JOHNSON BLOCK
CPAs

CAPITAL AREA REGIONAL PLANNING COMMISSION
Madison, Wisconsin

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

December 31, 2023

CAPITAL AREA REGIONAL PLANNING COMMISSION

TABLE OF CONTENTS
December 31, 2023

JOHNSON BLOCK
CPAs

INDEPENDENT AUDITOR'S REPORT

To the Commission
Capital Area Regional Planning Commission
Madison, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the business-type activities of the of the Capital Area Regional Planning Commission, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Capital Area Regional Planning Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Capital Area Regional Planning Commission, as of December 31, 2023, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Capital Area Regional Planning Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Capital Area Regional Planning Commission's ability to continue as a going concern for one year after the date that the financial statements are issued.

JOHNSON BLOCK AND COMPANY, INC. | 9701 Brader Way, Suite 202, Middleton, WI 53562 | Phone: 608.274.2002 | Fax: 608.274.4320 JOHNSONBLOCK.COM

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Capital Area Regional Planning Commission's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Capital Area Regional Planning Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charges with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

JOHNSON BLOCK CPAs

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Wisconsin Retirement System schedules and Local Retiree Life Insurance Fund schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic 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 express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
September 17, 2024

CAPITAL AREA REGIONAL PLANNING COMMISSION
STATEMENT OF NET POSITION
December 31, 2023

Assets	
Current Assets	
Cash and cash equivalents	$ 956,175
Receivables	
Unbilled accounts receivable	23,127
Due from other governments	62,710
Prepaid expenses	23,065
Total Current Assets	1,065,077
Non-Current Assets	
Lease - right-of-use	372,625
Less: accumulated amortization	(95,138)
Furniture and equipment	13,248
Less: accumulated depreciation	(9,653)
Total Non-Current Assets	281,082
Total Assets	1,346,159
Deferred Outflows of Resources	
Related to pension	741,025
Related to other post-employment benefits	19,475
Total Deferred Outflows of Resources	760,500
Total Assets and Deferred Outflows of Resources	$ 2,106,659
Liabilities	
Current Liabilities	
Accounts payable	$ 47,517
Accrued liabilities	25,279
Interest payable	480
Lease	44,628
Compensated absences	188,204
Total Current Liabilities	306,108
Non-Current Liabilities	
Net Pension Liability	196,721
Deferred revenue	4,847
Lease	243,624
Net other post-employment benefit liability	34,574
Total Non-Current Liabilities	479,766
Total Liabilities	785,874
Deferred Inflows of Resources	
Related to pension	412,887
Related to other post-employment benfits	36,159
Total Deferred Inflows of Resources	449,046
Net Position	
Net investment in capital assets	3,595
Unrestricted	868,144
Total Net Position	871,739
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 2,106,659

See accompanying notes to the financial statements.

CAPITAL AREA REGIONAL PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended December 31, 2023

Operating Revenues	
County appropriation	$ 1,032,294
Federal and state grants	99,746
Water resource monitoring	122,989
Wisconsin Salt Wise program	160,657
Other local governments	41,541
Sewer extension fees	43,200
Sewer service amendment fees	63,074
Miscellaneous	8,809
Total Operating Revenues	1,572,310
Operating Expenses	
Salaries and wages	877,809
Employee benefits	341,832
Professional services	270,710
Travel and conferences	29,550
Office supplies and expenses	46,223
Insurance	4,023
Lease amortization	47,569
Interest expense on lease	6,160
Total Operating Expenses	1,623,876
Operating Income (Loss)	(51,566)
Non-Operating Revenues	
Interest income	46,826
Total Non-Operating Revenues	46,826
Change in Net Position	(4,740)
Net Position - Beginning of Year	876,479
Net Position - End of Year	$ 871,739

See accompanying notes to the financial statements.

CAPITAL AREA REGIONAL PLANNING COMMISSION
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023

Cash Flows from Operating Activities	
Received from grants and charges for services	$ 1,591,410
Paid to employees and benefit providers	(1,193,200)
Paid to suppliers for goods and services	(382,099)
Net Cash Flows Provided (Used) by Operating Activities	16,111
Cash Flows from Investing Activities	
Investment income	46,826
Net Cash Flows Provided (Used) by Investing Activities	46,826
Net Change in Cash and Cash Equivalents	62,937
Cash and Cash Equivalents - Beginning of Year	893,238
Cash and Cash Equivalents - End of Year	$ 956,175

