financial statements. For example, SWIB's management considers inflation-sensitive assets separately from other "fixed income" investments for asset allocation purposes.



INVESTMENT SECTION

»WRS LARGEST HOLDINGS

WRS Largest Equity Holdings			
As of December 31, 2017			
(In Thousands)			
Issuer	Shares	Fair Value	% of Total Equities
APPLE INC	6,602,243	\$ 1,117,298	1.77%
ALPHABET INC	1,032,750	1,085,208	1.72
MICROSOFT CORP	9,741,628	833,299	1.32
AMAZON.COM INC	519,116	607,091	0.96
FACEBOOK INC	2,965,624	523,314	0.83
ROYAL DUTCH SHELL PLC	12,938,390	510,974	0.81
JOHNSON & JOHNSON	3,250,253	454,125	0.72
JPMORGAN CHASE & CO	4,132,160	441,893	0.70
EXXON MOBIL CORP	5,129,429	429,025	0.68
WELLS FARGO & CO	6,765,312	410,451	0.65

WRS Largest Fixed Income Holdings					
As of December 31, 2017					
(In Thousands)					
Security	Coupon Rate	Maturity Date	Fair Value	% of Total Fixed Income	
US TREAS-CPI INFLAT	0.125	4/15/2020	\$ 589,231	1.92%	
US TREAS-CPI INFLAT	0.125	4/15/2021	586,110	1.91	
US TREAS-CPI INFLAT	0.125	4/15/2019	585,397	1.91	
US TREAS-CPI INFLAT	0.125	1/15/2023	546,475	1.78	
US TREAS-CPI INFLAT	0.625	1/15/2024	515,805	1.68	
US TREAS-CPI INFLAT	0.125	7/15/2024	500,117	1.63	
US TREAS-CPI INFLAT	0.625	1/15/2026	488,147	1.59	
US TREAS-CPI INFLAT	0.375	7/15/2025	474,792	1.55	
US TREAS-CPI INFLAT	0.125	1/15/2022	467,943	1.52	
US TREAS-CPI INFLAT	0.125	7/15/2022	463,208	1.51	

US TREAS-CPI INFLAT - Treasury Inflation Protected Securities

Listing of largest holdings does not include externally managed commingled funds.

A complete list of WRS investments can be found using the following link.

<http://www.swib.state.wi.us/publications>

»WRS INVESTMENT FEES

Schedule of WRS Investment Fees		
For the Calendar Year Ended December 31, 2017		
(In Thousands)		
	Core Fund	Variable Fund
Investment Expense	\$ 478,382	\$ 9,001
Securities Lending Fees	7,791	551
Total	\$ 486,173	\$ 9,552

»INVESTMENT SUMMARY

Core Fund Summary of Investments by Asset Type		
As of December 31, 2017		
(In Thousands)		
Asset Type	Fair Value	% of Total Investments
Equities	\$ 55,211,579	52.8%
Fixed Income	30,709,368	29.4
Limited Partnerships	12,212,410	11.7
Multi Asset	4,701,121	4.5
Real Estate	1,368,583	1.3
Preferred Securities	229,559	0.2
Convertible Securities	195	0.0
To Be Announced Securities	95,489	0.1
Foreign Currency Contracts	(1,146)	0.0
Option Contracts	(3,830)	0.0
Futures Contracts	46,685	0.0
Swaps	4,171	0.0
Total Core Fund Investments	\$ 104,574,184	100.0%

Does not include investment-related liabilities.

Variable Fund Summary of Investments by Asset Type		
As of December 31, 2017		
(In Thousands)		
Asset Type	Fair Value	% of Total Investments
Equities	\$ 8,029,482	99.8%
Preferred Securities	12,115	0.2
Foreign Currency Contracts	15	0.0
Futures Contracts	394	0.0
Total Variable Fund Investments	\$ 8,042,006	100.0%

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**CONTRIBUTIONS PAID
AND EMPLOYER
UNFUNDED LIABILITY
BALANCES**

Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
State Agencies					
ADMINISTRATION, DEPT OF	64,339,353	5,315,935	4,375,093	9,691,028	0
AGRIC TRADE CONS PROT, DEPT OF	34,362,560	2,783,356	2,336,665	5,120,022	0
BD FOR PEOPLE WITH DEVELOP DIS	526,177	42,620	35,780	78,400	0
BOARD AGING & LONG TERM CARE	1,725,935	139,800	117,364	257,164	0
BRD OF COMMSRS OF PUBLIC LANDS	725,182	58,739	49,313	108,052	0
CHILDREN & FAMILIES, DEPT OF	43,234,818	3,502,005	2,939,983	6,441,988	0
CORRECTIONS, DEPT. OF	496,719,143	52,755,498	33,777,049	86,532,547	0
COURTS - STATE	73,595,679	5,961,215	5,004,541	10,965,756	0
DISTRICT ATTORNEYS	31,887,387	2,582,865	2,168,356	4,751,221	0
EDUCATIONAL COMMUNICATIONS BD	2,450,638	198,501	166,644	365,145	0
ELECTIONS COMMISSION	1,300,959	105,377	88,466	193,843	0
EMPLOYEE TRUST FUNDS, DEPT OF	16,881,183	1,367,371	1,147,925	2,515,296	0
EMPLOYMENT RELATIONS COMM	662,320	53,648	45,038	98,686	0
ETHICS COMMISSION	431,617	34,961	29,350	64,311	0
EXECUTIVE OFFICE	1,968,727	159,466	133,875	293,340	0
FINANCIAL INSTITUTIONS, DEPT	8,705,085	705,109	591,949	1,297,058	0
HEALTH SERVICES, DEPT OF	314,883,439	27,481,091	21,412,155	48,893,245	0
HIGHER EDUCATIONAL AIDS BOARD	482,841	39,110	32,834	71,943	0
HISTORICAL SOCIETY - STATE	9,439,726	764,614	641,905	1,406,519	0
INSURANCE COMMISSIONR'S OFFICE	9,303,304	753,564	632,628	1,386,192	0
INVESTMENT BOARD	28,521,252	2,310,217	1,939,450	4,249,667	0
JUDICIAL COMMISSION	127,192	10,302	8,649	18,952	0
JUDICIAL COUNCIL	52,088	4,219	3,542	7,761	0
JUSTICE, DEPT OF	48,176,547	4,310,198	3,276,019	7,586,218	0
KICKAPOO RESERVE MANGMT BD	265,591	21,513	18,060	39,573	0
LABOR & INDUSTRY REVIEW COMM	1,450,507	117,490	98,635	216,126	0
LEGIS ASSEMBLY - CHIEF CLERK	15,566,317	1,260,865	1,058,517	2,319,381	0
LEGISLATIVE AUDIT BUREAU	4,979,303	403,322	338,594	741,916	0
LEGISLATIVE COUNCIL STAFF	2,152,450	174,348	146,367	320,715	0
LEGISLATIVE FISCAL BUREAU	2,439,219	197,576	165,867	363,444	0
LEGISLATIVE REFERENCE BUREAU	3,201,550	259,325	217,706	477,031	0
LEGISLATIVE TECH SERV BUREAU	2,634,387	213,385	179,139	392,524	0
LEGISLATURE - SENATE	10,732,296	869,313	729,799	1,599,112	0
LIEUTENANT GOVERNOR'S OFFICE	195,471	15,833	13,292	29,125	0
LOWER WIS. STATE RIVERWAY BD.	126,464	10,244	8,600	18,843	0
MILITARY AFFAIRS, DEPT OF	22,482,283	2,086,027	1,528,804	3,614,831	0
NATURAL RESOURCES, DEPT OF	140,825,523	12,652,302	9,576,187	22,228,489	0
PUBLIC DEFENDER'S OFFICE	35,109,306	2,843,839	2,387,447	5,231,287	0
PUBLIC INSTRUCTION, DEPT OF	36,460,466	2,953,285	2,479,325	5,432,609	0
PUBLIC SERVICE COMMISSION	9,089,690	736,261	618,103	1,354,364	0
REVENUE, DEPT OF	65,830,466	5,359,505	4,476,495	9,836,000	0
SAFETY & PROFESS SVCES, DEPT	12,085,240	978,901	821,799	1,800,701	0
SECRETARY OF STATE'S OFFICE	163,396	13,235	11,111	24,346	0
STATE FAIR PARK BOARD	4,301,460	353,752	292,501	646,253	0
TOURISM, DEPARTMENT OF	1,578,378	127,848	107,331	235,178	0
TRANSPORTATION, DEPT OF	200,152,621	17,737,508	13,610,439	31,347,947	0

CONTRIBUTIONS PAID AND UAAL

Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
TREASURER'S OFFICE - STATE	69,670	5,643	4,738	10,381	0
VETERANS AFFAIRS, DEPT OF	57,240,079	4,652,785	3,892,339	8,545,124	0
WIS TECH COLLEGE SYS BOARD	4,099,363	332,047	278,758	610,805	0
WISCONSIN ECON DEVELOP CORP	7,495,150	509,667	509,673	1,019,340	0
WORKFORCE DEVELOPMENT, DEPT OF	75,928,575	6,150,186	5,163,172	11,313,358	0
Total State Agencies (51)	1,907,158,372	172,475,786	129,687,370	302,163,157	0
UNIVERSITY OF WISCONSIN SYSTEM	1,967,891,964	159,974,248	133,817,064	293,791,312	0
Public Authorities					
FOX RIVER NAVIGATION SYS AUTH	148,693	12,044	10,111	22,155	0
HEALTH & EDUC FACILITIES AUTH	336,509	34,997	22,883	57,880	0
HOUSING & ECON DEVELOP AUTH	10,859,450	879,612	738,446	1,618,058	0
UW HOSPITAL AUTHORITY	573,477,456	46,451,574	38,996,567	85,448,141	0
WISCRAFT INC - ENT FOR BLIND	2,474,782	254,902	168,286	423,188	573,468
Total Public Authorities (5)	587,296,890	47,633,128	39,936,293	87,569,422	573,468
Total State of Wisconsin (57)	4,462,347,226	380,083,163	303,440,727	683,523,890	573,468
Cities					
ABBOTSFORD, CITY OF	474,906	32,294	32,294	64,587	0
ADAMS, CITY OF	650,198	59,743	44,214	103,957	75,358
ALGOMA, CITY OF	3,253,275	230,883	221,223	452,106	0
ALMA, CITY OF	306,385	22,622	20,834	43,456	43,021
ALTOONA, CITY OF	2,372,501	201,953	161,331	363,284	0
AMERY, CITY OF	1,366,249	112,224	92,905	205,129	(322)
ANTIGO, CITY OF	4,435,880	437,188	301,641	738,829	0
APPLETON, CITY OF	41,706,138	3,860,126	2,836,028	6,696,155	0
ARCADIA, CITY OF	231,930	25,048	15,771	40,820	0
ASHLAND, CITY OF	5,435,264	561,496	369,600	931,095	0
AUGUSTA, CITY OF	593,499	48,226	40,358	88,584	0
BARABOO, CITY OF	5,710,374	469,134	388,307	857,441	0
BARRON, CITY OF	1,689,520	129,411	114,888	244,299	0
BAYFIELD, CITY OF	604,586	47,437	41,112	88,548	0
BEAVER DAM, CITY OF	7,224,049	811,997	491,237	1,303,235	2,423,835
BELOIT, CITY OF	22,668,911	2,287,484	1,541,491	3,828,975	0
BERLIN, CITY OF	2,267,572	185,007	154,196	339,203	0
BLACK RIVER FALLS, CITY OF	2,603,542	202,622	177,042	379,665	0
BLAIR, CITY OF	415,660	34,134	28,265	62,399	0
BLOOMER, CITY OF	374,633	40,460	25,475	65,935	0
BOSCOBEL, CITY OF	1,503,381	116,394	102,231	218,625	0
BRILLION, CITY OF	1,017,368	90,858	69,181	160,039	0
BRODHEAD, CITY OF	1,509,980	122,533	102,679	225,212	0
BROOKFIELD, CITY OF	24,119,677	2,398,088	1,640,145	4,038,233	0
BUFFALO CITY, CITY OF	56,624	3,850	3,850	7,701	0
BURLINGTON, CITY OF	4,471,204	390,370	304,043	694,413	0
CEDARBURG, CITY OF	6,313,813	498,688	429,341	928,029	0

Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
CHETEK, CITY OF	218,141	23,559	14,834	38,393	0
CHILTON, CITY OF	1,207,555	99,533	82,114	181,648	0
CHIPPEWA FALLS, CITY OF	6,598,351	657,617	448,690	1,106,306	0
CLINTONVILLE, CITY OF	2,704,938	213,785	183,937	397,722	0
COLBY, CITY OF	394,328	26,814	26,814	53,629	0
COLUMBUS, CITY OF	2,550,712	195,840	173,449	369,289	0
CORNELL, CITY OF	566,055	42,958	38,492	81,450	0
CRANDON, CITY OF	658,383	50,895	44,770	95,666	0
CUBA CITY, CITY OF	693,404	54,227	47,152	101,379	0
CUDAHY, CITY OF	8,421,798	866,404	572,684	1,439,089	0
CUMBERLAND, CITY OF	946,168	76,377	64,340	140,717	0
DARLINGTON, CITY OF	950,489	76,455	64,634	141,089	0
DE PERE, CITY OF	9,670,369	958,129	657,588	1,615,717	0
DELAFIELD, CITY OF	2,721,122	235,569	185,037	420,606	0
DELAVAN, CITY OF	3,482,829	294,936	236,834	531,770	0
DODGEVILLE, CITY OF	1,618,690	132,302	110,072	242,373	0
DURAND, CITY OF	543,761	42,895	36,976	79,870	0
EAGLE RIVER, CITY OF	1,640,547	126,908	111,558	238,466	0
EAU CLAIRE, CITY OF	33,937,241	3,253,060	2,307,738	5,560,799	0
EDGERTON, CITY OF	1,703,280	140,597	115,824	256,421	0
ELKHORN, CITY OF	3,697,636	300,917	251,440	552,358	0
ELROY, CITY OF	654,336	48,792	44,495	93,287	0
EVANSVILLE, CITY OF	2,302,788	183,609	156,590	340,199	0
FENNIMORE, CITY OF	1,304,347	99,853	88,696	188,549	0
FITCHBURG, CITY OF	11,262,161	982,262	765,830	1,748,092	0
FOND DU LAC, CITY OF	21,892,897	2,277,906	1,488,722	3,766,627	0
FORT ATKINSON, CITY OF	4,673,411	392,844	317,794	710,638	0
FOUNTAIN CITY, CITY OF	166,092	12,002	11,294	23,296	0
FOX LAKE, CITY OF	457,184	34,018	31,089	65,107	0
FRANKLIN, CITY OF	8,950,304	1,074,035	608,623	1,682,657	0
GALESVILLE, CITY OF	496,765	41,976	33,780	75,756	0
GILLETT, CITY OF	461,834	38,028	31,405	69,433	0
GLENDALE, CITY OF	5,230,424	598,197	355,670	953,866	0
GLENWOOD, CITY OF	99,966	10,796	6,798	17,594	0
GREEN BAY, CITY OF	61,289,810	6,155,471	4,167,722	10,323,193	0
GREEN LAKE, CITY OF	659,895	52,379	44,873	97,252	0
GREENFIELD, CITY OF	16,118,577	1,527,552	1,096,068	2,623,619	0
GREENWOOD, CITY OF	490,193	39,259	33,333	72,592	0
HARTFORD, CITY OF	7,061,495	559,682	480,184	1,039,866	0
HAYWARD, CITY OF	815,433	71,189	55,450	126,639	0
HILLSBORO, CITY OF	567,348	43,527	38,580	82,106	0
HORICON, CITY OF	1,334,852	108,744	90,770	199,515	0
HUDSON, CITY OF	5,580,151	459,273	379,452	838,725	0
HURLEY, CITY OF	963,616	79,905	65,526	145,431	0
INDEPENDENCE, CITY OF	426,362	36,250	28,993	65,242	14,707
JANESVILLE, CITY OF	31,900,965	3,133,139	2,169,266	5,302,404	0
JEFFERSON, CITY OF	3,835,854	297,282	260,840	558,122	0

CONTRIBUTIONS PAID AND UAAL

Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
JUNEAU, CITY OF	1,091,368	83,048	74,213	157,261	0
KAUKAUNA, CITY OF	11,297,910	962,857	768,260	1,731,118	0
KENOSHA, CITY OF	54,023,610	5,514,248	3,673,617	9,187,865	0
KEWAUNEE, CITY OF	967,393	80,584	65,783	146,366	0
KIEL, CITY OF	1,782,891	142,246	121,237	263,483	0
LA CROSSE, CITY OF	32,414,141	3,085,838	2,204,162	5,290,000	0
LADYSMITH, CITY OF	1,690,040	135,271	114,924	250,195	0
LAKE GENEVA, CITY OF	4,850,466	405,444	329,833	735,277	0
LAKE MILLS, CITY OF	3,119,628	242,279	212,136	454,414	(41,796)
LANCASTER, CITY OF	1,351,315	107,320	91,889	199,210	0
LODI, CITY OF	1,456,140	111,096	99,018	210,113	0
LOYAL, CITY OF	415,590	36,201	28,260	64,462	12,031
MADISON, CITY OF	201,265,312	18,440,817	13,686,076	32,126,893	0
MANAWA, CITY OF	550,664	50,332	37,445	87,778	95,908
MANITOWOC, CITY OF	21,532,539	1,980,334	1,464,218	3,444,552	0
MARINETTE, CITY OF	5,535,805	536,231	376,436	912,666	0
MARION, CITY OF	150,186	16,220	10,213	26,433	0
MARKESAN, CITY OF	461,004	41,580	31,348	72,928	39,056
MARSHFIELD, CITY OF	11,338,138	1,117,828	770,996	1,888,823	0
MAUSTON, CITY OF	1,672,202	134,641	113,710	248,351	0
MAYVILLE, CITY OF	1,775,275	139,133	120,719	259,852	0
MEDFORD, CITY OF	2,164,969	169,535	147,219	316,754	0
MELLEN, CITY OF	325,880	25,466	22,160	47,626	0
MENASHA, CITY OF	9,101,018	977,170	618,871	1,596,041	0
MENOMONIE, CITY OF	7,455,854	789,587	507,000	1,296,587	0
MEQUON, CITY OF	7,986,271	711,312	543,069	1,254,380	0
MERRILL, CITY OF	6,746,320	662,087	458,752	1,120,839	0
MIDDLETON, CITY OF	10,329,320	866,915	702,394	1,569,309	0
MILTON, CITY OF	2,107,121	173,247	143,285	316,531	0
MINERAL POINT, CITY OF	749,059	64,285	50,936	115,221	3,187
MONDOVI, CITY OF	790,806	62,788	53,775	116,563	0
MONONA, CITY OF	4,483,495	398,271	304,879	703,149	0
MONROE, CITY OF	5,083,462	418,095	345,676	763,771	0
MONTELLO, CITY OF	366,223	31,432	24,903	56,336	49,773
MONTREAL, CITY OF	153,251	10,421	10,421	20,842	0
MOSINEE, CITY OF	1,138,846	97,006	77,442	174,448	0
MUSKEGO, CITY OF	7,095,534	620,609	482,496	1,103,105	0
NEENAH, CITY OF	13,810,125	1,363,474	939,091	2,302,566	0
NEILLSVILLE, CITY OF	1,082,780	87,853	73,629	161,483	0
NEKOOSA, CITY OF	1,404,034	113,489	95,475	208,964	0
NEW BERLIN, CITY OF	16,589,277	1,545,788	1,128,078	2,673,866	0
NEW HOLSTEIN, CITY OF	1,912,106	148,378	130,024	278,402	0
NEW LISBON, CITY OF	786,014	61,999	53,449	115,449	0
NEW LONDON, CITY OF	4,554,547	360,240	309,711	669,951	0
NEW RICHMOND, CITY OF	4,532,158	396,843	308,188	705,031	97,601
NIAGARA, CITY OF	693,003	56,341	47,124	103,465	0
OAK CREEK, CITY OF	19,181,463	1,871,865	1,304,343	3,176,208	0

