



State Investment Fund *State of Wisconsin Investment Board*

Background

The State of Wisconsin Investment Board (SWIB) manages the State Investment Fund as authorized by s. 25.14, Wis. Stats. SWIB is governed by a nine-member Board of Trustees. The Board of Trustees includes six public members who serve six-year terms and are appointed by the Governor, with the advice and consent of the Senate. The remaining three board members include two participants in the Wisconsin Retirement System and the Secretary of the Department of Administration.

The State Investment Fund invests the excess operating funds of State of Wisconsin agencies, the Wisconsin Retirement System, and the Local Government Investment Pool (LGIP). The LGIP is a voluntary option for local governments, such as counties, cities, villages, towns, and school districts. SWIB's investment objectives for the State Investment Fund are liquidity, safety of principal, and competitive rates of return. Although SWIB is responsible for State Investment Fund investment activities, the Department of Administration is responsible for distributing earnings to participants.

To fulfill our statutory requirements, we conducted a financial audit of SWIB by auditing the financial statements for the State Investment Fund in accordance with applicable government auditing standards, issuing our auditor's opinion, and reviewing internal controls.

Audit Results

Our unmodified opinion on the State Investment Fund financial statements is included in SWIB's [State Investment Fund Annual Financial Report](#) for the fiscal year (FY) ended June 30, 2015. We provide an unmodified opinion when audit evidence supports the conclusion that the financial statements provide a fair view of an entity's financial activity in accordance with government accounting standards. Our report includes the [Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters](#).

Key Findings

On the basis of generally accepted accounting principles, the net position of the State Investment Fund increased from \$7.5 billion as of June 30, 2014, to \$7.9 billion as of June 30, 2015.

Net investment income earned by the State Investment Fund increased from \$7.7 million in FY 2013-14 to \$7.9 million in FY 2014-15, or by 2.6 percent. The annual investment return for the State Investment Fund increased from 0.09 percent in FY 2013-14 to 0.11 percent in FY 2014-15. These investment returns exceeded the benchmarks established for the State Investment Fund and continue to reflect ongoing low interest rates.