Reconciliation of Operating Income to Net Cash Used by Operating Activities	
Operating income (loss)	$ (51,566)
Noncash items in operating income (loss)	
Depreciation	2,042
Changes in assets, liabilities, and deferrals	
Accounts receivables	13,807
Due from other governments	3,696
Prepaid expenses	4,061
Accounts payable	11,311
Compensated absences	(17,212)
Accrued liabilities	(2,649)
Deferred revenue	1,597
Pension related	44,894
Other post-employment benefits related	1,408
Lease related	4,722
Net Cash Flows Provided (Used) by Operating Activities	$ 16,111

See accompanying notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Capital Area Regional Planning Commission (Commission) is a public agency formed under Section 66.0309 of the Wisconsin Statutes. The Commission was created on May 2, 2007 by Executive Order #197 from the Office of the Governor. The function of the agency is to serve as the regional planning and area wide water quality management planning entity for the Dane County, Wisconsin region. The reporting entity for the Commission is based upon criteria set forth by statement issued by the Governmental Accounting Standards Board. All functions of the Commission for which it exercises oversight responsibility are included. The oversight responsibility includes, but is not limited to, financial interdependency between the Commission and component units; control by the Commission over selection of the entity's governing authority or designation of management; the ability to significantly influence operations; and accountability for fiscal matters.

The accounting policies of the Commission conform to accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant policies.

Reporting Entity

The reporting entity of the Commission is based upon criteria set forth by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an Amendment to* GASB Statements No. 14 and No. 34. The reporting entity for the Commission consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. If a primary government appoints a voting majority of an organization's officials or if the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or to impose specific financial burdens on, the primary government, the primary government is financially accountable for those organizations. An organization has a financial benefit or burden relationship with the primary government if, for example, any one of these conditions exists. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

Measurement Focus and Basis of Accounting

For financial reporting purposes, the Commission is considered a special-purpose government engaged only in business-type activities. Accordingly, the financial statements of the Commission have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Commission's cash and cash equivalents are considered to be cash on hand, demand deposits, investments in the Local Government Investment Pool, and short-term investments with original maturities less than ninety days from date of acquisition.

The Commission may invest available cash balances in time deposits of authorized depositories, US Treasury obligations, US agency issues, high grade commercial paper, and the local government pooled investment fund administered by the state investment board.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets are reported at historical cost, or estimated historical cost. The Commission capitalizes equipment having a cost of $5,000 or more. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's useful life are not capitalized. Donated capital assets are valued at their estimated fair value market value at the time of receipt. Interest costs incurred during construction are not capitalized and are not considered material.

Capital assets are depreciated using the straight-line method over the estimated useful lives, which range from four to ten years for equipment.

Leases

Right-of-use lease assets are initially measured as an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives and plus ancillary changes necessary to place the lease into service. The right-of-use lease asset is amortized on the straight-line basis over the life of the related lease. Lease liabilities are recognized at the present value of the expected payments to be made during the lease term.

Receivables

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The Commission has adopted various policies in regard to accumulation of sick leave and vacation time. Unused sick leave is accumulated from year to year to a maximum of 1,700 hours (212.5 days) until retirement. At employee retirement the accumulated sick leave will be converted to a monetary value which shall be available, at the retiring employee's option, to be placed in a medical/dental reimbursement trust, known as a PRIME Plan, or in a 401(a) Benefit Plan. Vacation time earned in one accounting period and carried over to the next period is recorded as a liability in the Commission's financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Commission has deferred outflows of resources and deferred inflows of resources related to pension and other post-employment benefits activity at December 31, 2023.

County Appropriations

In accordance with state statutes, the amount charged to a local government unit shall not exceed .003% of such equalized value unless the governing body expressly approves the amount in excess of such percentage. In addition, the Dane County municipalities petitioning for creation of the Commission included a provision that the Commission budget may not exceed .0017% of equalized value. For the 2023 budget, the Commission assessed Dane County a charge of $1,032,294.

Revenues and Expenses

The Commission distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Commission's principal ongoing operations. The principal operating revenues of the Commission are county charges and fees for service, which come primarily from grants and projects for local governments. Operating expense include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (revenue). Information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, and OPEB expense (revenue). Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets plus unspent proceeds.

Restricted Net Position – Consists of net position with constraints placed on use by 1) external groups such as creditors, grantors, or contributors, or 2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The Commission's budget is adopted in accordance with Chapter 66.0309 of the Wisconsin Statutes. Changes to appropriations authorized in the adopted budget generally require a vote of two-thirds of the entire membership of the governing body. Budgetary expenditure control is exercised at the individual account level.