Name	Contributions			Total	Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid		
OCONOMOWOC, CITY OF	7,978,650	617,253	542,551	1,159,804	0
OCONTO FALLS, CITY OF	1,483,134	114,605	100,854	215,459	0
OCONTO, CITY OF	2,414,851	237,151	164,211	401,362	0
OMRO, CITY OF	1,176,072	95,813	79,974	175,787	0
ONALASKA, CITY OF	5,435,875	504,611	369,641	874,252	0
OSHKOSH, CITY OF	36,243,910	3,479,587	2,464,598	5,944,185	0
OSSEO, CITY OF	592,876	48,232	40,316	88,548	0
OWEN, CITY OF	437,644	34,715	29,760	64,475	0
PARK FALLS, CITY OF	1,187,928	95,395	80,780	176,174	0
PESHTIGO, CITY OF	340,143	36,735	23,130	59,865	0
PHILLIPS, CITY OF	873,374	84,596	59,390	143,986	21,397
PITTSVILLE, CITY OF	68,389	7,386	4,650	12,037	0
PLATTEVILLE, CITY OF	4,148,866	328,550	282,125	610,674	0
PLYMOUTH, CITY OF	4,106,943	325,225	279,273	604,498	0
PORT WASHINGTON, CITY OF	5,032,874	417,559	342,237	759,796	0
PORTAGE, CITY OF	4,382,904	394,291	298,039	692,329	0
PRAIRIE DU CHIEN, CITY OF	1,940,626	162,728	131,963	294,691	0
PRESCOTT, CITY OF	1,359,538	114,205	92,449	206,654	0
PRINCETON, CITY OF	552,465	45,292	37,568	82,859	0
RACINE, CITY OF	49,607,264	5,133,738	3,373,307	8,507,046	0
REEDSBURG, CITY OF	5,211,315	404,127	354,369	758,497	0
RHINELANDER, CITY OF	5,793,806	567,425	393,980	961,405	0
RICE LAKE, CITY OF	5,481,080	507,258	372,715	879,973	0
RICHLAND CENTER, CITY OF	2,624,216	204,741	178,448	383,188	0
RIPON, CITY OF	2,910,260	233,651	197,899	431,550	0
RIVER FALLS, CITY OF	7,708,242	591,751	524,163	1,115,914	0
SCHOFIELD, CITY OF	438,192	31,514	29,797	61,311	0
SEYMOUR, CITY OF	1,077,369	85,041	73,261	158,302	0
SHAWANO, CITY OF	3,227,578	274,059	219,476	493,536	0
SHEBOYGAN FALLS, CITY OF	2,561,010	214,938	174,149	389,088	0
SHEBOYGAN, CITY OF	26,534,421	2,500,053	1,804,346	4,304,399	0
SHELL LAKE, CITY OF	545,977	43,520	37,127	80,647	0
SHULLSBURG, CITY OF	406,825	30,035	27,665	57,699	0
SOUTH MILWAUKEE, CITY OF	9,745,969	1,149,988	662,728	1,812,717	0
SPARTA, CITY OF	3,370,265	279,009	229,179	508,188	0
SPOONER, CITY OF	1,438,662	113,372	97,829	211,201	0
ST CROIX FALLS, CITY OF	910,640	77,238	61,924	139,162	0
ST FRANCIS, CITY OF	4,811,051	556,942	327,152	884,094	0
STANLEY, CITY OF	672,335	56,103	45,719	101,821	0
STEVENS POINT, CITY OF	13,167,108	1,304,602	895,368	2,199,970	0
STOUGHTON, CITY OF	6,542,867	511,908	444,917	956,825	0
STURGEON BAY, CITY OF	5,675,256	529,424	385,920	915,344	0
SUN PRAIRIE, CITY OF	10,367,656	894,822	705,002	1,599,824	0
SUPERIOR, CITY OF	16,579,798	1,756,525	1,127,430	2,883,956	0
THORP, CITY OF	519,615	42,147	35,334	77,481	0
TOMAH, CITY OF	4,346,145	350,539	295,539	646,078	0
TOMAHAWK, CITY OF	1,528,747	123,896	103,955	227,851	0

CONTRIBUTIONS PAID AND UAAL

Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
TWO RIVERS, CITY OF	7,920,635	958,694	538,605	1,497,300	2,431,842
VERONA, CITY OF	5,372,914	464,119	365,360	829,479	0
VIROQUA, CITY OF	1,784,512	232,203	121,348	353,550	1,303,455
WASHBURN, CITY OF	888,840	70,588	60,442	131,029	0
WATERLOO, CITY OF	1,696,206	139,040	115,343	254,383	0
WATERTOWN, CITY OF	9,898,702	894,591	673,115	1,567,706	0
WAUKESHA, CITY OF	37,758,962	3,668,840	2,567,622	6,236,461	0
WAUPACA, CITY OF	3,176,273	255,634	215,987	471,620	0
WAUPUN, CITY OF	3,915,647	322,712	266,265	588,977	0
WAUSAU, CITY OF	18,937,612	1,872,657	1,287,758	3,160,415	0
WAUTOMA, CITY OF	753,787	62,089	51,258	113,346	0
WAUWATOSA, CITY OF	29,777,290	3,061,333	2,024,862	5,086,195	0
WEST ALLIS, CITY OF	37,369,578	3,704,972	2,541,140	6,246,112	0
WEST BEND, CITY OF	13,712,223	1,399,874	932,435	2,332,309	0
WESTBY, CITY OF	843,592	64,124	57,365	121,488	0
WEYAUWEGA, CITY OF	628,970	51,705	42,770	94,475	0
WHITEHALL, CITY OF	922,001	70,540	62,696	133,237	0
WHITEWATER, CITY OF	5,085,068	418,285	345,786	764,070	0
WISCONSIN DELLS, CITY OF	3,239,189	263,603	220,266	483,869	0
WISCONSIN RAPIDS, CITY OF	15,303,790	1,387,189	1,040,662	2,427,851	0
Total Cities (188)	1,379,211,051	130,171,150	93,786,673	223,957,823	6,569,054

Villages

ADELL, VILLAGE OF	116,412	7,916	7,916	15,832	0
ALBANY, VILLAGE OF	426,295	34,914	28,988	63,902	0
ALLOUEZ, VILLAGE OF	1,924,680	130,877	130,879	261,757	0
AMHERST, VILLAGE OF	245,681	16,706	16,706	33,413	0
ARGYLE, VILLAGE OF	262,256	20,261	17,833	38,094	0
ARLINGTON, VILLAGE OF	116,735	7,938	7,938	15,876	0
ASHWAUBENON, VILLAGE OF	7,891,522	750,285	536,626	1,286,911	0
ATHENS, VILLAGE OF	247,185	19,088	16,809	35,897	0
AVOCA, VILLAGE OF	122,525	8,332	8,332	16,663	0
BALDWIN, VILLAGE OF	1,476,751	129,759	100,420	230,179	0
BALSAM LAKE, VILLAGE OF	359,801	30,486	24,467	54,952	4,739
BANGOR, VILLAGE OF	908,433	66,969	61,773	128,743	0
BAY CITY, VILLAGE OF	111,646	7,592	7,592	15,184	0
BAYSIDE, VILLAGE OF	2,972,131	244,114	202,106	446,219	0
BELGIUM, VILLAGE OF	314,410	21,380	21,380	42,760	0
BELLEVILLE, VILLAGE OF	891,618	73,242	60,630	133,872	0
BELLEVUE, VILLAGE OF (BROWN)	1,924,724	151,823	130,882	282,705	0
BELMONT, VILLAGE OF	344,089	27,013	23,399	50,412	0
BENTON, VILLAGE OF	241,796	16,442	16,442	32,884	0
BIG BEND, VILLAGE OF	425,267	38,645	28,918	67,563	0
BIRCHWOOD, VILLAGE OF	180,824	14,447	12,296	26,743	0
BIRNAMWOOD, VILLAGE OF	73,779	5,017	5,017	10,034	0
BIRON, VILLAGE OF	238,064	16,188	16,189	32,377	0
BLACK CREEK, VILLAGE OF	337,544	25,011	22,953	47,965	0

Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
BLACK EARTH, VILLAGE OF	301,074	20,473	20,473	40,946	0
BLANCHARDVILLE, VILLAGE OF	171,078	11,633	11,633	23,267	0
BLOOMFIELD, VILLAGE OF	1,070,117	93,431	72,768	166,199	0
BLUE MOUNDS, VILLAGE OF	210,537	16,381	14,317	30,698	0
BLUE RIVER, VILLAGE OF	112,209	7,630	7,630	15,260	0
BOYCEVILLE, VILLAGE OF	315,844	29,780	21,477	51,258	12,191
BOYD, VILLAGE OF	203,688	14,895	13,851	28,746	0
BRANDON, VILLAGE OF	234,880	15,972	15,972	31,944	0
BRISTOL, VILLAGE OF	774,920	74,152	52,695	126,847	317,204
BROOKLYN, VILLAGE OF	324,537	24,132	22,069	46,201	0
BROWN DEER, VILLAGE OF	4,989,401	435,738	339,281	775,019	0
BROWNSVILLE, VILLAGE OF	154,760	10,524	10,524	21,047	0
BROWNTOWN, VILLAGE OF	62,007	4,216	4,216	8,433	0
BRUCE, VILLAGE OF	172,449	11,727	11,727	23,453	0
BUTLER, VILLAGE OF	953,656	87,726	64,849	152,574	0
CADOTT, VILLAGE OF	609,038	48,177	41,415	89,592	0
CALEDONIA, VILLAGE OF (RACINE)	9,547,134	1,030,223	649,208	1,679,431	0
CAMBRIA, VILLAGE OF	213,450	14,515	14,515	29,029	0
CAMBRIDGE, VILLAGE OF	397,950	27,061	27,061	54,121	0
CAMERON, VILLAGE OF	431,356	35,539	29,332	64,872	0
CAMP DOUGLAS, VILLAGE OF	122,276	8,315	8,315	16,630	0
CAMPBELLSPORT, VILLAGE OF	473,189	34,744	32,177	66,921	0
CASCADE, VILLAGE OF	116,852	7,946	7,946	15,892	0
CASCO, VILLAGE OF	59,183	4,024	4,024	8,049	0
CASHTON, VILLAGE OF	542,875	40,822	36,916	77,738	0
CEDAR GROVE, VILLAGE OF	330,602	22,481	22,481	44,962	0
CENTURIA, VILLAGE OF	341,797	32,607	23,242	55,849	109,920
CHASEBURG, VILLAGE OF	69,981	4,759	4,759	9,517	0
CHENEQUA, VILLAGE OF	801,699	79,385	54,516	133,901	0
CLAYTON, VILLAGE OF	169,177	13,344	11,504	24,848	0
CLEAR LAKE, VILLAGE OF	471,624	38,593	32,071	70,663	0
CLEVELAND, VILLAGE OF	416,711	33,369	28,337	61,706	0
CLINTON, VILLAGE OF	666,571	57,351	45,327	102,678	0
CLYMAN, VILLAGE OF	124,246	8,697	8,449	17,146	2,013
COBB, VILLAGE OF	81,151	5,518	5,518	11,036	0
COCHRANE, VILLAGE OF	86,238	5,864	5,864	11,728	0
COLEMAN, VILLAGE OF	216,015	16,412	14,689	31,101	0
COLFAX, VILLAGE OF	476,747	35,892	32,419	68,310	0
COLOMA, VILLAGE OF	214,771	15,786	14,605	30,391	0
COMBINED LOCKS, VILLAGE OF	413,823	32,278	28,140	60,418	219,057
COON VALLEY, VILLAGE OF	207,277	15,462	14,095	29,557	0
COTTAGE GROVE, VILLAGE OF	1,627,015	136,529	110,637	247,166	0
CRIVITZ, VILLAGE OF	303,742	24,442	20,655	45,096	0
CROSS PLAINS, VILLAGE OF	1,064,651	101,321	72,397	173,718	77,315
DALLAS, VILLAGE OF	38,074	2,589	2,589	5,178	0
DANE, VILLAGE OF	200,375	14,311	13,626	27,936	0
DARIEN, VILLAGE OF	356,815	24,263	24,264	48,527	0

CONTRIBUTIONS PAID AND UAAL

Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
DE SOTO, VILLAGE OF	70,912	4,822	4,822	9,644	0
DEERFIELD, VILLAGE OF	444,726	30,241	30,241	60,483	0
DEFOREST, VILLAGE OF	3,336,402	287,352	226,876	514,229	0
DENMARK, VILLAGE OF	289,610	19,693	19,694	39,387	0
DICKEYVILLE, VILLAGE OF	227,854	17,731	15,494	33,225	0
DOUSMAN, VILLAGE OF	212,367	14,441	14,441	28,882	0
DRESSER, VILLAGE OF	249,976	19,391	16,998	36,389	0
EAGLE, VILLAGE OF	279,659	24,561	19,017	43,578	0
EAST TROY, VILLAGE OF	1,368,696	116,793	93,072	209,864	0
EASTMAN, VILLAGE OF	74,249	5,049	5,049	10,098	0
EDGAR, VILLAGE OF	261,072	19,638	17,753	37,391	0
EGG HARBOR, VILLAGE OF	440,971	29,986	29,986	59,972	0
ELEVA, VILLAGE OF	193,970	15,118	13,191	28,309	0
ELK MOUND, VILLAGE OF	285,426	19,643	19,409	39,052	0
ELKHART LAKE, VILLAGE OF	616,787	49,975	41,942	91,916	0
ELLSWORTH, VILLAGE OF	957,123	78,912	65,085	143,997	0
ELM GROVE, VILLAGE OF	3,172,314	278,622	215,718	494,340	0
ELMWOOD, VILLAGE OF	191,342	14,146	13,011	27,158	0
EPHRAIM, VILLAGE OF	352,928	23,999	23,999	47,998	0
ETTRICK, VILLAGE OF	147,372	10,021	10,021	20,043	0
FAIRWATER, VILLAGE OF	64,149	4,362	4,362	8,724	0
FALL CREEK, VILLAGE OF	340,221	27,069	23,135	50,205	0
FALL RIVER, VILLAGE OF	289,940	24,209	19,716	43,925	0
FERRYVILLE, VILLAGE OF	33,415	2,272	2,272	4,544	0
FONTANA ON GNVA LK, VILLAGE OF	1,426,499	115,386	97,002	212,389	0
FOX CROSSING, VILLAGE OF	5,301,377	459,118	360,495	819,612	0
FOX POINT, VILLAGE OF	3,396,748	302,961	230,980	533,941	0
FREDERIC, VILLAGE OF	348,201	25,963	23,678	49,641	0
FREMONT, VILLAGE OF	160,933	13,338	10,943	24,281	0
FRIENDSHIP, VILLAGE OF	199,103	18,915	13,539	32,454	12,067
GAYS MILLS, VILLAGE OF	162,471	11,048	11,048	22,096	0
GENOA CITY, VILLAGE OF	888,267	74,401	60,402	134,804	0
GERMANTOWN, VILLAGE OF	6,970,048	597,940	473,965	1,071,906	0
GILMAN, VILLAGE OF	180,487	14,305	12,274	26,579	0
GRAFTON, VILLAGE OF	5,037,706	420,481	342,565	763,046	0
GRANTON, VILLAGE OF	169,581	11,531	11,532	23,063	0
GRANTSBURG, VILLAGE OF	541,142	43,794	36,798	80,592	0
GREENDALE, VILLAGE OF	6,617,740	751,031	450,008	1,201,039	0
GRESHAM, VILLAGE OF	385,298	26,200	26,200	52,401	0
HALES CORNERS, VILLAGE OF	2,573,120	236,485	174,973	411,458	0
HAMMOND, VILLAGE OF	559,594	45,802	38,053	83,855	0
HARRISON, VILLAGE OF	657,579	44,715	44,716	89,431	0
HARTLAND, VILLAGE OF	3,350,299	288,347	227,822	516,169	0
HAUGEN, VILLAGE OF	37,024	2,518	2,518	5,035	0
HAWKINS, VILLAGE OF	90,004	8,370	6,120	14,491	6,962
HAZEL GREEN, VILLAGE OF	444,708	34,311	30,240	64,551	0
HIGHLAND, VILLAGE OF	197,035	15,004	13,398	28,402	0



Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
HILBERT, VILLAGE OF	232,908	15,838	15,838	31,675	0
HIXTON, VILLAGE OF	73,938	5,767	5,028	10,795	9,734
HOBART, VILLAGE OF	1,200,250	104,125	81,618	185,743	0
HOLLANDALE, VILLAGE OF	23,990	1,631	1,631	3,263	0
HOLMEN, VILLAGE OF	1,947,919	163,413	132,459	295,872	0
HORTONVILLE, VILLAGE OF	931,295	74,798	63,329	138,126	0
HOWARD, VILLAGE OF	2,779,117	197,483	188,981	386,465	0
HOWARDS GROVE, VILLAGE OF	350,014	23,801	23,801	47,602	0
HUSTISFORD, VILLAGE OF	644,798	51,584	43,847	95,430	70,103
IOLA, VILLAGE OF	516,070	42,521	35,093	77,614	0
IRON RIDGE, VILLAGE OF	171,156	12,957	11,639	24,596	0
JACKSON, VILLAGE OF	2,278,883	194,376	154,965	349,340	0
JOHNSON CREEK, VILLAGE OF	863,071	66,682	58,689	125,371	0
JUNCTION CITY, VILLAGE OF	66,940	7,430	4,552	11,982	80,573
KENDALL, VILLAGE OF	142,332	9,679	9,679	19,357	0
KEWASKUM, VILLAGE OF	1,143,759	101,025	77,776	178,801	0
KIMBERLY, VILLAGE OF	1,416,762	96,339	96,341	192,680	0
KOHLER, VILLAGE OF	1,049,530	92,700	71,368	164,069	0
KRONENWETTER, VILLAGE OF	1,253,433	105,206	85,234	190,440	0
LA FARGE, VILLAGE OF	392,320	28,361	26,678	55,039	0
LA VALLE, VILLAGE OF	69,617	4,734	4,734	9,468	0
LAC LA BELLE, VILLAGE OF	18,415	1,252	1,252	2,505	0
LAKE DELTON, VILLAGE OF	2,767,538	255,428	188,194	443,622	0
LAKE HALLIE, VILLAGE OF	861,724	79,491	58,597	138,088	0
LAKE NEBAGAMON, VILLAGE OF	179,994	12,240	12,240	24,479	0
LANNON, VILLAGE OF	118,686	10,282	8,071	18,353	0
LENA, VILLAGE OF	221,523	16,959	15,064	32,023	0
LINDEN, VILLAGE OF	140,339	10,078	9,543	19,622	0
LITTLE CHUTE, VILLAGE OF	3,991,649	344,841	271,433	616,274	0
LOGANVILLE, VILLAGE OF	42,741	2,906	2,906	5,813	0
LOMIRA, VILLAGE OF	508,972	42,359	34,610	76,969	0
LUCK, VILLAGE OF	526,874	45,015	35,828	80,843	28,490
LUXEMBURG, VILLAGE OF	261,584	19,693	17,788	37,481	0
MAPLE BLUFF, VILLAGE OF	1,049,243	103,165	71,349	174,514	0
MARATHON CITY, VILLAGE OF	469,562	37,177	31,930	69,107	0
MARSHALL, VILLAGE OF	1,056,041	90,882	71,811	162,693	0
MATTOON, VILLAGE OF	82,816	5,631	5,631	11,263	0
MAZOMANIE, VILLAGE OF	368,883	25,084	25,084	50,168	0
MCFARLAND, VILLAGE OF	3,178,137	275,789	216,114	491,903	0
MENOMONEE FALLS, VILLAGE OF	13,809,611	1,233,130	939,058	2,172,188	0
MILLTOWN, VILLAGE OF	324,620	25,514	22,075	47,588	0
MINONG, VILLAGE OF	239,013	19,949	16,253	36,202	0
MISHICOT, VILLAGE OF	348,244	28,146	23,681	51,826	0
MONTFORT, VILLAGE OF	138,268	9,402	9,402	18,804	0
MONTICELLO, VILLAGE OF	307,660	24,297	20,921	45,218	0
MOUNT HOREB, VILLAGE OF	2,938,088	235,423	199,791	435,214	0
MT PLEASANT, VILLAGE OF(RACINE	10,197,558	1,063,686	693,436	1,757,121	0

CONTRIBUTIONS PAID AND UAAL

Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
MUKWONAGO, VILLAGE OF	3,605,475	311,557	245,174	556,731	0
MUSCODA, VILLAGE OF	550,886	43,653	37,460	81,113	0
NECEDAH, VILLAGE OF	335,690	24,804	22,827	47,631	0
NESHKORO, VILLAGE OF	79,902	11,506	5,433	16,939	121,520
NEW GLARUS, VILLAGE OF	1,018,290	78,821	69,244	148,066	0
NEWBURG, VILLAGE OF	122,678	8,342	8,342	16,684	0
NICHOLS, VILLAGE OF	44,304	3,013	3,013	6,025	0
NORTH FOND DU LAC, VILLAGE OF	2,305,967	197,640	156,806	354,446	0
NORTH FREEDOM, VILLAGE OF	90,935	6,183	6,184	12,367	0
NORTH HUDSON, VILLAGE OF	592,252	51,031	40,273	91,305	0
OCONOMOWOC LAKE, VILLAGE OF	646,893	65,420	43,989	109,409	0
ONTARIO, VILLAGE OF	163,387	12,673	11,110	23,783	0
OOSTBURG, VILLAGE OF	434,557	29,550	29,550	59,100	0
OREGON, VILLAGE OF	3,023,801	251,047	205,620	456,666	0
ORFORDVILLE, VILLAGE OF	336,440	24,545	22,878	47,423	0
OSCEOLA, VILLAGE OF	829,598	67,880	56,413	124,293	0
OXFORD, VILLAGE OF (MARQUETTE)	131,664	10,086	8,953	19,039	0
PADDOCK LAKE, VILLAGE OF	369,272	25,110	25,111	50,221	0
PARDEEVILLE, VILLAGE OF	488,505	33,218	33,218	66,437	0
PEPIN, VILLAGE OF	219,620	16,902	14,934	31,837	0
PEWAUKEE, VILLAGE OF	2,957,970	257,418	201,143	458,561	0
PLAIN, VILLAGE OF	236,694	16,095	16,095	32,190	0
PLAINFIELD, VILLAGE OF	208,065	17,133	14,148	31,281	0
PLEASANT PRAIRIE, VILLAGE OF	13,042,279	1,074,973	886,876	1,961,849	0
PLOVER, VILLAGE OF	3,771,158	317,877	256,440	574,317	0
PORT EDWARDS, VILLAGE OF	772,095	61,211	52,503	113,714	0
POUND, VILLAGE OF	78,883	5,364	5,364	10,728	0
POYNETTE, VILLAGE OF	756,618	60,491	51,450	111,942	0
PRAIRIE DU SAC, VILLAGE OF	1,159,749	78,863	78,863	157,726	0
PRAIRIE FARM, VILLAGE OF	928,401	63,131	63,131	126,263	0
PULASKI, VILLAGE OF	1,090,786	92,836	74,174	167,009	0
RANDOLPH, VILLAGE OF	470,049	51,360	31,963	83,324	88,908
RANDOM LAKE, VILLAGE OF	344,789	23,445	23,446	46,891	0
RIB LAKE, VILLAGE OF	152,773	10,388	10,389	20,777	0
RIO, VILLAGE OF	300,561	24,205	20,438	44,643	0
RIVER HILLS, VILLAGE OF	1,421,710	133,446	96,677	230,123	0
ROBERTS, VILLAGE OF	661,033	53,444	44,950	98,395	0
ROCHESTER, VILLAGE OF	241,939	16,452	16,452	32,904	0
ROCK SPRINGS, VILLAGE OF	62,991	4,283	4,283	8,567	0
ROCKLAND, VILLAGE OF	127,440	8,666	8,666	17,332	0
ROSENDALE, VILLAGE OF	191,756	15,271	13,039	28,310	0
ROSHOLT, VILLAGE OF	69,994	4,760	4,760	9,519	0
ROTHSCHILD, VILLAGE OF	1,545,619	133,915	105,102	239,017	0
SALEM LAKES, VILLAGE OF	1,518,481	118,985	103,257	222,242	0
SAUK CITY, VILLAGE OF	947,463	64,427	64,428	128,855	0
SAUKVILLE, VILLAGE OF	1,817,800	155,715	123,611	279,327	0
SHARON, VILLAGE OF	595,651	51,932	40,504	92,436	0



Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
SHERWOOD, VILLAGE OF	358,521	24,379	24,380	48,759	0
SHIOCTON, VILLAGE OF	261,705	19,666	17,796	37,462	0
SHOREWOOD HILLS, VILLAGE OF	1,202,624	98,797	81,779	180,575	0
SHOREWOOD, VILLAGE OF	4,732,568	408,419	321,816	730,235	0
SIREN, VILLAGE OF	354,245	28,991	24,089	53,079	0
SISTER BAY, VILLAGE OF	685,940	46,644	46,644	93,288	0
SLINGER, VILLAGE OF	1,960,674	164,337	133,327	297,664	0
SOLDIERS GROVE, VILLAGE OF	140,930	17,334	9,583	26,918	152,945
OLON SPRINGS, VILLAGE OF	124,577	8,471	8,471	16,943	0
SOMERS, VILLAGE OF	1,709,958	148,863	116,277	265,140	0
SOMERSET, VILLAGE OF	995,562	81,519	67,699	149,218	0
SOUTH WAYNE, VILLAGE OF	82,160	5,587	5,587	11,174	0
SPENCER, VILLAGE OF	505,890	41,486	34,400	75,887	0
SPRING GREEN, VILLAGE OF	535,780	42,749	36,433	79,182	0
SPRING VALLEY, VILLAGE OF	306,377	23,636	20,834	44,470	0
ST NAZIANZ, VILLAGE OF	178,479	12,137	12,137	24,273	0
STOCKBRIDGE, VILLAGE OF	29,832	2,029	2,029	4,057	0
STRATFORD, VILLAGE OF	482,168	36,870	32,788	69,658	0
STRUM, VILLAGE OF	297,572	28,186	20,235	48,421	19,209
SUAMICO, VILLAGE OF	1,086,583	75,238	73,888	149,126	0
SULLIVAN, VILLAGE OF	93,738	6,374	6,374	12,748	0
SUMMIT, VILLAGE OF (WAUKESHA)	1,211,565	114,963	82,386	197,349	0
SURING, VILLAGE OF	222,248	18,384	15,113	33,497	45,990
SUSSEX, VILLAGE OF	2,642,994	194,858	179,725	374,583	0
THIENSVILLE, VILLAGE OF	1,131,597	96,532	76,949	173,481	0
TREMPEALEAU, VILLAGE OF	743,581	56,848	50,564	107,412	0
TURTLE LAKE, VILLAGE OF	583,323	49,815	39,666	89,481	0
TWIN LAKES, VILLAGE OF	2,363,413	198,632	160,713	359,345	0
UNION CENTER, VILLAGE OF	124,797	9,027	8,486	17,513	0
UNION GROVE, VILLAGE OF	783,780	53,297	53,297	106,594	0
VALDERS, VILLAGE OF	481,618	32,750	32,750	65,500	0
WALWORTH, VILLAGE OF	802,046	76,363	54,540	130,903	9,132
WARRENS, VILLAGE OF	142,028	9,658	9,658	19,316	0
WAUNAKEE, VILLAGE OF	3,961,612	326,957	269,391	596,348	0
WAUSAUKEE, VILLAGE OF	117,797	8,010	8,010	16,020	0
WAUZKA, VILLAGE OF	93,686	6,371	6,371	12,741	0
WEST BARABOO, VILLAGE OF	235,749	16,031	16,031	32,062	0
WEST MILWAUKEE, VILLAGE OF	2,799,424	307,235	190,361	497,596	2,516,121
WEST SALEM, VILLAGE OF	971,086	82,201	66,034	148,235	0
WESTFIELD, VILLAGE OF	337,390	26,755	22,943	49,697	0
WESTON, VILLAGE OF (MARATHON)	2,011,379	136,774	136,774	273,548	0
WHITE LAKE, VILLAGE OF	104,037	7,075	7,075	14,149	0
WHITEFISH BAY, VILLAGE OF	4,148,292	358,764	282,084	640,847	0
WHITELAW, VILLAGE OF	90,018	6,121	6,121	12,242	0
WHITING, VILLAGE OF	231,727	15,757	15,758	31,515	0
WILD ROSE, VILLAGE OF	244,280	19,972	16,611	36,583	0
WILLIAMS BAY, VILLAGE OF	1,223,899	113,396	83,226	196,621	77,596

CONTRIBUTIONS PAID AND UAAL

Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
WILSON, VILLAGE OF	44,339	3,192	3,015	6,207	4,583
WIND POINT, VILLAGE OF	208,564	14,182	14,182	28,365	0
WINDSOR, VILLAGE OF	905,549	61,577	61,577	123,155	0
WINNECONNE, VILLAGE OF	812,321	65,476	55,238	120,714	0
WITHEE, VILLAGE OF	106,660	7,253	7,253	14,506	0
WONEWOC, VILLAGE OF	290,534	21,775	19,756	41,531	0
WOODVILLE, VILLAGE OF	546,484	45,544	37,161	82,705	0
WRIGHTSTOWN, VILLAGE OF	725,822	57,477	49,356	106,833	0
WYOCENA, VILLAGE OF	130,163	8,851	8,851	17,702	0
Total Villages (268)	267,252,600	22,952,406	18,173,253	41,125,658	3,986,369
Special Districts					
ADRC OF THE NORTHWOODS	293,303	19,944	19,945	39,889	0
ALBANY HOUSING AUTHORITY	39,335	2,675	2,675	5,350	0
ALGOMA CITY HOUSING AUTH	52,951	3,601	3,601	7,201	0
ALGOMA SANITARY DIST	443,848	30,182	30,182	60,363	0
ALLENTON SANITARY DIST	11,215	763	763	1,525	0
ALTOONA CITY HOUSING AUTHORITY	0	0	0	0	4,225
ANTIGO CITY HOUSING AUTH	278,478	18,937	18,937	37,873	0
APPLETON CITY HOUSING AUTH	808,944	55,008	55,008	110,016	0
ASHLAND CITY HOUSING AUTH	292,597	22,237	19,897	42,134	12,778
ASHLAND COUNTY HOUSING AUTH	574,700	39,080	39,080	78,159	0
BARABOO DISTRICT AMBULANCE	1,584,651	168,395	107,756	276,151	0
BARRON CO HOUSING AUTHORITY	137,953	9,381	9,381	18,762	0
BAY AREA RURAL TRANSIT COMMISS	349,445	23,762	23,762	47,524	0
BAYFIELD COUNTY HOUSING AUTH	110,969	7,546	7,546	15,092	0
BAY-LAKE REGIONAL PLAN COMM	387,909	26,378	26,378	52,756	0
BIG CEDAR LAKE PROT/REHAB DIST	58,146	4,347	3,954	8,300	0
BROCKWAY SANITARY DISTRICT #1	102,864	6,995	6,995	13,990	0
BRUCE VILLAGE HOUSING AUTH	68,810	4,679	4,679	9,358	0
BURLINGTON CITY HOUSING AUTH	43,000	2,924	2,924	5,848	0
CAMBRIDGE-OAKLAND WSTEWTR COMM	118,095	8,030	8,030	16,061	0
CAPITAL AREA REG PLAN COMM	568,541	38,661	38,661	77,322	0
CENTRAL BROWN CTY WATER AUTH	94,040	6,395	6,395	12,789	0
CHILTON CITY HOUSING AUTH	38,141	2,594	2,594	5,187	0
CHIPPEWA CO HOUSING AUTH	447,302	30,416	30,417	60,833	0
CHIPPEWA FIRE DISTRICT	894,273	95,205	60,811	156,016	0
CHRISTMAS MOUNTAIN SAN DIST	32,373	2,201	2,201	4,403	0
CITY-COUNTY DATA CENTER COMM	1,969,131	133,901	133,901	267,802	0
CLINTONVILLE CITY HOUS AUTH	102,386	6,962	6,962	13,925	0
COLBY/ABBOTSFORD JT POLICE COM	424,876	44,611	28,892	73,503	0
CONSOL KOSHKONONG SANITARY DIS	330,917	22,502	22,502	45,005	0
COUNTRY ESTATES SAN DIST	31,225	2,123	2,123	4,247	0
CROSS PLAINS AREA EMS	90,032	9,211	6,122	15,333	0
CUMBERLAND MUNICIPAL UTILITY	660,726	44,929	44,930	89,859	0
DANE COUNTY DIST #1 EMS	60,265	6,509	4,098	10,607	0
DANE COUNTY HOUSING AUTHORITY	550,753	44,060	37,451	81,511	416,557

Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
DANE-IOWA WASTEWATER COMM	163,881	11,144	11,144	22,288	0
DARBOY JOINT SANITARY DIST #1	278,556	18,942	18,942	37,884	0
DEER-GROVE EMS DIST	492,846	52,676	33,514	86,190	0
DEFOREST WINDSOR FIRE & EMS	412,761	43,101	28,068	71,168	0
DELAFIELD-HARTL WATER POL CNTL	518,236	35,240	35,240	70,480	0
DELAVAN LAKE SANITARY DISTRICT	455,822	30,996	30,996	61,992	0
DELLS-DELTON EMS COMM	1,222,900	130,428	83,158	213,586	0
DELTON FIRE & AMBULANCE COMM	62,591	4,512	4,256	8,768	0
DODGE COUNTY HOUSING AUTHORITY	149,392	10,159	10,159	20,317	0
DOOR CTY TOURISM ZONE COMM	20,618	1,402	1,402	2,804	0
EAGLE RIVER UNION AIRPORT	112,441	7,646	7,646	15,292	0
EAST CENTRAL WIS REG PLAN COMM	1,228,151	83,513	83,515	167,029	0
EASTERN COLUMBIA CTY JM COURT	58,360	3,969	3,968	7,937	0
EAU CLAIRE CITY HOUSING AUTH	544,950	37,056	37,057	74,113	0
EAU CLAIRE COUNTY HOUSING AUTH	65,832	4,477	4,477	8,953	0
EAUCLAIRE CITY-CO HEALTH DPT	3,182,926	216,437	216,441	432,878	0
EDGERTON CITY HOUSING AUTH	127,279	8,655	8,655	17,310	0
EDGERTON FIRE PROT DIST	260,880	28,175	17,740	45,915	0
EVEREST METRO POLICE COMM	1,997,424	208,156	135,825	343,981	0
FISH CREEK SANITARY DIST #1	245,471	16,692	16,692	33,384	0
FITCH-RONA EMS DISTRICT	1,297,311	139,474	88,217	227,691	0
FOND DU LAC CITY HOUSING AUTH	688,985	46,851	46,851	93,702	0
FONTANA/WALWORTH WTR POL CN CM	320,931	21,823	21,824	43,647	0
FOX LAKE WASTEWATER CONTR COMM	13,576	923	923	1,846	0
FOX WEST REGIONAL SEWER COMM	353,216	24,018	24,019	48,037	0
FREEDOM SANITARY DISTRICT #1	150,472	10,232	10,232	20,464	0
GB/BROWN CO PRO FTBLL STAD DIS	116,013	7,889	7,889	15,778	0
GOODMAN SANITARY DISTRICT NO 1	37,440	2,546	2,546	5,092	0
GREEN BAY METRO SEWERAGE DIST	6,990,466	475,350	475,353	950,703	0
GREEN LAKE SANITARY DISTRICT	248,690	16,911	16,911	33,822	0
HA OF THE CITY OF S MILWAUKEE	160,380	10,906	10,906	21,812	0
HARMONY GROVE-OKEE JT SEW COMM	151,840	10,325	10,325	20,650	0
HEART OF THE VALLEY MET SEW DS	710,083	48,286	48,286	96,571	0
HOLMEN AREA FIRE DEPT	163,019	17,606	11,085	28,691	0
HUDSON CITY HOUSING AUTHORITY	58,891	4,005	4,005	8,009	0
HUM SRV CTR ONIDA VILAS FORST	2,305,467	156,771	156,773	313,544	0
HURLEY HOUSING AUTHORITY	80,019	5,841	5,441	11,283	209
INDIANHEAD FED LIBRARY SYSTEM	720,332	48,982	48,983	97,965	0
IRON RIVER SANITARY DIST #1	95,011	6,461	6,461	12,922	0
JEFFERSON CITY HOUSING AUTH	134,532	10,224	9,148	19,373	11,849
KAUKAUNA CITY HOUSING AUTH	140,296	9,540	9,540	19,080	0
KEGONSA SANITARY DISTRICT	82,608	5,617	5,617	11,235	0
KELLY LAKE SANITARY DIST #1	35,426	2,409	2,409	4,818	0
KENOSHA JOINT SERVICES	4,025,285	273,718	273,720	547,439	0
LA CROSSE CITY HOUSING AUTH	1,008,744	68,594	68,595	137,189	0
LADYSMITH HOUSING AUTH	109,287	7,431	7,432	14,863	0
LAKE COMO SANITARY DIST #1	200,989	14,672	13,667	28,339	21,323

