



*Dale R. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA



## Financial Update – June 30, 2020

### *Board of Trustees*

Information Final October 6, 2020

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*A Division of the Department of State Treasurer*

# Financial Results: Actual vs. Budget

## Fiscal Year Ending June 2020

Fiscal Year 19/20	Actual thru JUN 2020	Authorized Budget (per Segal 4-02-19)	Variance Fav/(Unfav) Budget
<b>Beginning Cash Balance</b>	<b>\$1.297b</b>	<b>\$1.261b</b>	<b>\$ 35.4m</b>
<b>Plan Revenue</b>	<b>\$3.794b</b>	<b>\$3.782b</b>	<b>\$ 12.5m</b>
Net Claims Payments	\$3.230b	\$3.394b	\$163.9m
Medicare Advantage Premiums	\$213.4m	\$201.8m	(\$11.6m)
Net Administrative Expenses	\$139.9m	\$184.6m	\$44.7m
<b>Total Plan Expenses</b>	<b>\$3.583b</b>	<b>\$3.780b</b>	<b>\$197.0m</b>
<b>Net Income/(Loss)</b>	<b>\$210.9m</b>	<b>\$ 1.389m</b>	<b>\$209.5m</b>
<b>Cash Transfer to Retiree Trust</b>	<b>\$475.2m</b>	<b>\$0</b>	<b>(\$475.2m)</b>
<b>Ending Cash Balance</b>	<b>\$1.032b</b>	<b>\$1.263b</b>	<b>(\$230.3m)</b>

# Financial Results: Fiscal Year Comparisons

## FY 19/20 Compared to FY 18/19

Fiscal Year Comparison 19/20 vs. 18/19	Actual thru JUN 2020	Actual thru JUN 2019	Variance Fav/(Unfav)
<b>Beginning Cash Balance</b>	<b>\$1.297b</b>	<b>\$1.063b</b>	<b>\$235m</b>
<b>Plan Revenue</b>	<b>\$3.794b</b>	<b>\$3.661b</b>	<b>\$133m</b>
Net Claims Payments	\$3.230b	\$3.108b	(\$122m)
Medicare Advantage Premiums	\$213.4m	\$188.2m	(\$25.2m)
Net Administrative Expenses	\$139.9m	\$130.9m	(\$9.0m)
<b>Total Plan Expenses</b>	<b>\$3.583b</b>	<b>\$3.427b</b>	<b>(\$156m)</b>
<b>Net Income/(Loss)</b>	<b>\$210.9m</b>	<b>\$233.9m</b>	<b>(\$23.0m)</b>
<b>Cash Transfer to Retiree Trust</b>	<b>\$475.2m</b>	<b>\$0</b>	<b>(\$475.2m)</b>
<b>Ending Cash Balance</b>	<b>\$1.032b</b>	<b>\$1.296b</b>	<b>(\$264m)</b>

# Financial Results: Actual vs. Budget

## Calendar Year to Date June 2020

Calendar Year 2020	Actual thru JUN 2020	Authorized Budget (per Segal 4-02-19)	Variance Fav/(Unfav) Budget
<b>Beginning Cash Balance</b>	<b>\$1.403b</b>	<b>\$1.295b</b>	<b>\$108.0m</b>
<b>Plan Revenue</b>	<b>\$1.885b</b>	<b>\$1.900b</b>	<b>(\$15.4m)</b>
Net Claims Payments	\$1.579b	\$1.681b	\$101.5m
Medicare Advantage Premiums	\$ 128.8m	\$ 114.1m	(\$14.6m)
Net Administrative Expenses	\$ 72.6m	\$ 92.7m	\$20.1m
<b>Total Plan Expenses</b>	<b>\$1.781b</b>	<b>\$1.887b</b>	<b>\$107.0m</b>
<b>Net Income/(Loss)</b>	<b>\$104.4m</b>	<b>\$12.8m</b>	<b>\$91.6m</b>
<b>Cash Transfer to Retiree Trust</b>	<b>\$475.2m</b>	<b>\$0</b>	<b>(\$475.2m)</b>
<b>Ending Cash Balance</b>	<b>\$1.032b</b>	<b>\$1.308b</b>	<b>(\$275.7m)</b>

# Financial Results: Calendar Year Comparisons

## CY 2019 Compared to CY 2020

Calendar Year Comparison 2020 vs. 2019	Actual thru JUN 2020	Actual thru JUN 2019	Variance Fav/(Unfav)
<b>Beginning Cash Balance</b>	<b>\$1.403b</b>	<b>\$1.234b</b>	<b>\$169.0m</b>
<b>Plan Revenue</b>	<b>\$1.885b</b>	<b>\$1.831b</b>	<b>\$54.0m</b>
Net Claims Payments	\$1.579b	\$1.501b	(\$78.0m)
Medicare Advantage Premiums	\$ 128.8m	\$ 85.0m	(\$43.8m)
Net Administrative Expenses	\$ 72.6m	\$ 66.1m	(\$6.5m)
<b>Total Plan Expenses</b>	<b>\$1.781b</b>	<b>\$1.652b</b>	<b>(\$129m)</b>
<b>Net Income/(Loss)</b>	<b>\$104.4m</b>	<b>\$179.0m</b>	<b>(\$74.6m)</b>
<b>Cash Transfer to Retiree Trust</b>	<b>\$475.2m</b>	<b>\$0</b>	<b>(\$475.2m)</b>
<b>Ending Cash Balance</b>	<b>\$1.032b</b>	<b>\$1.413b</b>	<b>(\$381.1m)</b>