3. CASH AND CASH EQUIVALENTS

The Commission's cash and cash equivalents consist of the following at December 31, 2023:

	Statement Balances	Carrying Value	Risk
Deposit with financial institutions	$ 197,285	$ 165,699	Custodial credit
LGIP	790,476	790,476	Credit, interest rate
Total cash and cash equivalents	$ 987,761	$ 956,175	

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. To limit credit risk, the Commission is limited to investments authorized by Wisconsin State Statute 66.0603 including the following:

(1) Deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in this State;
(2) Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board or other instrumentality of the federal government;
(3) Bonds or securities of any county, drainage district, VTAE district, village, city, town, or school district of this State;
(4) Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's investor service or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating;
(5) The local government pooled-investment fund as established under Section 25.50 of the Wisconsin Statutes;
(6) Agreements in which a public depository agrees to repay funds advanced to it by the Commission, plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government;
(7) Securities of an open-ended management investment company or investment trust, subject to various conditions and investment options;
(8) Bonds issued by the University of Wisconsin Hospital Clinics Authority and the Wisconsin Aerospace Authority.

The Commission has adopted an investment policy which permits all investments authorized under state statutes as described above.

3. CASH AND CASH EQUIVALENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Commission would not be able to recover its deposits or would not be able to recover collateral securities that are in the possession of an outside party.

Deposits in each local and area bank are insured by the FDIC in the amount of $250,000. Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of $400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations. As of December 31, 2023, none of the Commission's deposits were exposed to custodial credit risk.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board (SWIB). The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool's investments. Detailed information about the SIF is available in separately issued financial statements available at https://doa.wi.gov/Pages/StateFinances/LGIP.aspx Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2023, the fair value of the Commission's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the Commission.

SWIB may invest in obligations of the U.S. Treasury and its agencies, Commercial Paper, Bank Time Deposits/Certificates of Deposit, Bankers' Acceptances, Asset Backed Securities and Repurchase Agreements secured by the U.S. Government or its agencies and other instruments authorized under State Investment Fund investment guidelines.

Investment allocation in the LGIP as of December 31, 2023 was: 94% in U.S. Government Securities and 6% in Certificates of Deposit, Bankers' Acceptance and Time Deposits, Commercial Paper, and Corporate Notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

4. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, being depreciated				
Office furniture and equipment	$ 7,171	$ -	$ -	$ 7,171
Leasehold improvements	6,077	-	-	6,077
Subtotal	13,248	-	-	13,248
Accumulated Depreciation				
Office furniture and equipment	5,737	1,434	-	7,171
Leasehold improvements	1,874	608	-	2,482
Subtotal	7,611	2,042	-	9,653
Total capital assets being depreciated, net	5,637	(2,042)	-	3,595
Right-of-use leased assets, being amortized				
Office Space	372,625	-	-	372,625
Less accumulated amortization for				
Office Space	47,569	47,569	-	95,138
Total right-of-use lease assets, net	325,056	(47,569)	-	277,487
Total capital assets, net	$ 330,693	$ (49,611)	$ -	$ 281,082

5. LONG-TERM LIABILITIES

The Commission's long-term liabilities consist of one lease payable. The Commission entered into a 10-year office space sub-lease arrangement where the Commission is the lessee. Lease payments increase by 2% annually. A summary of the changes in the lease liability follows:

	Balance 1/1/2023	Increases	Decreases	Balance 12/31/2023
Lease Liability	$ 331,027	$ -	$ 42,775	$ 288,252
	$ 331,027	$ -	$ 42,775	$ 288,252

Future principal and interest payments on the lease liability were as follows:

Year Ended December 31,	Principal	Interest	Total
2024	$ 44,628	$ 5,359	$ 49,987
2025	46,537	4,449	50,986
2026	48,506	3,500	52,006
2027	50,535	2,512	53,047
2028	52,625	1,482	54,107
2029	45,421	417	45,838
Total	$ 288,252	$ 17,719	$ 305,971

6. WISCONSIN RETIREMENT SYSTEM

General Information about the Pension Plan

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

6. WISCONSIN RETIREMENT SYSTEM (CONTINUED)

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided. Employees who retire at or after age 65 (54 for protective occupation employees and 62 for elected official and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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 actuarially-reduced benefits. 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.

The WRS also provides death and disability benefits for employees.

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 annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
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
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

6. WISCONSIN RETIREMENT SYSTEM (CONTINUED)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized $44,893 in contributions from the employer.