CONTRIBUTIONS PAID AND UAAL

Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
LAKE COUNTRY FIRE & RESCUE	1,111,057	117,784	75,552	193,336	0
LAKE MILLS CITY HOUSING AUTH	101,799	6,922	6,922	13,845	0
LAKE RIPLEY MGT DISTRICT	46,294	3,287	3,148	6,435	7,143
LAKELAND SANITARY DISTRICT #1	296,851	20,186	20,186	40,372	0
LAKESHORES LIBRARY SYSTEM	296,186	20,140	20,141	40,281	0
LAONA SANITARY DISTRICT #1	81,074	5,513	5,513	11,026	0
LEAGUE OF WISC MUNICIPALITIES	718,169	48,835	48,836	97,671	0
LINCOLN COUNTY HOUSING AUTH	103,479	7,037	7,037	14,073	0
LODI COMMUNITY AMBULANCE SERV	151,714	16,385	10,317	26,702	0
LYONS SANITARY DISTRICT #2	92,470	6,288	6,288	12,576	0
MADELINE SANITARY DISTRICT	56,838	3,865	3,865	7,730	0
MADISON METRO SEWERAGE DIST	8,025,693	545,746	545,749	1,091,494	0
MANITOWOC CITY HOUSING AUTH	117,262	7,974	7,974	15,948	0
MANITOWOC-CALUMET LIB SYS	99,591	6,772	6,772	13,544	0
MARINETTE CITY HOUSING AUTH	173,715	14,245	11,813	26,057	86,960
MARSHALL AREA EMS DIST #14	69,775	7,336	4,745	12,080	0
MARSHFIELD CDA	285,157	19,391	19,391	38,781	0
MARSHFIELD ELECTRIC & WATER	3,400,544	231,236	231,238	462,474	0
MENASHA ELECTRIC & WATER	3,089,467	210,083	210,084	420,168	0
MENOMONIE CITY HOUSING AUTH	195,335	13,283	13,283	26,566	0
MEQUON - THIENSVILLE LIBRARY	427,472	29,068	29,068	58,136	0
MERCER SANITARY DISTRICT #1	134,772	9,164	9,165	18,329	0
MERRILL CITY HOUSING AUTHORITY	384,615	26,154	26,154	52,308	0
MIDDLETON FIRE DISTRICT	344,434	44,370	23,422	67,792	0
MID-MORAINES MUNICIPAL COURT	361,145	24,558	24,558	49,116	0
MILW AREA DOM ANIMAL CONT COMM	1,363,200	92,697	92,698	185,395	0
MILWAUKEE CO FED LIB SYS	376,029	25,570	25,570	51,140	0
MISSISSIPPI RIVER REG PLAN COM	221,673	15,074	15,074	30,147	0
MONARCH LIBRARY SYSTEM	472,997	32,164	32,164	64,328	0
MONROE CITY HOUSING AUTHORITY	173,741	11,814	11,814	23,629	0
MOSINEE FIRE DIST	149,153	16,108	10,142	26,251	0
MT HOREB AREA FIRE DEPT	280,906	42,417	19,102	61,519	0
MUNI COURT W WAUKESHA COUNTY	158,158	10,755	10,755	21,509	0
NEW GLARUS EMS	104,789	11,317	7,126	18,443	0
NEW LONDON CITY HOUSING AUTH	82,504	6,353	5,610	11,963	653
NEW RICHMOND AMBULANCE	365,396	24,847	24,847	49,694	0
NICOLET FEDERATED LIBRARY SYS	252,175	17,148	17,148	34,296	0
NORTH CENTRAL HEALTH CARE FAC	26,535,387	1,804,393	1,804,419	3,608,813	0
NORTH CENTRAL WIS REG PLAN COM	395,553	26,897	26,898	53,795	0
NORTH SHORE FIRE DEPT	8,388,530	1,657,397	570,420	2,227,817	0
NORTH SHORE WATER COMMISSION	456,488	31,041	31,041	62,082	0
NORTHERN MORAINES UTILITY COMM	131,234	8,924	8,924	17,848	0
NORTHERN WATERS LIBRARY SERV	341,387	23,214	23,214	46,429	0
NORTHWEST REGIONAL PLAN COMM	874,656	59,476	59,477	118,953	0
NORWAY SANITARY DISTRICT #1	274,982	18,699	18,699	37,398	0
OCONTO CITY HOUSING AUTHORITY	135,300	9,200	9,200	18,401	0
ONEIDA-VILAS TRANSIT COMM	311,454	21,179	21,179	42,358	0



Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
OREGON AREA FIRE - EMS DIST	590,181	63,739	40,132	103,872	0
ORFORDVILLE VOL FIRE PROT DIST	45,052	4,866	3,064	7,929	0
OSHKOSH CITY HOUSING AUTHORITY	1,499,172	101,943	101,945	203,887	0
OUTAGAMIE COUNTY HOUSING AUTH	1,066,105	72,495	72,495	144,990	0
OUTAGAMIE WAUPC CO FED LIBR SY	471,550	32,065	32,066	64,131	0
PHELPS SANITARY DISTRICT #1	49,527	3,368	3,368	6,736	0
PLEASANT SPRINGS SAN DIS #1	106,842	7,265	7,265	14,531	0
PLYMOUTH CITY HOUSING AUTH	66,730	4,538	4,538	9,075	0
PORTAGE COUNTY HOUSING AUTH	156,969	10,674	10,674	21,348	0
PRAIRIE DU SAC JT SEWER COMM	59,964	4,078	4,078	8,155	0
RACINE COUNTY HOUSING AUTH	511,166	34,759	34,759	69,519	0
REEDSBURG AREA AMBULANCE SVCES	377,154	38,389	25,647	64,035	0
REEDSVILLE VIL HOUSING AUTH	39,156	2,663	2,663	5,325	0
RHINELANDER CITY HOUSING AUTH	139,218	9,467	9,467	18,934	0
RIB MOUNTAIN METRO SEW DIST	537,916	36,578	36,578	73,156	0
RICE LAKE CITY HOUSING AUTH	267,146	26,715	18,166	44,881	93,709
RICHLAND CENTER CITY HOUS AUTH	95,991	6,527	6,527	13,055	0
RICHLAND FIRE DEPARTMENT	17,668	1,908	1,201	3,110	0
RIPON AREA FIRE DISTRICT	71,822	7,757	4,884	12,641	0
RIVER FALLS CITY HOUSING AUTH	354,661	26,954	24,117	51,071	12,981
SAUK CITY HOUSING AUTHORITY	39,089	2,658	2,658	5,316	0
SAUK COUNTY HOUSING AUTHORITY	249,300	16,952	16,952	33,905	0
SAUK PRAIRIE AMBULANCE ASSOC	94,497	10,206	6,426	16,631	0
SAUK PRAIRIE POLICE COMMISSION	988,798	103,465	67,238	170,703	0
SAUK PRAIRIE RECREATION COMM	91,604	6,229	6,229	12,458	0
SAWYER COUNTY HOUSING AUTH	132,794	9,030	9,030	18,060	0
SHAWANO CITY HOUSING AUTHORITY	172,053	11,700	11,700	23,399	0
SHAWANO COUNTY HOUSING AUTH	157,189	10,689	10,689	21,378	0
SHAWANO LAKE SANITARY DIST #1	650,191	44,213	44,213	88,426	0
SHAWANO MUNICIPAL UTILITIES	1,175,686	79,947	79,947	159,893	0
SHEBOYGAN CITY HOUSING AUTH	372,032	25,298	25,298	50,596	0
SHELL LAKE CITY HOUS AUTH	49,727	3,381	3,382	6,763	0
SILVER LAKE SAN. DIST.	362,464	24,647	24,648	49,295	0
SLINGER VILLAGE HOUSING AUTH	29,889	2,032	2,032	4,065	0
SOUTH AREA FIRE & EMS DIST	787,720	85,074	53,565	138,639	0
SOUTH CENTRAL LIBRARY SYSTEM	2,479,113	168,578	168,581	337,159	0
SOUTHEASTERN WIS REG PLAN COMM	4,134,693	281,158	281,161	562,318	0
SOUTHWEST WIS LIBRARY SYSTEM	144,729	9,841	9,842	19,683	0
SOUTHWESTERN WIS REG PLAN COMM	263,925	17,947	17,947	35,894	0
SPOONER CITY HOUSING AUTH	80,150	5,450	5,450	10,900	0
SPOONER FIRE DISTRICT	62,000	6,696	4,216	10,912	0
ST JOSEPH SANITARY DISTRICT #1	28,600	1,945	1,945	3,890	0
STEVENS POINT CITY HOUS AUTH	538,347	36,607	36,608	73,215	0
SULLIVAN SANITARY DISTRICT #1	65,001	4,420	4,420	8,840	0
SUPERIOR CITY HOUSING AUTH	1,013,061	68,888	68,888	137,776	0
TAYLOR COUNTY HOUSING AUTH	29,735	2,022	2,022	4,044	0
THORP CITY HOUSING AUTHORITY	119,721	8,141	8,141	16,282	0

CONTRIBUTIONS PAID AND UAAL

Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
THREE LAKES SANITARY DIST #1	65,311	4,441	4,441	8,882	0
TREMPEALEAU COUNTY HOUS AUTH	318,000	24,168	21,624	45,792	24,243
UNIFIED COMMUNITY SERVICES	1,740,725	118,368	118,370	236,739	0
VALLEY RIDGE CLEAN WATER COMM	75,876	5,160	5,160	10,319	0
VANGUARD ELECTRIC UTIL COMM	391,793	26,642	26,642	53,284	0
VIROQUA CITY HOUSING AUTHORITY	188,623	12,826	12,826	25,653	0
WABENO SANITARY DISTRICT #1	30,086	2,046	2,046	4,092	0
WALES/GENESEE JOINT FIRE BD	124,600	13,457	8,473	21,930	0
WALTER E OLSON MEMORIAL LIB	61,215	4,163	4,163	8,325	0
WALWORTH COUNTY METRO SEW DIST	968,475	73,604	65,856	139,460	99,210
WASHBURN CITY HOUSING AUTH	113,408	7,712	7,712	15,423	0
WATERTOWN CITY HOUSING AUTH	123,929	9,419	8,427	17,846	9,510
WAUKESHA CITY HOUSING AUTH	672,015	45,697	45,697	91,394	0
WAUNAKEE AREA EMS	253,599	25,507	17,245	42,752	0
WAUNAKEE AREA FIRE DIST	56,596	3,848	3,849	7,697	0
WAUNAKEE WATER & LIGHT	1,330,337	90,462	90,464	180,926	0
WAUPACA CHAIN O'LAKES SAN DIST	54,000	3,672	3,672	7,344	0
WAUSAUKEE VILLAGE HOUS AUTH	125,562	8,538	8,538	17,076	0
WAVERLY SANITARY DISTRICT	296,480	20,161	20,161	40,321	0
WEST BEND CITY HOUSING AUTH	261,919	17,810	17,810	35,621	0
WEST CENTRAL WI BISOLIDS COMM	159,477	10,844	10,845	21,689	0
WEST CENTRAL WIS REG PLAN COMM	722,490	49,129	49,129	98,259	0
WESTERN LAKES FIRE DIST	1,126,369	120,920	76,593	197,513	0
WESTERN RACINE CO SEWERAGE DIS	114,085	7,758	7,758	15,516	0
WINDING RIVERS LIBRARY SYS	406,821	27,664	27,664	55,328	0
WINNEFOX LIBRARY SYSTEM	725,932	49,363	49,364	98,727	0
WIS DELLS-LAKE DELTON SEW COMM	203,281	13,823	13,823	27,646	0
WISCONSIN COUNTIES ASSOCIATION	1,970,648	134,004	134,005	268,008	0
WISCONSIN MUNIC MUTAL INS CO	746,101	50,735	50,735	101,470	0
WISCONSIN RAPIDS CITY HS AUTH	427,443	32,486	29,066	61,552	9,747
WISCONSIN TOWNS ASSOCIATION	429,303	29,193	29,193	58,385	0
WISCONSIN VALLEY LIBRARY SRV	374,408	25,460	25,460	50,919	0
WPPI ENERGY	9,691,520	659,021	659,026	1,318,047	0
Total Special Districts (208)	151,249,946	12,030,287	10,285,041	22,315,328	811,096

Towns

ADDISON, TOWN OF (WASHINGTON)	135,397	9,207	9,207	18,414	0
ALBAN, TOWN OF (PORTAGE)	63,853	4,342	4,342	8,684	0
ALBION, TOWN OF (DANE)	144,125	9,800	9,801	19,601	0
ALBION, TOWN OF (JACKSON)	42,678	2,902	2,902	5,804	0
ALGOMA, TOWN OF (WINNEBAGO)	153,701	10,452	10,452	20,903	0
ANSON, TOWN OF (CHIPPEWA)	58,984	4,930	4,011	8,941	60,205
ARBOR VITAE, TOWN OF (VILAS)	198,115	16,642	13,472	30,113	14,469
ASHIPPUN, TOWN OF (DODGE CO)	123,678	8,410	8,410	16,820	0
ASHLAND, TOWN OF (ASHLAND)	77,312	5,257	5,257	10,515	0
ATHELSTANE, TOWN OF (MARINETTE)	97,747	6,647	6,647	13,294	0
AZTALAN, TOWN OF (JEFFERSON)	62,550	5,798	4,253	10,051	139,834



Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
BAILEYS HARBOR, TOWN OF (DOOR)	467,819	31,812	31,812	63,623	0
BALSAM LAKE, TOWN OF (POLK)	49,833	3,389	3,389	6,777	0
BARABOO, TOWN OF (SAUK)	87,375	5,941	5,942	11,883	0
BARKSDALE, TOWN OF (BAYFIELD)	65,068	4,425	4,425	8,849	0
BARRON, TOWN OF (BARRON)	47,667	3,241	3,241	6,483	0
BAYVIEW, TOWN OF (BAYFIELD)	67,175	4,568	4,568	9,136	0
BEAR CREEK, TOWN OF (SAUK)	76,303	5,189	5,189	10,377	0
BELMONT, TOWN OF (LAFAYETTE)	25,293	1,720	1,720	3,440	0
BELOIT, TOWN OF (ROCK)	2,531,571	274,918	172,147	447,065	0
BENNETT, TOWN OF (DOUGLAS)	87,256	5,933	5,934	11,867	0
BERGEN, TOWN OF (VERNON)	46,768	3,180	3,180	6,360	0
BERRY, TOWN OF (DANE)	80,539	5,477	5,477	10,953	0
BLOOMFIELD, TOWN OF (WALWORTH)	12,724	865	865	1,730	0
BLOOMING GROVE, TOWN OF(DANE)	218,635	16,867	14,867	31,734	0
BLUE MOUNDS, TOWN OF (DANE)	71,307	4,849	4,849	9,698	0
BOULDER JUNCTION, TOWN (VILAS)	215,185	14,632	14,633	29,265	0
BRIGHAM, TOWN OF (IOWA)	118,086	8,030	8,030	16,060	0
BROCKWAY, TOWN OF (JACKSON)	95,785	6,513	6,513	13,027	0
BROOKFIELD, TOWN OF (WAUKESHA)	2,941,502	276,022	200,023	476,045	0
BROOKLYN, TOWN OF (GREEN)	72,112	4,904	4,904	9,807	0
BROTHERTOWN, TOWN OF(CALUMET)	66,287	4,508	4,508	9,015	0
BUCHANAN, TOWN OF(OUTAGAMIE)	133,876	9,103	9,104	18,207	0
BURKE, TOWN OF (DANE)	188,704	12,832	12,832	25,664	0
BURLINGTON, TOWN OF (RACINE)	358,606	27,410	24,386	51,796	0
CABLE, TOWN OF (BAYFIELD)	223,071	15,169	15,169	30,338	0
CAMPBELL, TOWN OF (LA CROSSE)	593,216	52,846	40,339	93,185	0
CAREY, TOWN OF (IRON)	51,982	3,535	3,535	7,070	0
CASSIAN, TOWN OF (ONEIDA)	67,611	4,598	4,598	9,195	0
CEDARBURG, TOWN OF (OZAUKEE)	592,986	40,323	40,323	80,646	0
CHETEK, TOWN OF (BARRON)	79,412	5,400	5,400	10,800	0
CHRISTIANA, TOWN OF (DANE)	105,262	7,158	7,158	14,316	0
CLAYTON, TOWN OF (POLK)	47,190	3,209	3,209	6,418	0
CLAYTON, TOWN OF (WINNEBAGO)	420,576	30,877	28,599	59,476	0
CLEAR LAKE, TOWN OF (POLK)	39,274	3,613	2,671	6,284	30,841
CLIFTON, TOWN OF (MONROE)	43,807	2,979	2,979	5,958	0
CLINTON, TOWN OF (BARRON)	51,975	3,534	3,534	7,069	0
CLOVER, TOWN OF (BAYFIELD)	104,421	7,101	7,101	14,201	0
COLBY, TOWN OF (CLARK)	47,824	3,252	3,252	6,504	0
CORNING, TOWN OF (LINCOLN)	37,823	2,572	2,572	5,144	0
COTTAGE GROVE, TOWN OF (DANE)	210,172	14,292	14,292	28,583	0
CRESCENT, TOWN OF (ONEIDA)	148,990	10,131	10,131	20,263	0
CROSS PLAINS, TOWN OF (DANE)	53,145	3,614	3,614	7,228	0
DAIRYLAND, TOWN OF (DOUGLAS)	41,706	2,836	2,836	5,672	0
DARIEN, TOWN OF (WALWORTH)	85,712	5,828	5,828	11,657	0
DELAVAN, TOWN OF (WALWORTH)	1,318,144	125,326	89,634	214,961	0
DELTA, TOWN OF (BAYFIELD)	96,791	6,582	6,582	13,164	0
DELTON, TOWN OF (SAUK)	170,142	11,570	11,570	23,139	0