Contributions rates as of December 31, 2023 were:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2023, the Commission reported a liability (asset) of $196,721 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2022 and the Total Pension Liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Commission's proportion of the net pension liability (asset) was based on the Commission's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the Commission's proportion was 0.00371334% which was an increase of 0.000074050% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Commission recognized pension expense of $99,432.

6. WISCONSIN RETIREMENT SYSTEM (CONTINUED)

At December 31, 2023, the Commission reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 313,316	$ (411,627)
Net differences between projected and actual earnings on pension plan investments	334,185	-
Changes in assumptions	38,683	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	348	(1,260)
Employer contributions subsequent to the measurement date	54,493	-
Total	$ 741,025	$ (412,887)

$54,493 reported as deferred outflows related to pension resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2024	$ 11,029
2025	56,654
2026	58,077
2027	147,885
2028	-
Total	$ 273,645

6. WISCONSIN RETIREMENT SYSTEM (CONTINUED)

Actuarial assumptions. The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
	January 1, 2018 - December 31, 2020
Experience Study:	Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-Retirement Adjustments	1.7%

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

6. WISCONSIN RETIREMENT SYSTEM (CONTINUED)

Long-Term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected[1]
Returns[1] As of December 31, 2022

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %[2]
Global Equities	48	7.6	5.0
Fixed Income	25	5.3	2.7
Inflation Sensitive Assets	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund[3]	115	7.4	4.8
Variable Fund Asset Class			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

[1]Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations
[2]New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%
[3]The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

6. WISCONSIN RETIREMENT SYSTEM (CONTINUED)

Single Discount Rate. A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. 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 this 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 municipal bond 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 Commission's Proportionate Share of the Net Pension Liability (Asset) to changes in the Discount Rate. The following presents the Commission's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the Commission's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
Commission's proportionate share of the net pension liability (asset)	$ 652,913	$ 196,721	$ (117,098)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements

7. OTHER POST-EMPLOYMENT BENEFITS

Plan Description. The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible members.

7. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Plan Description. The LRLIF is a multiple-employer, defined-benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible members.

OPEB Plan Fiduciary Net Position. ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements.

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

Benefits Provided. The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions. The Group Insurance Board 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.

Contribution rates as of December 31, 2023 are:

Coverage Type	Employer Contribution
25% Post Retirement Coverage	20% of Member Contribution

7. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Member 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, 2022 are as listed below:

Life Insurance
Member Contribution Rates*
For the year ended December 31, 2022

Attained Age	Basic	Supplemental
Under 30	$0.05	$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

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

During the reporting period, the LRLIF recognized $182 in contributions from the Commission.

OPEB Liabilities, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At December 31, 2023, the Commission reported a liability of $34,574 for its proportionate share of the Net OPEB Liability (Asset). The Net OPEB Liability (Asset) was measured as of December 31, 2022, and the Total OPEB Liability used to calculate the Net OPEB Liability (Asset) was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Commission's proportion of the Net OPEB Liability (Asset) was based on the Commission's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the Commission's proportion was 0.009075%, which was an increase of 0.005930% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Commission recognized OPEB expense of $1,608.

7. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

At December 31, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (3,384)
Net differences between projected and actual earnings on plan investments	649	-
Changes in actuarial assumptions	12,421	(20,408)
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,203	(12,367)
Employer contributions subsequent to the measurement date	202	-
Totals	$ 19,475	$ (36,159)

$202 reported as deferred outflows related to OPEB resulting from the LRLIF employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2024	$ (2,556)
2025	(2,544)
2026	(1,101)
2027	(3,049)
2028	(4,881)
Thereafter	(2,755)
Total	$ (16,886)

7. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions. The total OPEB liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability (Asset)	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:*	3.72%
Long-Term Expected Rated of Return:	4.25%
Discount Rate:	3.76%
Salary Increases	
Wage Inflation:	3.00%
Seniority/Merit:	0.10% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

*Based on the Bond Buyers Go index.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the January 1, 2022 actuarial valuation.

Long-Term Expected Return on Plan Assets. 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. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally 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.

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2022

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interm Credit	50%	2.45%
US Mortgages	Bloomberg US MBS	50%	2.83%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

7. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The long-term expected rate of return remained unchanged from the prior year at 4.25%. 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. The expected inflation rate remained uncharnged from the prior year at 2.3%.

Single Discount Rate. A single discount rate of 3.76% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return 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, 2036.

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.