CONTRIBUTIONS PAID AND UAAL

Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
DOVER, TOWN OF (RACINE)	74,542	5,069	5,069	10,138	0
DRAPER, TOWN OF (SAWYER)	77,798	5,290	5,290	10,581	0
DRUMMOND, TOWN OF (BAYFIELD)	218,537	14,860	14,861	29,721	0
DUNKIRK, TOWN OF (DANE)	124,739	8,482	8,482	16,964	0
DUNN, TOWN OF (DANE)	477,890	32,496	32,497	64,993	0
EAGLE POINT, TOWN OF(CHIPPEWA)	74,843	5,089	5,089	10,179	0
EAGLE, TOWN OF (WAUKESHA)	270,784	20,416	18,413	38,829	0
EAST TROY, TOWN OF(WALWORTH)	760,285	69,438	51,699	121,138	0
EASTON, TOWN OF (MARATHON)	92,138	6,265	6,265	12,531	0
EAU GALLE, TOWN OF (DUNN)	51,712	3,516	3,516	7,033	0
EGG HARBOR, TOWN OF (DOOR)	45,217	3,075	3,075	6,149	0
ERIN, TOWN OF (WASHINGTON)	153,585	10,444	10,444	20,888	0
EUREKA, TOWN OF (POLK)	52,144	3,546	3,546	7,092	0
EXETER, TOWN OF (GREEN)	74,554	5,070	5,070	10,139	0
FARMINGTON, TOWN OF (LACROSSE)	74,617	5,074	5,074	10,148	0
FARMINGTON, TOWN OF (WAUPACA)	37,603	2,557	2,557	5,114	0
FLAMBEAU, TOWN OF (RUSK)	28,120	2,784	1,912	4,696	21,586
FLORENCE, TOWN OF (FLORENCE)	923,958	62,829	62,829	125,658	0
FRANKLIN, TOWN OF (MANITOWOC)	65,346	4,444	4,444	8,887	0
FREEDOM, TOWN OF (OUTAGAMIE)	409,790	33,961	27,866	61,826	0
FREEDOM, TOWN OF (SAUK)	60,666	4,125	4,125	8,251	0
FULTON, TOWN OF (ROCK)	52,884	3,596	3,596	7,192	0
GENEVA, TOWN OF (WALWORTH)	797,945	73,697	54,260	127,958	0
GEORGETOWN, TOWN OF (POLK)	48,927	6,850	3,327	10,177	165,966
GERMANTOWN, TOWN (JUNEAU)	90,766	6,172	6,172	12,344	0
GIBRALTAR, TOWN OF (DOOR)	270,038	19,969	18,363	38,332	0
GILMAN, TOWN OF (PIERCE)	56,366	3,833	3,833	7,666	0
GOODMAN, TOWN OF(MARINETTE)	74,461	5,063	5,063	10,127	0
GRAND CHUTE, TOWN OF(OUTAGAME)	6,636,958	606,275	451,315	1,057,590	0
GRAND RAPIDS, TOWN OF (WOOD)	720,481	66,068	48,993	115,061	0
GRANT, TOWN OF (PORTAGE)	38,747	2,635	2,635	5,270	0
GRATIOT, TOWN OF (LAFAYETTE)	73,608	5,005	5,006	10,011	0
GREEN LAKE, TOWN OF (GRN LAKE)	49,357	3,356	3,356	6,713	0
GREENFIELD, TOWN OF (LACROSSE)	74,329	5,054	5,054	10,109	0
GREENVILLE, TOWN OF(OUTAGAMIE)	1,597,813	118,877	108,652	227,529	0
GREENWOOD, TOWN OF (VERNON)	43,407	2,952	2,952	5,903	0
HAMBURG, TOWN OF (VERNON)	52,871	3,595	3,595	7,191	0
HARRISON, TOWN OF (GRANT)	42,928	2,919	2,919	5,838	0
HAY RIVER, TOWN OF (DUNN)	48,380	3,290	3,290	6,580	0
HAYWARD, TOWN OF (SAWYER)	163,551	12,569	11,121	23,690	0
HAZELHURST, TOWN OF (ONEIDA)	137,669	9,362	9,361	18,723	0
HIGHLAND, TOWN OF (IOWA)	89,756	6,103	6,103	12,207	0
HUGHES, TOWN OF (BAYFIELD)	60,520	4,115	4,115	8,231	0
HULL, TOWN OF (PORTAGE)	277,422	18,865	18,865	37,729	0
IRON RIVER, TOWN OF (BAYFIELD)	292,712	24,758	19,904	44,663	0
ITHACA, TOWN OF (RICHLAND)	50,508	3,435	3,435	6,869	0
IXONIA, TOWN OF (JEFFERSON)	300,811	20,455	20,455	40,910	0



Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
JACKSON, TOWN OF (WASHINGTON)	227,620	15,478	15,478	30,956	0
JEFFERSON, TOWN OF (JEFFERSON)	46,988	3,195	3,195	6,390	0
KIMBALL, TOWN OF (IRON)	98,897	9,197	6,725	15,922	62,615
KNIGHT, TOWN OF (IRON)	60,788	4,134	4,134	8,267	0
KNOWLTON, TOWN OF (MARATHON)	38,926	2,647	2,647	5,294	0
KOMENSKY, TOWN OF (JACKSON)	48,025	3,266	3,266	6,531	0
KOSHKONONG, TOWN OF (JEFFERSON)	88,836	6,041	6,041	12,082	0
LA POINTE, TOWN OF (ASHLAND)	719,690	55,377	48,939	104,316	0
LA VALLE, TOWN OF (SAUK)	184,722	14,370	12,561	26,931	0
LAC DU FLAMBEAU, TOWN (VILAS)	270,812	22,309	18,415	40,725	192,545
LAFAYETTE, TOWN OF (CHIPPEWA)	181,303	12,329	12,329	24,657	0
LAFAYETTE, TOWN OF (WALWORTH)	87,888	5,976	5,977	11,953	0
LAKE HOLCOMBE, TOWN (CHIPPEWA)	97,380	6,622	6,622	13,244	0
LAKE, TOWN OF (MARINETTE)	61,396	4,175	4,175	8,350	0
LAKETOWN, TOWN OF (POLK)	53,704	3,652	3,652	7,304	0
LAND O LAKES, TOWN OF (VILAS)	316,139	21,497	21,498	42,995	0
LAONA, TOWN OF (FOREST)	184,662	14,086	12,557	26,643	0
LAWRENCE, TOWN OF (BROWN CO)	411,644	27,992	27,992	55,984	0
LEBANON, TOWN OF (DODGE)	109,791	7,466	7,466	14,932	0
LEDGEVIEW, TOWN OF (BROWN)	481,744	32,758	32,759	65,517	0
LINCOLN, TOWN OF (TREMPEALEAU)	40,392	2,747	2,747	5,493	0
LINCOLN, TOWN OF (VILAS)	44,750	3,043	3,043	6,086	0
LINN, TOWN OF (WALWORTH)	653,545	62,616	44,441	107,057	0
LINWOOD, TOWN OF (PORTAGE)	45,350	3,084	3,084	6,168	0
LISBON, TOWN OF (WAUKESHA)	900,604	70,663	61,241	131,904	0
LODI, TOWN OF (COLUMBIA)	48,000	3,264	3,264	6,528	0
LUCAS, TOWN OF (DUNN)	45,984	3,127	3,127	6,254	0
LUDINGTON, TOWN OF (EAU CLAIRE)	38,043	2,587	2,587	5,174	0
LYONS, TOWN OF (WALWORTH)	140,938	9,583	9,584	19,168	0
MADISON, TOWN OF (DANE)	2,383,644	238,198	162,088	400,287	0
MANITOWOC RAPIDS, TOWN (MANITWC)	82,788	5,630	5,630	11,259	0
MAPLE, TOWN OF (DOUGLAS)	70,852	4,818	4,818	9,636	0
MARENGO, TOWN OF (ASHLAND)	73,970	5,030	5,030	10,060	0
MARION, TOWN OF (WAUSHARA)	28,952	1,969	1,969	3,937	0
MARTELL, TOWN OF (PIERCE)	51,583	3,508	3,508	7,015	0
MAZOMANIE, TOWN OF (DANE)	87,254	5,933	5,933	11,867	0
MEDFORD, TOWN OF (TAYLOR)	62,743	4,267	4,267	8,533	0
MERCER, TOWN OF (IRON)	375,927	25,563	25,563	51,126	0
MERTON, TOWN OF (WAUKESHA)	717,881	48,816	48,816	97,632	0
MIDDLETON, TOWN OF (DANE)	587,938	39,980	39,980	79,960	0
MILLTOWN, TOWN OF (POLK)	98,101	10,497	6,671	17,168	51,225
MINOCQUA, TOWN OF (ONEIDA)	1,577,021	152,576	107,238	259,814	356,236
MINONG, TOWN OF (WASHBURN)	186,239	12,664	12,664	25,328	0
MISHICOT, TOWN OF (MANITOWOC)	51,515	3,503	3,503	7,006	0
MONTROSE, TOWN OF (DANE)	53,157	3,615	3,615	7,229	0
MUKWONAGO, TOWN (WAUKESHA)	798,541	73,269	54,301	127,570	0
NEENAH, TOWN OF (WINNEBAGO)	47,476	3,228	3,228	6,457	0

CONTRIBUTIONS PAID AND UAAL

Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
NEW GLARUS, TOWN OF (GREEN)	114,507	7,787	7,787	15,573	0
NEW HAVEN, TOWN OF (DUNN)	46,011	3,497	3,129	6,626	3,206
NEWBOLD, TOWN OF (ONEIDA)	265,447	18,050	18,050	36,101	0
NORWAY, TOWN OF (RACINE)	515,454	38,065	35,051	73,116	0
OAK GROVE, TOWN OF (BARRON)	52,719	3,585	3,585	7,170	0
OAKDALE, TOWN OF (MONROE)	45,468	3,092	3,092	6,184	0
OAKLAND, TOWN OF (JEFFERSON)	162,310	11,037	11,037	22,074	0
OCONOMOWOC, TOWN OF (WAUKESHA)	1,450,619	132,114	98,643	230,756	0
OMA, TOWN OF (IRON)	107,553	7,314	7,314	14,627	0
ONALASKA, TOWN OF (LA CROSSE)	194,687	13,239	13,239	26,477	0
OREGON, TOWN OF (DANE)	193,875	13,183	13,184	26,367	0
ORIENTA, TOWN OF (BAYFIELD)	42,400	2,883	2,883	5,766	0
OTTAWA, TOWN OF (WAUKESHA)	92,520	6,291	6,291	12,583	0
PARKLAND, TOWN OF (DOUGLAS)	109,654	7,566	7,456	15,023	1,547
PELICAN, TOWN OF (ONEIDA)	97,027	6,598	6,598	13,196	0
PEWAUKEE, CITY OF	4,938,228	429,009	335,801	764,810	0
PHELPS, TOWN OF (VILAS)	230,003	15,640	15,640	31,280	0
PINE LAKE, TOWN OF (ONEIDA)	119,446	8,122	8,122	16,245	0
PLEASANT SPRINGS, TOWN(DANE)	150,363	10,225	10,225	20,449	0
PLEASANT VALLEY, TOWN(EAUCLER)	137,615	9,358	9,358	18,716	0
PORT WING, TOWN OF (BAYFIELD)	110,240	7,496	7,496	14,993	0
PRAIRIE LAKE, TOWN OF (BARRON)	55,330	3,762	3,762	7,525	0
PRESQUE ISLE, TOWN OF(VILAS)	269,081	18,297	18,298	36,595	0
PRESTON, TOWN OF (ADAMS)	70,772	4,812	4,813	9,625	0
PRIMROSE, TOWN OF (DANE)	44,575	3,031	3,031	6,062	0
QUINCY, TOWN OF (ADAMS)	117,419	7,984	7,985	15,969	0
RAYMOND, TOWN OF (RACINE)	240,110	16,327	16,327	32,655	0
RIB MOUNTAIN, TOWN (MARATHON)	681,415	46,336	46,337	92,672	0
RICE LAKE, TOWN OF (BARRON)	119,086	8,098	8,098	16,196	0
RICHFIELD, VILLAGE OF(WASHING)	601,032	40,870	40,870	81,740	0
RICHMOND, TOWN OF (WALWORTH)	66,636	4,531	4,531	9,062	0
RIPON, TOWN OF(FOND DU LAC)	92,324	8,511	6,278	14,789	0
RIVER FALLS, TOWN OF (PIERCE)	139,212	9,466	9,466	18,933	0
ROME, TOWN OF (ADAMS)	1,116,698	92,633	75,936	168,569	0
RUDOLPH, TOWN OF (WOOD)	36,868	2,507	2,507	5,014	0
RUTLAND, TOWN OF (DANE)	130,975	8,906	8,906	17,813	0
SALEM, TOWN OF (KENOSHA)	203,025	16,020	13,806	29,826	0
SANBORN, TOWN OF (ASHLAND)	107,507	7,310	7,310	14,621	0
SCOTT, TOWN OF (BROWN)	190,497	12,954	12,954	25,908	0
SCOTT, TOWN OF (SHEBOYGAN)	66,595	4,528	4,528	9,057	0
SEVASTOPOL, TOWN OF (DOOR)	48,925	3,327	3,327	6,654	0
SHARON, TOWN OF (PORTAGE)	104,783	7,125	7,125	14,251	0
SHARON, TOWN OF (WALWORTH)	48,631	3,307	3,307	6,614	0
SHEBOYGAN, TOWN OF (SHEBOYGAN)	384,097	26,119	26,119	52,237	0
SHELBY, TOWN OF (LA CROSSE)	624,710	47,496	42,480	89,976	0
SOMERSET, TOWN OF (ST CROIX)	169,195	11,505	11,505	23,011	0
SOUTH LANCASTER, TOWN (GRANT)	43,282	2,943	2,943	5,886	0



Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
SPARTA, TOWN OF (MONROE)	85,980	5,847	5,847	11,693	0
SPIRIT, TOWN OF (PRICE)	37,674	2,939	2,562	5,500	123
SPRING LAKE, TOWN OF (PIERCE)	51,902	3,529	3,529	7,059	0
SPRINGDALE, TOWN OF (DANE)	79,187	5,385	5,385	10,770	0
SPRINGFIELD, TOWN OF (DANE)	147,807	10,051	10,051	20,102	0
SPRINGFIELD, TOWN OF (JACKSON)	49,984	4,499	3,399	7,897	57,836
ST CROIX FALLS, TOWN OF (POLK)	48,875	3,324	3,324	6,647	0
ST GERMAIN, TOWN OF (VILAS)	302,025	20,538	20,538	41,075	0
STANTON, TOWN OF (DUNN)	74,647	5,076	5,076	10,152	0
STETTIN, TOWN OF (MARATHON)	171,122	11,636	11,636	23,273	0
STOCKTON, TOWN OF (PORTAGE)	179,686	12,219	12,219	24,437	0
STRONGS PRAIRIE, TOWN OF (ADMS)	23,009	1,565	1,565	3,129	0
SUGAR CREEK, TOWN OF (WALWORTH)	119,027	8,094	8,094	16,188	0
SULLIVAN, TOWN OF (JEFFERSON)	86,189	5,861	5,861	11,722	0
SUMMIT, TOWN OF (DOUGLAS)	102,326	6,958	6,958	13,916	0
SUMMIT, TOWN OF (JUNEAU)	72,541	4,933	4,933	9,866	0
SUMNER, TOWN OF (BARRON)	41,588	2,828	2,828	5,656	0
SUPERIOR, TOWN OF (DOUGLAS)	118,751	8,075	8,075	16,150	0
TAINTER, TOWN OF (DUNN)	137,199	9,329	9,330	18,659	0
THERESA, TOWN OF (DODGE)	78,788	5,358	5,358	10,715	0
THREE LAKES, TOWN OF (ONEIDA)	740,093	62,081	50,327	112,407	0
TIFFANY, TOWN OF (DUNN)	45,555	3,098	3,098	6,195	0
TRADE LAKE, TOWN OF (BURNETT)	54,200	3,685	3,686	7,371	0
TREMPELEAU, TOWN (TREMPELEAU)	123,100	8,371	8,371	16,742	0
TRENTON, TOWN OF (WASHINGTON)	222,303	15,944	15,117	31,060	0
TROY, TOWN OF (WALWORTH)	115,585	8,900	7,860	16,760	2,548
TURTLE LAKE, TOWN OF (BARRON)	48,653	3,308	3,308	6,617	0
UNITY, TOWN OF (CLARK)	32,961	2,241	2,241	4,483	0
VERMONT, TOWN OF (DANE)	55,102	3,747	3,747	7,494	0
VERNON, TOWN OF (WAUKESHA)	505,742	39,946	34,390	74,337	0
VERONA, TOWN OF (DANE)	246,257	16,745	16,745	33,491	0
VIENNA, TOWN OF (DANE)	175,975	11,966	11,966	23,933	0
VIROQUA, TOWN OF (VERNON)	138,383	9,825	9,410	19,235	311
WABENO, TOWN OF (FOREST)	84,608	6,769	5,753	12,522	29,410
WALWORTH, TOWN OF (WALWORTH)	92,677	7,043	6,302	13,346	10,547
WARREN, TOWN OF (ST CROIX)	40,580	2,759	2,759	5,519	0
WASCOTT, TOWN OF (DOUGLAS)	198,920	13,982	13,527	27,508	0
WASHINGTON, TOWN OF (DOOR)	440,452	34,204	29,951	64,154	0
WASHINGTON, TOWN OF (LACROSSE)	50,142	3,410	3,410	6,819	0
WASHINGTON, TOWN OF (VILAS)	120,360	8,184	8,185	16,369	0
WASHINGTON, TOWN OF (EAUCLAIRE)	346,026	23,530	23,530	47,060	0
WATERFORD, TOWN OF (RACINE)	979,316	90,323	66,594	156,917	0
WAUKESHA, TOWN OF (WAUKESHA)	330,215	28,657	22,455	51,112	0
WAYNE, TOWN OF (LAFAYETTE)	51,130	3,477	3,477	6,954	0
WESCOTT, TOWN OF (SHAWANO)	264,482	17,985	17,985	35,970	0
WEST BEND, TOWN OF (WASHINGTON)	185,926	12,643	12,643	25,286	0
WEST POINT, TOWN (COLUMBIA)	24,073	1,637	1,637	3,274	0

CONTRIBUTIONS PAID AND UAAL

Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
WEST SWEDEN, TOWN OF (POLK)	44,250	3,009	3,009	6,018	0
WESTFIELD, TOWN OF (SAUK CO)	45,925	3,123	3,123	6,246	0
WESTPORT, TOWN OF (DANE)	492,323	33,478	33,478	66,956	0
WHEATLAND, TOWN OF (VERNON)	52,933	3,599	3,599	7,199	0
WHEATON, TOWN OF (CHIPPEWA)	118,690	8,071	8,071	16,142	0
WILSON, TOWN OF (SHEBOYGAN)	151,183	10,280	10,281	20,561	0
WILTON, TOWN OF (MONROE)	44,330	3,014	3,014	6,029	0
WINTER, TOWN OF (SAWYER)	163,887	11,144	11,144	22,289	0
WIOTA, TOWN OF (LAFAYETTE)	51,184	3,480	3,480	6,961	0
WOODRUFF, TOWN OF (ONEIDA)	585,567	52,912	39,819	92,731	0
YORKVILLE, TOWN OF	103,470	7,036	7,036	14,072	0
Total Towns (257)	67,794,863	5,505,609	4,610,069	10,115,678	1,201,050
Counties					
ADAMS COUNTY	11,943,009	882,690	812,128	1,694,818	0
ASHLAND COUNTY	7,065,752	537,428	480,475	1,017,903	0
BARRON COUNTY	16,095,313	1,173,055	1,094,486	2,267,540	0
BAYFIELD COUNTY	8,186,909	609,150	556,713	1,165,863	0
BROWN COUNTY	77,051,809	5,800,091	5,239,544	11,039,636	0
BUFFALO COUNTY	5,191,254	378,681	353,008	731,689	0
BURNETT COUNTY	7,256,792	534,748	493,465	1,028,212	0
CALUMET COUNTY	14,053,383	1,027,287	955,635	1,982,922	0
CHIPPEWA COUNTY	18,896,897	1,401,450	1,284,994	2,686,444	0
CLARK COUNTY	20,119,822	1,432,711	1,368,155	2,800,867	0
COLUMBIA COUNTY	25,101,431	1,828,956	1,706,905	3,535,861	0
CRAWFORD COUNTY	6,625,479	508,676	450,534	959,210	0
DANE COUNTY	159,698,008	12,585,371	10,859,505	23,444,876	0
DODGE COUNTY	41,230,029	2,964,617	2,803,654	5,768,271	0
DOOR COUNTY	18,091,267	1,444,943	1,230,211	2,675,155	0
DOUGLAS COUNTY	14,636,191	1,221,045	995,265	2,216,310	0
DUNN COUNTY	21,490,071	1,589,884	1,461,332	3,051,215	0
EAU CLAIRE COUNTY	28,162,983	2,087,938	1,915,091	4,003,029	0
FLORENCE COUNTY	3,394,564	263,468	230,832	494,300	0
FOND DU LAC COUNTY	39,455,796	2,839,524	2,683,006	5,522,530	0
FOREST COUNTY	4,735,693	367,395	322,029	689,423	0
GRANT COUNTY	16,541,832	1,197,686	1,124,853	2,322,539	0
GREEN COUNTY	17,168,647	1,269,707	1,167,474	2,437,181	0
GREEN LAKE COUNTY	9,424,417	689,179	640,864	1,330,043	0
IOWA COUNTY	10,036,742	759,793	682,502	1,442,295	0
IRON COUNTY	4,236,681	314,061	288,095	602,157	0
JACKSON COUNTY	8,749,585	646,911	594,975	1,241,886	0
JEFFERSON COUNTY	27,451,802	2,146,097	1,866,730	4,012,827	0
JUNEAU COUNTY	11,894,549	928,061	808,833	1,736,893	0
KENOSHA COUNTY	57,187,343	4,264,018	3,888,754	8,152,772	0
KEWAUNEE COUNTY	7,594,813	579,040	516,450	1,095,490	0
LA CROSSE COUNTY	51,547,487	3,620,152	3,505,231	7,125,383	0
LAFAYETTE COUNTY	14,309,142	1,038,263	973,027	2,011,289	0

Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
LANGLADE COUNTY	7,953,009	584,169	540,807	1,124,976	0
LINCOLN COUNTY	17,269,088	1,255,978	1,174,305	2,430,283	0
MANITOWOC COUNTY	23,843,257	1,804,355	1,621,350	3,425,705	0
MARATHON COUNTY	42,840,126	3,163,386	2,913,141	6,076,527	0
MARINETTE COUNTY	16,988,726	1,248,205	1,155,238	2,403,443	0
MARQUETTE COUNTY	8,234,490	630,616	559,948	1,190,564	0
MENOMINEE COUNTY	3,474,765	252,063	236,286	488,350	0
MONROE COUNTY	16,486,773	1,183,752	1,121,106	2,304,857	0
OCONTO COUNTY	13,404,335	993,780	911,501	1,905,282	0
ONEIDA COUNTY	13,326,730	1,005,911	906,223	1,912,134	0
OUTAGAMIE COUNTY	57,418,652	4,149,243	3,904,486	8,053,729	0
OZAUKEE COUNTY	29,261,554	2,124,335	1,989,798	4,114,132	0
PEPIN COUNTY	4,085,699	311,957	277,829	589,787	0
PIERCE COUNTY	14,984,831	1,130,154	1,018,973	2,149,126	0
POLK COUNTY	20,300,313	1,465,385	1,380,427	2,845,812	0
PORTAGE COUNTY	26,985,405	1,971,361	1,835,019	3,806,381	0
PRICE COUNTY	6,493,596	486,518	441,566	928,085	0
RACINE COUNTY	41,002,826	3,797,445	2,788,200	6,585,645	0
RICHLAND COUNTY	10,789,247	772,306	733,673	1,505,979	0
ROCK COUNTY	61,432,281	4,660,482	4,177,411	8,837,893	0
RUSK COUNTY	17,607,783	1,272,461	1,197,333	2,469,795	0
SAUK COUNTY	29,985,529	2,299,447	2,039,027	4,338,474	0
SAWYER COUNTY	9,013,905	680,638	612,948	1,293,586	0
SHAWANO COUNTY	15,895,396	1,285,643	1,080,923	2,366,566	0
SHEBOYGAN COUNTY	40,662,448	2,972,150	2,765,058	5,737,208	0
ST CROIX COUNTY	30,109,574	2,276,894	2,047,461	4,324,354	0
TAYLOR COUNTY	8,567,540	631,100	582,596	1,213,696	0
TREMPEALEAU COUNTY	22,433,858	1,588,828	1,525,513	3,114,341	0
VERNON COUNTY	11,615,293	844,489	789,844	1,634,334	0
VILAS COUNTY	9,381,247	729,005	637,928	1,366,934	0
WALWORTH COUNTY	44,297,739	3,302,568	3,012,257	6,314,825	0
WASHBURN COUNTY	8,065,845	589,049	548,480	1,137,529	0
WASHINGTON COUNTY	34,803,279	2,598,840	2,366,631	4,965,472	0
WAUKESHA COUNTY	84,985,372	6,294,572	5,779,030	12,073,602	0
WAUPACA COUNTY	20,249,519	1,493,196	1,376,973	2,870,169	0
WAUSHARA COUNTY	12,922,721	988,751	878,750	1,867,501	0
WINNEBAGO COUNTY	53,508,250	4,046,134	3,638,581	7,684,715	0
WOOD COUNTY	27,490,420	1,987,344	1,869,359	3,856,703	0
Total Counties (71)	1,702,796,912	127,804,587	115,790,733	243,595,321	0

School Districts

ABBOTSFORD SCHOOL DISTRICT	3,527,794	239,889	239,891	479,780	0
ADAMS-FRIENDSHIP AREA SCH DIST	10,063,554	684,319	684,325	1,368,643	0
ALBANY SCHOOL DISTRICT	2,453,465	166,835	166,837	333,671	0
ALGOMA SCHOOL DISTRICT	4,084,302	277,730	277,735	555,465	0
ALMA CENTER-HUMBRD-MERIL SCH D	3,686,803	250,702	250,703	501,405	0
ALMA SCHOOL DISTRICT	1,774,421	120,660	120,661	241,321	0

CONTRIBUTIONS PAID AND UAAL

Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
ALMOND-BANCROFT SCHOOL DIST	2,518,006	171,223	171,226	342,449	0
ALTOONA SCHOOL DISTRICT	9,317,028	633,554	633,562	1,267,116	0
AMERY SCHOOL DISTRICT	10,541,054	716,788	716,796	1,433,583	0
ANTIGO UNIFIED SCHOOL DISTRICT	13,549,002	921,325	921,340	1,842,664	0
APPLETON AREA SCHOOL DISTRICT	93,206,041	6,337,968	6,338,054	12,676,022	0
ARBOR VITAE-WOODRUFF JSD #1	3,235,316	220,000	220,003	440,003	0
ARCADIA SCHOOL DISTRICT	7,771,247	528,441	528,449	1,056,890	0
ARGYLE SCHOOL DISTRICT	1,780,802	121,094	121,095	242,189	0
ARROWHEAD UNION HIGH SCH DIST	13,199,001	897,530	897,535	1,795,064	0
ASHLAND SCHOOL DISTRICT	12,315,724	837,465	837,474	1,674,938	0
ASHWAUBENON SCHOOL DISTRICT	19,113,591	1,299,717	1,299,731	2,599,448	0
ATHENS SCHOOL DISTRICT	2,398,988	163,130	163,132	326,262	0
AUBURNDALE SCHOOL DISTRICT	4,262,786	289,868	289,871	579,739	0
AUGUSTA SCHOOL DISTRICT	4,433,502	301,477	301,479	602,956	0
BALDWIN-WOODVILLE AREA SCH DIS	10,114,884	687,808	687,816	1,375,624	0
BANGOR SCHOOL DISTRICT	3,559,342	242,034	242,037	484,071	0
BARABOO SCHOOL DISTRICT	18,602,835	1,264,986	1,264,999	2,529,986	0
BARNEVELD SCHOOL DISTRICT	2,536,857	172,505	172,507	345,013	0
BARRON AREA SCHOOL DISTRICT	8,927,848	607,090	607,097	1,214,187	0
BAYFIELD SCHOOL DISTRICT	4,314,442	293,380	293,384	586,764	0
BEAVER DAM UNIFIED SCHOOL DIST	20,751,151	1,411,068	1,411,088	2,822,157	0
BEECHER DUNBAR PEMBINE SCH DIS	1,681,881	114,367	114,368	228,736	0
BELLEVILLE SCHOOL DISTRICT	5,732,703	389,823	389,825	779,648	0
BELMONT COMMUNITY SCHOOL DIST	2,356,155	160,217	160,220	320,437	0
BELOIT SCHOOL DISTRICT	39,161,065	2,662,939	2,662,966	5,325,905	0
BELOIT TURNER SCHOOL DISTRICT	9,069,288	616,709	616,714	1,233,423	0
BENTON SCHOOL DISTRICT	1,399,503	95,166	95,167	190,332	0
BERLIN AREA SCHOOL DISTRICT	9,366,716	636,934	636,939	1,273,873	0
BIG FOOT UHS SCH DIST	3,184,324	216,533	216,535	433,068	0
BIRCHWOOD SCHOOL DISTRICT	2,051,209	139,481	139,483	278,964	0
BLACK HAWK SCHOOL DISTRICT	2,585,528	175,814	175,818	351,632	0
BLACK RIVER FALLS SCH DIST	10,830,968	736,501	736,511	1,473,012	0
BLAIR-TAYLOR SCHOOL DISTRICT	3,501,475	238,099	238,102	476,201	0
BLOOMER SCHOOL DISTRICT	6,546,821	445,181	445,187	890,368	0
BONDUEL SCHOOL DISTRICT	4,510,983	306,745	306,748	613,494	0
BOSCOBEL SCHOOL DISTRICT	5,377,150	365,644	365,648	731,292	0
BOWLER SCHOOL DISTRICT	2,486,302	169,067	169,070	338,137	0
BOYCEVILLE COMMUNITY SCH DIST	4,317,732	293,605	293,607	587,212	0
BRIGHTON SCH DIST #1	876,692	59,615	59,615	119,230	0
BRILLION PUBLIC SCHOOL DIST	5,187,475	352,747	352,750	705,497	0
BRISTOL, TOWN, SCH DIST #1	3,960,198	269,292	269,295	538,587	0
BRODHEAD SCHOOL DISTRICT	6,326,620	430,207	430,213	860,420	0
BROWN DEER SCHOOL DISTRICT	11,365,407	772,844	772,851	1,545,695	0
BRUCE SCHOOL DISTRICT	2,961,579	201,386	201,388	402,775	0
BURLINGTON AREA SCHOOL DIST	20,158,196	1,370,750	1,370,765	2,741,515	0
BUTTERNUT SCHOOL DISTRICT	1,540,523	104,755	104,756	209,511	0
CADOTT COMM SCHOOL DISTRICT	4,978,602	338,543	338,547	677,090	0



Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
CAMBRIA-FRIESLAND SCHOOL DIST	2,886,148	230,891	196,259	427,150	343,544
CAMBRIDGE SCHOOL DISTRICT	5,714,896	388,610	388,616	777,226	0
CAMERON SCHOOL DISTRICT	6,325,249	430,114	430,120	860,234	0
CAMPBELLSPORT SCHOOL DISTRICT	8,177,605	556,074	556,080	1,112,154	0
CASHTON SCHOOL DISTRICT	3,633,948	247,107	247,110	494,217	0
CASSVILLE SCHOOL DISTRICT	1,551,815	105,523	105,524	211,047	0
CEDAR GROVE-BELGIUM SCH DIST	5,718,112	388,830	388,833	777,663	0
CEDARBURG SCHOOL DISTRICT	17,691,999	1,203,048	1,203,063	2,406,112	0
CHEQUAMEGON SCHOOL DISTRICT	4,942,517	336,090	336,093	672,182	0
CHETEK-WEYERHAEUSER AREA SD	6,541,184	444,798	444,803	889,601	0
CHILTON SCHOOL DISTRICT	6,987,241	475,130	475,134	950,265	0
CHIPPEWA FALLS AREA UNIF SCH	28,327,731	1,926,276	1,926,295	3,852,571	0
CLAYTON SCHOOL DISTRICT	2,606,692	177,254	177,256	354,510	0
CLEAR LAKE SCHOOL DISTRICT	3,701,362	251,691	251,695	503,385	0
CLINTON COMMUNITY SCHOOL DIST	7,212,982	490,480	490,486	980,965	0
CLINTONVILLE PUBLIC SCH DIST	9,035,257	614,393	614,402	1,228,795	0
COCHRANE-FOUNTAIN CITY SCH DIS	3,645,225	247,873	247,877	495,751	0
COLBY SCHOOL DISTRICT	3,987,064	271,119	271,122	542,241	0
COLEMAN SCHOOL DISTRICT	3,615,486	245,852	245,854	491,706	0
COLFAX SCHOOL DISTRICT	4,916,378	334,312	334,315	668,627	0
COLUMBUS SCHOOL DISTRICT	6,856,439	466,235	466,241	932,476	0
CORNELL SCHOOL DISTICT	2,560,986	174,146	174,148	348,294	0
CRANDON SCHOOL DISTRICT	5,942,870	404,112	404,118	808,230	0
CRIVITZ SCHOOL DISTRICT	3,625,191	246,511	246,515	493,026	0
CUBA CITY SCHOOL DISTRICT	4,621,254	314,244	314,247	628,491	0
CUDAHY SCHOOL DISTRICT	18,108,286	1,231,358	1,231,369	2,462,727	0
CUMBERLAND SCHOOL DISTRICT	5,679,070	386,174	386,179	772,354	0
DARLINGTON COMM SCHOOL DIST	4,861,877	330,606	330,609	661,215	0
DC EVEREST AREA SCHOOL DIST	36,582,097	2,487,573	2,487,592	4,975,165	0
DEERFIELD COMM SCHOOL DISTRICT	5,103,005	347,002	347,006	694,009	0
DEFOREST AREA SCHOOL DISTRICT	21,783,876	1,481,298	1,481,309	2,962,607	0
DELAVAN-DARIEN SCHOOL DISTRICT	15,762,487	1,071,845	1,071,853	2,143,698	0
DENMARK SCHOOL DISTRICT	8,523,060	579,565	579,571	1,159,136	0
DEPERE UNIFIED SCHOOL DISTRICT	23,036,880	1,566,504	1,566,512	3,133,016	0
DESOTO AREA SCHOOL DISTRICT	3,321,633	225,870	225,872	451,742	0
DODGELAND SCHOOL DISTRICT	5,377,957	365,696	365,706	731,402	0
DODGEVILLE SCHOOL DISTRICT	7,991,200	543,398	543,405	1,086,803	0
DRUMMOND SCHOOL DISTRICT	2,415,382	164,245	164,247	328,492	0
DURAND-ARKANSAW SCHOOL DIST	5,119,497	348,124	348,128	696,252	0
EAST TROY COMMUNITY SCH DIST	9,900,354	673,221	673,227	1,346,448	0
EAU CLAIRE AREA SCHOOL DIST	66,354,054	4,512,075	4,512,076	9,024,151	0
EDGAR SCHOOL DISTRICT	3,119,233	212,107	212,109	424,216	0
EDGERTON SCHOOL DISTRICT	11,052,347	751,556	751,563	1,503,119	0
ELCHO SCHOOL DISTRICT	2,495,219	169,675	169,675	339,350	0
ELEVA-STRUM SCHOOL DISTRICT	3,639,046	247,453	247,457	494,910	0
ELK MOUND AREA SCHOOL DISTRICT	6,387,974	434,380	434,384	868,764	0
ELKHART LAKE-GLENBEULAH SCH DS	3,068,010	208,624	208,625	417,249	0