Sensitivity of the Commission's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate. The following presents the Commission's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.76%, as well as what the Commission's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1- percentage-point lower (2.76 percent) or 1-percentage-point higher (4.76 percent) than the current rate:

	1% Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
Commission's proportionate share of the net OPEB liability (asset)	$ 47,138	$ 34,574	$ 24,945

8. RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; error and omissions; worker compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded insurance coverage in any of the last three years. There were no significant reductions in coverage compared to last year.

9. COMMITMENTS AND CONTINGENCIES

The Commission has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to request for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

From time to time the Commission may be a party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Commission's financial position.

REQUIRED SUPPLEMENTARY INFORMATION

CAPITAL AREA REGIONAL PLANNING COMMISSION
WISCONSIN RETIREMENT SYSTEM
December 31, 2023

Schedule of Commission's Proportionate Share of the Net Pension Liability (Asset)
As of the Measurement Date
Last 10 Calendar Years

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered-employee payroll	Collective net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2022	0.00907500%	$ 196,721	$ 690,672	28.48%	95.72%
2021	0.00363929%	(293,333)	629,530	(46.60%)	106.02%
2020	0.00366418%	(228,759)	614,279	(37.24%)	105.26%
2019	0.00371246%	(119,706)	574,182	(20.85%)	102.96%
2018	0.00377792%	134,406	573,008	23.46%	96.45%
2017	0.00374036%	(111,055)	568,541	(19.53%)	102.93%
2016	0.00362200%	29,856	546,315	5.46%	99.12%
2015	0.00411900%	66,937	512,861	13.05%	98.20%
2014	0.00478000%	(117,420)	487,287	(24.10%)	102.74%

Schedule of Commission's Contributions for Pension
Last 10 Calendar Years

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2023	$ 54,493	$ (54,493)	$ -	$ 801,356	6.80%
2022	44,894	(44,894)	-	690,672	6.50%
2021	42,493	(42,493)	-	629,530	6.75%
2020	41,464	(41,464)	-	614,279	6.75%
2019	37,609	(37,609)	-	574,182	6.55%
2018	38,391	(38,391)	-	573,008	6.70%
2017	38,660	(38,660)	-	568,541	6.80%
2016	36,057	(36,057)	-	546,315	6.60%
2015	34,875	(34,875)	-	512,861	6.80%

CAPITAL AREA REGIONAL PLANNING COMMISSION
LOCAL RETIREE LIFE INSURANCE FUND
December 31, 2023

Schedule of Commission's Proportionate Share of the Net OPEB Liability (Asset)
As of the Measurement Date
Last 10 Calendar Years

Year ended December 31,	Proportion of the Net OPEB Liability (Asset)	Proportionate share of the Net OPEB Liability (Asset)	Covered-employee payroll	Collective Net OPEB Liability (Asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the Total OPEB Liability (Asset)
2022	0.00907500%	$ 34,574	$ 390,000	8.87%	38.81%
2021	0.00848200%	50,132	382,000	13.12%	29.57%
2020	0.01208800%	66,493	383,000	17.36%	31.36%
2019	0.01072000%	45,648	370,000	12.34%	37.58%
2018	0.00972300%	25,089	362,000	6.93%	48.69%
2017	0.01148600%	34,557	483,019	7.15%	44.81%

Schedule of Commission's Contributions for LRLIF
Last 10 Calendar Years

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2023	$ 182	$ (182)	$ -	$ 426,000	0.04%
2022	185	(185)	-	390,000	0.05%
2021	173	(173)	-	382,000	0.05%
2020	241	(241)	-	383,000	0.06%
2019	193	(193)	-	370,000	0.05%
2018	187	(187)	-	362,000	0.05%

See accompanying notes to the required supplementary information

1. WISCONSIN RETIREMENT SYSTEM

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the preceding year.

Changes of Benefit Terms. There were no changes of benefit terms for any participating employer in WRS.

Changes of Assumptions. Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

1. WISCONSIN RETIREMENT SYSTEM (CONTINUED)

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

	2022	**2021**	**2020**	**2019**	**2018**
Valuation Date:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.0%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	1.9%	2.1%	2.1%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.	Experience -based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.
Mortality:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

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

1. WISCONSIN RETIREMENT SYSTEM (CONTINUED)

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

	2017	2016	2015	2014	2013
Valuation Date:	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006 - 2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

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

2. LOCAL RETIREE LIFE INSURANCE FUND

GASB Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the four preceding years.

Changes of Benefit Terms. There were no recent changes in benefit terms.

Changes of Assumptions. In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.