CONTRIBUTIONS PAID AND UAAL

Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
ELKHORN AREA SCHOOL DISTRICT	19,303,149	1,312,612	1,312,616	2,625,228	0
ELLSWORTH COMM SCH DIST	9,705,025	659,938	659,945	1,319,883	0
ELMBROOK SCHOOL DISTRICT	50,039,012	3,402,638	3,402,668	6,805,306	0
ELMWOOD SCHOOL DISTRICT	2,432,954	165,440	165,442	330,882	0
ERIN SCH DIST #2	1,485,115	100,987	100,989	201,976	0
EVANSVILLE COMM SCH DIST	10,993,211	747,534	747,542	1,495,077	0
FALL CREEK SCHOOL DISTRICT	4,497,600	305,836	305,837	611,674	0
FALL RIVER SCHOOL DISTRICT	2,606,584	177,247	177,248	354,495	0
FENNIMORE COMMUNITY SCH DIST	5,621,071	382,231	382,235	764,466	0
FLAMBEAU SCHOOL DISTRICT	3,591,126	244,195	244,198	488,393	0
FLORENCE COUNTY SCH DIST	3,183,217	216,458	216,460	432,918	0
FOND DU LAC SCHOOL DISTRICT	44,205,730	3,005,973	3,006,007	6,011,979	0
FONTANA JT SCH DIST #8 ETAL	1,773,505	120,598	120,599	241,197	0
FORT ATKINSON SCHOOL DISTRICT	18,311,171	1,245,154	1,245,166	2,490,319	0
FOX POINT JT SCH DIST # 2 ETAL	6,709,836	456,267	456,271	912,538	0
FRANKLIN PUBLIC SCHOOL DIST	29,129,683	1,980,809	1,980,828	3,961,637	0
FREDERIC SCHOOL DISTRICT	3,265,459	222,050	222,053	444,102	0
FREEDOM AREA SCHOOL DISTRICT	9,061,811	616,200	616,206	1,232,406	0
FRIESS LAKE SCHOOL DISTRICT	840,420	57,148	57,149	114,297	0
GALESVILLE SCHOOL DISTRICT ETAL	8,770,975	596,423	596,430	1,192,853	0
GENEVA JT SCH DIST #4 ETAL	1,017,526	69,191	69,192	138,384	0
GENOA CITY JT SCH DIST #2 ETAL	3,290,136	223,728	223,731	447,459	0
GERMANTOWN SCHOOL DISTRICT	25,127,442	1,708,659	1,708,673	3,417,332	0
GIBRALTAR AREA SCHOOL DISTRICT	5,535,778	376,429	376,436	752,866	0
GILLETT SCHOOL DISTRICT	3,398,021	231,064	231,066	462,131	0
GILMAN SCHOOL DISTRICT	2,221,868	151,087	151,087	302,174	0
GILMANTON SCHOOL DISTRICT	746,221	50,743	50,743	101,486	0
GLENDALE-RIVER HILLS SCH DIST	7,940,490	539,951	539,955	1,079,907	0
GLENWOOD CITY SCHOOL DISTRICT	4,055,596	275,779	275,782	551,561	0
GOODMAN-ARMSTRONG SCHOOL DIST	889,074	60,457	60,457	120,914	0
GRAFTON SCHOOL DISTRICT	13,188,401	896,808	896,815	1,793,623	0
GRANTON AREA SCHOOL DISTRICT	1,713,070	116,488	116,490	232,978	0
GRANTSBURG SCHOOL DISTRICT	5,922,254	402,712	402,715	805,427	0
GREEN BAY AREA PUBLIC SCHOOLS	145,480,202	9,892,627	9,892,680	19,785,307	0
GREEN LAKE SCHOOL DISTRICT	2,103,890	143,064	143,066	286,129	0
GREENDALE SCHOOL DISTRICT	18,398,803	1,251,111	1,251,126	2,502,237	0
GREENFIELD SCHOOL DISTRICT	21,876,380	1,487,586	1,487,601	2,975,188	0
GREENWOOD SCHOOL DISTRICT	2,571,309	174,848	174,850	349,698	0
GRESHAM SCHOOL DIST	2,000,280	136,019	136,019	272,038	0
HAMILTON SCHOOL DISTRICT	28,235,097	1,919,976	1,919,997	3,839,973	0
HARTFORD JT SCH DIST #1 ETAL	9,826,625	668,208	668,213	1,336,421	0
HARTFORD UNION HIGH SCH DIST	8,975,264	610,315	610,321	1,220,636	0
HARTLAND JT SCH DIST #3 ETAL	7,044,901	479,051	479,055	958,107	0
HAYWARD COMMUNITY SCHOOL DIST	10,329,257	702,383	702,395	1,404,779	0
HERMAN-NEOSHO-RUBICAN SD	2,281,967	155,173	155,174	310,348	0
HIGHLAND SCHOOL DISTRICT	1,391,297	94,607	94,609	189,216	0
HILBERT SCHOOL DISTRICT	2,577,121	175,243	175,245	350,488	0



Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
HILLSBORO SCHOOL DISTRICT	3,403,948	231,467	231,470	462,937	0
HOLMEN SCHOOL DISTRICT	27,067,135	1,840,553	1,840,578	3,681,130	0
HORICON SCHOOL DISTRICT	4,259,960	289,676	289,679	579,355	0
HORTONVILLE AREA SCHOOL DIST	20,428,781	1,389,150	1,389,164	2,778,314	0
HOWARDS GROVE SCHOOL DISTRICT	5,483,359	372,866	372,870	745,737	0
HOWARD-SUAMICO SCHOOL DISTRICT	30,469,406	2,071,911	2,071,928	4,143,839	0
HUDSON SCHOOL DISTRICT	36,496,513	2,481,750	2,481,775	4,963,526	0
HURLEY SCHOOL DISTRICT	3,610,634	245,522	245,525	491,046	0
HUSTISFORD SCHOOL DISTRICT	2,727,896	185,496	185,498	370,994	0
INDEPENDENCE SCHOOL DISTRICT	2,535,565	172,418	172,419	344,837	0
IOLA-SCANDINAVIA SCHOOL DIST	4,018,334	273,245	273,249	546,493	0
IOWA-GRANT SCHOOL DISTRICT	5,331,859	362,565	362,568	725,133	0
ITHACA SCHOOL DISTRICT	2,591,257	176,205	176,206	352,411	0
JANESVILLE SCHOOL DISTRICT	68,953,087	4,688,784	4,688,836	9,377,620	0
JEFFERSON SCHOOL DISTRICT	12,157,424	826,701	826,709	1,653,410	0
JOHNSON CREEK SCHOOL DISTRICT	4,128,910	280,764	280,768	561,532	0
JUDA SCHOOL DISTRICT	1,599,696	108,778	108,780	217,559	0
KANSASVILLE DOVER DIST #1	625,340	42,523	42,523	85,046	0
KAUKAUNA AREA SCHOOL DISTRICT	22,274,374	1,514,650	1,514,664	3,029,315	0
KENOSHA UNIFIED SCH DIST #1	138,468,956	9,415,872	9,415,906	18,831,778	0
KETTLE MORAINES SCHOOL DISTRICT	25,566,616	1,738,521	1,738,539	3,477,060	0
KEWASKUM SCHOOL DISTRICT	10,951,164	744,675	744,683	1,489,358	0
KEWAUNEE SCHOOL DISTRICT	5,403,281	367,421	367,425	734,846	0
KICKAPOO AREA SCHOOL DISTRICT	3,013,272	204,901	204,904	409,805	0
KIEL AREA SCHOOL DISTRICT	7,888,106	536,389	536,394	1,072,782	0
KIMBERLY AREA SCHOOL DISTRICT	27,011,798	1,836,794	1,836,811	3,673,605	0
KOHLER SCHOOL DISTRICT	4,178,749	284,154	284,155	568,310	0
LA CROSSE SCHOOL DISTRICT	53,111,197	3,611,544	3,611,578	7,223,123	0
LAC DU FLAMBEAU SCH DIST #1	6,088,606	414,023	414,027	828,050	0
LADYSMITH-HAWKINS SCH DIST	5,415,755	368,270	368,273	736,543	0
LAFARGE SCHOOL DISTRICT	1,941,065	131,992	131,993	263,985	0
LAKE COUNTRY SCH DIST	3,035,108	206,387	206,388	412,775	0
LAKE GENEVA JT SCH DIS #1 ETAL	11,765,702	800,064	800,071	1,600,135	0
LAKE GENEVA SCHOOL DISTRICT	10,286,919	699,507	699,514	1,399,021	0
LAKE HOLCOMBE SCHOOL DISTRICT	2,240,367	152,344	152,346	304,690	0
LAKE MILLS AREA SCHOOL DIST	8,682,944	590,437	590,444	1,180,880	0
LAKELAND UNION HIGH SCH DIST	5,797,625	394,237	394,240	788,477	0
LANCASTER COMM SCH DIST	6,250,733	425,048	425,052	850,100	0
LAONA SCHOOL DISTRICT	1,706,341	116,031	116,032	232,062	0
LENA PUBLIC SCHOOL DISTRICT	2,170,840	147,616	147,618	295,234	0
LINN JT SCH DIST #4 ETAL	981,113	66,715	66,716	133,431	0
LINN JT SCH DIST #6 ETAL	712,404	48,443	48,444	96,887	0
LITTLE CHUTE AREA SCHOOL DIST	9,045,046	615,060	615,066	1,230,126	0
LODI SCHOOL DISTRICT	9,877,897	671,695	671,699	1,343,394	0
LOMIRA SCHOOL DISTRICT	6,291,887	427,846	427,851	855,697	0
LOYAL SCHOOL DISTRICT	2,939,674	199,897	199,898	399,796	0
LUCK SCHOOL DISTRICT	2,903,026	197,404	197,407	394,812	0

CONTRIBUTIONS PAID AND UAAL

Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
LUXEMBURG-CASCO SCHOOL DIST	9,072,296	616,913	616,919	1,233,832	0
MADISON METRO SCHOOL DISTRICT	217,711,493	14,804,345	14,804,418	29,608,763	0
MANAWA SCHOOL DISTRICT	3,801,313	258,488	258,491	516,979	0
MANITOWOC PUBLIC SCHOOL DIST	33,107,600	2,251,311	2,251,322	4,502,634	0
MAPLE DALE-INDIAN HILL SCH DIS	3,797,661	258,239	258,243	516,482	0
MAPLE SCHOOL DISTRICT	7,907,149	537,681	537,691	1,075,372	0
MARATHON CITY SCHOOL DISTRICT	3,259,306	221,631	221,635	443,266	0
MARINETTE SCHOOL DISTRICT	10,979,381	746,594	746,602	1,493,196	0
MARION SCHOOL DISTRICT	1,969,381	133,917	133,919	267,836	0
MARKESAN SCHOOL DISTRICT	4,614,714	313,800	313,802	627,601	0
MARSHALL JT SCH DIST #2 ETAL	6,976,893	474,425	474,432	948,857	0
MARSHFIELD UNIFIED SCHOOL DIST	23,038,980	1,566,645	1,566,656	3,133,301	0
MAUSTON SCHOOL DISTRICT	8,423,299	572,782	572,787	1,145,569	0
MAYVILLE SCHOOL DISTRICT	7,119,362	484,115	484,118	968,233	0
MCFARLAND SCHOOL DISTRICT	16,171,875	1,099,682	1,099,693	2,199,375	0
MEDFORD AREA PUBLIC SCHL DIST	13,111,716	891,593	891,600	1,783,193	0
MELLEN SCHOOL DISTRICT	1,620,363	110,184	110,185	220,369	0
MELROSE-MINDORO SCHOOL DIST	4,628,031	314,705	314,708	629,412	0
MENASHA JOINT SCHOOL DISTRICT	22,174,333	1,507,844	1,507,865	3,015,709	0
MENOMINEE INDIAN SCHOOL DIST	8,225,055	559,301	559,307	1,118,607	0
MENOMONEE FALLS SCHOOL DISTRCT	27,974,129	1,902,231	1,902,251	3,804,482	0
MENOMONIE AREA SCHOOL DISTRICT	18,296,793	1,244,174	1,244,189	2,488,364	0
MEQUON-THIENSVILLE SCHOOL DIST	22,988,254	1,563,195	1,563,207	3,126,403	0
MERCER SCHOOL DISTRICT	1,429,787	97,225	97,226	194,451	0
MERRILL AREA COMMON PUB SCH	17,119,430	1,164,115	1,164,127	2,328,242	0
MERTON COMMUNITY SCHOOL DIST	4,653,219	316,418	316,420	632,838	0
MIDDLETON-CROSS PLNS SCH DIST	48,570,355	3,302,773	3,302,795	6,605,568	0
MILTON SCHOOL DISTRICT	20,585,053	1,399,776	1,399,791	2,799,567	0
MILWAUKEE TEACHERS RETIREM SYS	377,568,441	25,674,566	25,674,742	51,349,308	0
MINERAL POINT UNIF SCH DIST	4,277,283	290,854	290,856	581,711	0
MINOCQUA JT SCH DIST #1 M-H-LT	3,905,603	265,580	265,582	531,162	0
MISHICOT SCHOOL DISTRICT	5,228,496	355,536	355,539	711,075	0
MONDOVI SCHOOL DISTRICT	5,852,087	397,940	397,943	795,884	0
MONONA GROVE SCHOOL DISTRICT	21,537,572	1,464,548	1,464,562	2,929,110	0
MONROE SCHOOL DISTRICT	16,313,946	1,109,342	1,109,354	2,218,697	0
MONTELLO SCHOOL DISTRICT	4,255,386	289,365	289,368	578,733	0
MONTICELLO SCHOOL DISTRICT	2,519,580	171,330	171,332	342,663	0
MOSINEE SCHOOL DISTRICT	12,711,805	864,398	864,408	1,728,805	0
MOUNT HOREB AREA SCHOOL DIST	14,852,312	1,009,951	1,009,963	2,019,914	0
MUKWONAGO SCHOOL DISTRICT	26,673,158	1,813,763	1,813,787	3,627,549	0
MUSKEGO-NORWAY SCHOOL DISTRICT	29,099,795	1,978,776	1,978,796	3,957,572	0
NECEDAH AREA SCHOOL DISTRICT	4,119,682	280,137	280,140	560,277	0
NEENAH JOINT SCHOOL DISTRICT	37,252,179	2,533,134	2,533,162	5,066,296	0
NEILLSVILLE SCHOOL DISTRICT	4,947,306	336,414	336,420	672,834	0
NEKOOSA SCHOOL DISTRICT	6,454,064	438,874	438,879	877,753	0
NEW AUBURN SCHOOL DISTRICT	2,124,168	144,443	144,444	288,887	0
NEW BERLIN SCHOOL DISTRICT	26,484,704	1,800,953	1,800,967	3,601,920	0



Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
NEW GLARUS SCHOOL DISTRICT	5,785,117	393,387	393,389	786,776	0
NEW HOLSTEIN SCHOOL DISTRICT	6,108,508	415,376	415,381	830,757	0
NEW LISBON SCHOOL DISTRICT	3,821,337	259,849	259,853	519,702	0
NEW LONDON SCHOOL DISTRICT	12,188,493	828,813	828,822	1,657,635	0
NEW RICHMOND SCHOOL DISTRICT	18,461,536	1,255,377	1,255,391	2,510,769	0
NIAGARA SCHOOL DISTRICT	2,833,721	192,692	192,694	385,386	0
NICOLET HIGH SCHOOL DISTRICT	10,988,732	747,232	747,236	1,494,468	0
NORRIS SCHOOL DISTRICT	697,714	47,444	47,445	94,889	0
NORTH CAPE CONSOLIDATED S D	1,272,217	86,510	86,511	173,022	0
NORTH CRAWFORD SCHOOL DISTRICT	2,982,962	202,840	202,843	405,683	0
NORTH FOND DU LAC SCH DIST	7,899,316	537,151	537,155	1,074,307	0
NORTH LAKE SCHOOL DISTRICT	1,670,869	113,618	113,620	227,238	0
NORTH LAKELAND SCHOOL DISTRICT	1,468,690	99,871	99,871	199,742	0
NORTHERN OZAUKEE SCHOOL DIST	4,759,291	323,630	323,633	647,264	0
NORTHLAND PINES SCHOOL DIST	9,799,478	666,361	666,368	1,332,729	0
NORTHWOOD SCHOOL DISTRICT	2,610,895	177,539	177,542	355,082	0
NORWALK-ONTARIO SCHOOL DIST	4,565,458	310,449	310,453	620,902	0
NORWAY-RAYMOND JT#7 SD	523,690	42,419	35,611	78,030	67,778
OAK CREEK-FRANKLIN JT SCH DIST	37,324,503	2,538,057	2,538,076	5,076,132	0
OAKFIELD SCHOOL DISTRICT	3,468,662	235,868	235,870	471,738	0
OCONOMOWOC AREA SCHOOL DIST	25,039,291	1,702,664	1,702,679	3,405,344	0
OCONTO FALLS PUBLIC SCH DIST	10,188,030	692,782	692,790	1,385,572	0
OCONTO UNIFIED SCHOOL DISTRICT	6,733,479	457,875	457,879	915,753	0
OMRO SCHOOL DISTRICT	7,181,894	488,365	488,372	976,738	0
ONALASKA SCHOOL DISTRICT	19,289,799	1,311,699	1,311,714	2,623,413	0
OOSTBURG SCHOOL DISTRICT	5,663,896	385,142	385,147	770,290	0
OREGON SCHOOL DISTRICT	26,069,399	1,772,712	1,772,726	3,545,438	0
OSCEOLA SCHOOL DISTRICT	10,883,064	740,045	740,052	1,480,097	0
OSHKOSH AREA SCHOOL DISTRICT	62,417,472	4,244,359	4,244,417	8,488,776	0
OSSEO-FAIRCHILD SCHOOL DIST	5,386,491	366,279	366,284	732,563	0
OWEN-WITHEE SCHOOL DISTRICT	2,919,042	198,494	198,496	396,990	0
PALMYRA-EAGLE AREA SCHOOL DIST	5,276,032	358,768	358,772	717,540	0
PARDEEVILLE AREA SCHOOL DIST	4,977,117	398,168	338,445	736,613	536,044
PARIS JT SCH DIST #1 ETAL	1,209,471	82,244	82,245	164,488	0
PARKVIEW SCHOOL DISTRICT	5,435,492	369,612	369,615	739,227	0
PECATONICA AREA SCHOOL DIST	3,180,863	216,298	216,300	432,597	0
PEPIN AREA SCHOOL DISTRICT	1,829,430	124,400	124,402	248,803	0
PESHTIGO SCHOOL DISTRICT	6,439,494	437,885	437,887	875,771	0
PEWAUKEE SCHOOL DISTRICT	16,665,759	1,133,267	1,133,276	2,266,543	0
PHELPS SCHOOL DISTRICT	1,367,849	93,013	93,015	186,027	0
PHILLIPS SCHOOL DISTRICT	4,660,892	316,939	316,943	633,881	0
PITTSVILLE SCHOOL DISTRICT	3,488,525	237,218	237,221	474,439	0
PLATTEVILLE SCHOOL DISTRICT	9,092,892	618,313	618,320	1,236,633	0
PLUM CITY SCHOOL DISTRICT	1,325,490	90,133	90,134	180,267	0
PLYMOUTH JOINT SCHOOL DISTRICT	13,967,682	949,796	949,808	1,899,605	0
PORT EDWARDS SCHOOL DISTICT	2,472,192	168,109	168,110	336,218	0
PORT WASHINGTON-SAUKVILLE SCH	16,838,744	1,145,029	1,145,040	2,290,069	0

CONTRIBUTIONS PAID AND UAAL

Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
PORTAGE COMMUNITY SCHOOL DIST	14,368,549	977,056	977,066	1,954,123	0
POTOSI SCHOOL DISTRICT	2,289,080	155,656	155,659	311,315	0
POYNETTE SCHOOL DISTRICT	6,225,460	423,329	423,334	846,663	0
PRAIRIE DU CHIEN AREA SCH DIST	8,186,445	556,675	556,681	1,113,357	0
PRAIRIE FARM PUBLIC SCH DIST	2,147,000	145,995	145,997	291,992	0
PRENTICE SCHOOL DISTRICT	2,578,730	175,353	175,354	350,707	0
PRESCOTT SCHOOL DISTRICT	8,151,330	554,286	554,295	1,108,581	0
PRINCETON SCHOOL DISTRICT	1,958,285	133,162	133,164	266,327	0
PULASKI COMMUNITY SCHOOL DIST	23,879,684	1,623,810	1,623,827	3,247,637	0
RACINE UNIFIED SCHOOL DISTRICT	138,308,352	9,404,933	9,405,003	18,809,936	0
RANDALL JT SCH DIST #1 ETAL	3,907,531	265,711	265,714	531,424	0
RANDOLPH SCHOOL DISTRICT	3,305,742	224,790	224,791	449,581	0
RANDOM LAKE SCHOOL DISTRICT	5,280,723	359,088	359,091	718,178	0
RAYMOND SCH DIST #14	2,357,957	160,340	160,342	320,682	0
REEDSBURG SCHOOL DISTRICT	17,289,415	1,175,674	1,175,686	2,351,360	0
REEDSVILLE SCHOOL DISTRICT	3,622,001	246,295	246,297	492,592	0
RHINELANDER SCHOOL DISTRICT	13,834,102	940,714	940,724	1,881,438	0
RIB LAKE SCHOOL DISTRICT	2,676,163	181,978	181,980	363,958	0
RICE LAKE AREA SCHOOL DISTRICT	14,844,084	1,009,393	1,009,403	2,018,795	0
RICHFIELD JSD #1	1,695,391	115,286	115,288	230,573	0
RICHLAND SCHOOL DISTRICT	8,233,947	559,906	559,911	1,119,817	0
RICHMOND SCHOOL DISTRICT	2,285,802	155,434	155,435	310,869	0
RIO COMMUNITY SCHOOL DISTRICT	2,982,380	202,800	202,803	405,604	0
RIPON AREA SCHOOL DISTRICT	9,841,348	669,209	669,214	1,338,423	0
RIVER FALLS SCHOOL DISTRICT	18,300,208	1,244,407	1,244,422	2,488,828	0
RIVER RIDGE SCHOOL DISTRICT	3,396,004	230,927	230,930	461,857	0
RIVER VALLEY SCHOOL DISTRICT	8,081,004	549,505	549,511	1,099,017	0
RIVERDALE SCHOOL DISTRICT	3,477,805	236,490	236,492	472,981	0
ROSENDALE-BRANDON SCHOOL DIST	5,640,478	383,551	383,555	767,105	0
ROSHOLT SCHOOL DISTRICT	3,148,406	214,090	214,093	428,183	0
ROYALL SCHOOL DISTRICT	3,527,074	239,839	239,843	479,682	0
SALEM SCHOOL DISTRICT	5,718,365	463,186	388,851	852,036	481,217
SAUK PRAIRIE SCHOOL DISTRICT	17,032,885	1,158,233	1,158,239	2,316,472	0
SENECA SCHOOL DISTRICT	1,729,329	117,594	117,595	235,189	0
SEVASTOPOL SCHOOL DISTRICT	4,273,465	290,595	290,596	581,191	0
SEYMOUR COMMUNITY SCHOOL DIST	13,151,459	894,295	894,303	1,788,598	0
SHARON JT SCH DIST # 11 ETAL	1,591,963	108,253	108,254	216,507	0
SHAWANO SCHOOL DIST	14,239,300	968,268	968,277	1,936,545	0
SHEBOYGAN AREA SCHOOL DISTRICT	66,254,999	4,505,330	4,505,350	9,010,680	0
SHEBOYGAN FALLS SCHOOL DIST	10,512,687	714,859	714,866	1,429,726	0
SHELL LAKE SCHOOL DISTRICT	4,214,056	286,556	286,556	573,112	0
SHIOCTON SCHOOL DISTRICT	4,572,753	310,945	310,949	621,894	0
SHOREWOOD SCHOOL DISTRICT	15,612,340	1,061,635	1,061,643	2,123,278	0
SHULLSBURG SCHOOL DISTRICT	2,327,798	188,551	158,291	346,842	105,451
SILVER LAKE JT SCH DIS #1 ETAL	2,659,540	180,847	180,850	361,697	0
SIREN SCHOOL DISTRICT	3,151,009	214,268	214,269	428,537	0
SLINGER SCHOOL DISTRICT	16,077,699	1,093,279	1,093,288	2,186,567	0



Name	Contributions			Total	Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid		
OLON SPRINGS SCHOOL DISTRICT	1,924,494	130,865	130,866	261,731	0
SOMERSET SCHOOL DISTRICT	9,757,806	663,528	663,534	1,327,062	0
SOUTH MILWAUKEE SCHOOL DIST	21,280,533	1,447,069	1,447,083	2,894,152	0
SOUTH SHORE SCHOOL DISTRICT	1,490,055	101,323	101,324	202,648	0
SOUTHERN DOOR COUNTY SCH DIST	6,736,636	458,088	458,094	916,182	0
SOUTHWESTERN WISC COMM SCH DIS	2,705,634	183,982	183,984	367,966	0
SPARTA AREA SCHOOL DISTRICT	16,738,001	1,138,174	1,138,194	2,276,368	0
SPENCER SCHOOL DISTRICT	3,527,360	239,859	239,862	479,721	0
SPOONER AREA SCHOOL DISTRICT	6,470,396	439,984	439,990	879,974	0
SPRING VALLEY SCHOOL DISTRICT	4,425,354	300,923	300,926	601,848	0
ST CROIX CENTRAL SCH DIST	9,071,003	616,825	616,831	1,233,656	0
ST CROIX FALLS SCHOOL DISTRICT	7,171,951	487,690	487,696	975,385	0
ST FRANCIS SCHOOL DISTRICT #6	6,376,808	433,621	433,625	867,246	0
STANLEY-BOYD AREA SCHOOL DIST	5,863,614	398,723	398,728	797,452	0
STEVENS POINT AREA PUB SCH DIS	43,093,274	2,930,330	2,930,356	5,860,685	0
STOCKBRIDGE SCH DIST	1,221,245	83,044	83,045	166,089	0
STONE BANK SCHOOL DISTRICT	2,454,775	166,924	166,926	333,849	0
STOUGHTON AREA SCHOOL DISTRICT	20,227,530	1,375,466	1,375,478	2,750,944	0
STRATFORD SCHOOL DISTRICT	4,757,472	323,506	323,510	647,016	0
STURGEON BAY SCHOOL DISTRICT	8,380,449	569,868	569,873	1,139,741	0
SUN PRAIRIE AREA SCH DIS	50,900,701	3,461,235	3,461,261	6,922,495	0
SUPERIOR SCHOOL DISTRICT	30,580,091	2,079,432	2,079,461	4,158,892	0
SURING PUBLIC SCHOOL DISTRICT	2,521,564	171,465	171,467	342,933	0
SWALLOW SCHOOL DISTRICT	2,808,881	191,003	191,005	382,008	0
THORP SCHOOL DISTRICT	3,530,458	240,069	240,073	480,142	0
THREE LAKES SCHOOL DISTRICT	4,520,204	307,372	307,375	614,748	0
TIGERTON SCHOOL DISTRICT	1,260,074	85,685	85,685	171,370	0
TOMAH AREA SCHOOL DISTRICT	18,307,952	1,244,934	1,244,948	2,489,881	0
TOMAHAWK SCHOOL DISTRICT	7,733,673	525,888	525,892	1,051,780	0
TOMORROW RIVER SCHOOL DISTRICT	6,405,833	435,595	435,598	871,193	0
TREVOR-WILMOT CONS GR S.D.	3,637,974	247,381	247,384	494,765	0
TRI-COUNTY AREA SCH DIST-PLNFD	4,003,779	272,256	272,258	544,514	0
TURTLE LAKE SCHOOL DISTRICT	2,672,757	181,746	181,749	363,495	0
TWIN LAKES SCH DIST #4	2,329,182	158,383	158,385	316,769	0
TWO RIVERS PUBLIC SCHOOL DIST	10,721,265	729,042	729,050	1,458,092	0
UNION GROVE JT SCH DIS #1 ETAL	4,850,155	329,809	329,812	659,621	0
UNION GROVE UNION HIGH SCH DIS	5,329,539	362,408	362,410	724,817	0
UNITY SCHOOL DISTRICT	6,275,258	426,716	426,719	853,435	0
VALDERS AREA SCHOOL DISTRICT	6,070,445	412,788	412,792	825,581	0
VERONA AREA SCHOOL DISTRICT	37,185,568	2,528,608	2,528,630	5,057,237	0
VIROQUA AREA SCHOOL DISTRICT	6,632,573	451,013	451,017	902,030	0
WABENO AREA SCHOOL DISTRICT	3,295,205	224,073	224,075	448,148	0
WALWORTH JT SCH DIST # 1 ETAL	2,664,201	181,165	181,167	362,331	0
WASHBURN SCHOOL DISTRICT	3,760,357	255,703	255,706	511,409	0
WASHINGTON SCHOOL DISTRICT	585,585	46,261	39,820	86,081	74,979
WASHINGTON-CALDWELL SCH DIST	1,001,314	68,089	68,090	136,179	0
WATERFORD UNION HIGH SCH DIST	7,763,001	527,883	527,885	1,055,768	0

CONTRIBUTIONS PAID AND UAAL

Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
WATERFORD VIL JT SCH DIST #1	7,250,142	493,005	493,014	986,019	0
WATERLOO SCHOOL DISTRICT	5,014,750	341,000	341,006	682,006	0
WATERTOWN UNIFIED SCHOOL DIST	23,003,321	1,564,217	1,564,235	3,128,452	0
WAUKESHA SCHOOL DISTRICT	84,379,236	5,737,769	5,737,807	11,475,576	0
WAUNAKEE COMMUNITY SCHOOL DIST	26,449,567	1,798,551	1,798,591	3,597,141	0
WAUPACA SCHOOL DISTRICT	14,424,259	980,843	980,856	1,961,699	0
WAUPUN AREA SCHOOL DISTRICT	10,973,629	746,202	746,212	1,492,414	0
WAUSAU SCHOOL DISTRICT	58,188,507	3,956,796	3,956,841	7,913,637	0
WAUSAUKEE SCHOOL DISTRICT	2,920,606	198,600	198,602	397,202	0
WAUTOMA AREA SCHOOL DISTRICT	8,491,105	577,391	577,399	1,154,790	0
WAUWATOSA SCHOOL DISTRICT	42,909,671	2,917,849	2,917,867	5,835,715	0
WAUZKA JT SCH DIST ETAL	2,154,653	146,515	146,518	293,033	0
WEBSTER SCHOOL DISTRICT	4,534,219	308,324	308,330	616,654	0
WEST ALLIS-WEST MILW SCH DIST	52,353,886	3,560,040	3,560,089	7,120,129	0
WEST BEND JT SCH DIST #1	40,899,471	2,781,147	2,781,181	5,562,328	0
WEST DEPERE SCHOOL DISTRICT	17,684,588	1,202,545	1,202,559	2,405,104	0
WEST SALEM SCHOOL DISTRICT	10,056,178	683,817	683,823	1,367,640	0
WESTBY AREA SCHOOL DISTRICT	6,256,225	425,420	425,427	850,847	0
WESTFIELD SCHOOL DISTRICT	5,570,671	378,802	378,809	757,611	0
WESTON SCHOOL DISTRICT	1,939,130	131,860	131,862	263,722	0
WESTOSHA CENTRAL HIGH SCH DIST	7,046,425	479,157	479,157	958,314	0
WEYAUWEGA-FREMONT SCHOOL DIST	5,387,146	366,323	366,329	732,652	0
WHEATLAND JT SCH DIST #1 ETAL	3,420,000	232,559	232,561	465,120	0
WHITE LAKE SCHOOL DISTRICT	1,071,670	72,873	72,874	145,747	0
WHITEFISH BAY SCHOOL DISTRICT	18,348,753	1,247,709	1,247,721	2,495,430	0
WHITEHALL SCHOOL DISTRICT	4,331,991	294,574	294,577	589,151	0
WHITWATER UNIFIED SCHOOL DIST	11,983,425	814,869	814,877	1,629,746	0
WHITNALL SCHOOL DISTRICT	16,115,750	1,095,867	1,095,875	2,191,742	0
WILD ROSE SCHOOL DISTRICT	3,510,080	238,684	238,687	477,371	0
WILLIAMS BAY SCHOOL DISTRICT	3,960,694	269,327	269,327	538,654	0
WILMOT UNION HIGH SCHOOL DIST	8,322,992	565,961	565,966	1,131,927	0
WINNECONNE COMM SCHOOL DIST	9,014,328	612,970	612,978	1,225,949	0
WINTER SCHOOL DISTRICT	2,181,365	148,332	148,334	296,666	0
WISCONSIN DELLS SCHOOL DIST	10,248,881	696,920	696,928	1,393,848	0
WISCONSIN HEIGHTS SCHOOL DIST	4,971,230	338,042	338,045	676,087	0
WISCONSIN RAPIDS SCHOOL DIST	32,046,598	2,179,161	2,179,177	4,358,337	0
WITTENBERG-BIRNAMWOOD SCH DIST	6,664,744	453,199	453,206	906,405	0
WONEWOC & UNION CENTER SCH DIS	2,095,527	142,495	142,497	284,992	0
WRIGHTSTOWN COMMUNITY SCH DIST	6,977,773	474,488	474,490	948,977	0
YORKVILLE JT SCH DIST #2 ETAL	2,301,418	156,495	156,497	312,993	0
Total School Districts (422)	5,229,770,112	355,834,938	355,626,006	711,460,944	1,609,013
Technical Colleges					
BLACKHAWK TECHNICAL COLLEGE	14,149,856	962,190	962,191	1,924,380	0
CHIPPEWA VALLEY TECH COLLEGE	32,803,780	2,230,649	2,230,665	4,461,314	0
FOX VALLEY TECHNICAL COLLEGE	61,700,832	4,195,642	4,195,671	8,391,313	0
GATEWAY TECH COLLEGE	46,347,545	3,151,622	3,151,644	6,303,266	0



Name	Contributions				Unfunded Liability Balance
	Covered Payroll	Employer Paid*	Employee Paid	Total	
LAKESHORE TECHNICAL COLLEGE	18,853,397	1,282,026	1,282,036	2,564,062	0
MADISON AREA TECH COLLEGE	97,331,263	6,618,492	6,618,560	13,237,052	0
MID-STATE TECHNICAL COLLEGE	15,266,812	1,038,139	1,038,147	2,076,286	0
MILWAUKEE AREA TECH COLLEGE	110,658,698	7,524,763	7,524,820	15,049,583	0
MORAINES PARK TECHNICAL COLLEGE	26,361,476	1,792,573	1,792,587	3,585,161	0
NICOLET AREA TECHNICAL COLLEGE	12,030,873	818,096	818,103	1,636,199	0
NORTH CENTRAL TECH COLLEGE	26,060,478	1,772,106	1,772,119	3,544,225	0
NORTHEAST WISC TECH COLLEGE	52,782,071	3,589,170	3,589,192	7,178,362	0
SOUTHWEST WISC TECH COLLEGE	11,758,709	799,588	799,596	1,599,184	0
WAUKESHA CO TECHNICAL COLLEGE	40,048,960	2,723,322	2,723,337	5,446,659	0
WESTERN TECH COLLEGE	28,187,778	1,916,769	1,916,769	3,833,538	0
WISCONSIN INDIANHEAD TECH COLL	25,635,739	1,743,221	1,743,240	3,486,461	0
Total Technical Colleges (16)	619,978,266	42,158,367	42,158,677	84,317,044	0
CESAs					
CESA #1	4,484,176	363,217	304,925	668,142	288,765
CESA #10, CHIPPEWA FALLS	7,692,381	523,079	523,085	1,046,164	0
CESA #11	6,915,098	470,224	470,229	940,453	0
CESA #12, ASHLAND	2,377,817	161,691	161,692	323,383	0
CESA #2	6,053,585	411,642	411,646	823,288	0
CESA #3, FENNIMORE	1,427,039	97,038	97,039	194,077	0
CESA #4, LACROSSE	2,120,510	144,194	144,196	288,389	0
CESA #5, PORTAGE	10,531,636	716,148	716,155	1,432,302	12,380
CESA #6, OSHKOSH	7,551,280	611,651	513,489	1,125,141	2,148,760
CESA #7, GREEN BAY	6,630,529	450,874	450,878	901,752	0
CESA #8, GILLET	4,836,092	328,853	328,856	657,709	0
CESA #9, TOMAHAWK	2,095,529	142,495	142,497	284,992	0
Total CESAs (12)	62,715,672	4,421,105	4,264,688	8,685,792	2,449,906
Total WRS (1499)	13,943,116,649	1,080,961,611	948,135,867	2,029,097,478	17,199,955

* Includes contributions for WRS, Accumulated Sick Leave Conversion and Duty Disability