



STATE OF ILLINOIS
**OFFICE OF THE
AUDITOR GENERAL**

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

STATE UNIVERSITIES RETIREMENT SYSTEM

**Compliance Examination
For the Year Ended: June 30, 2013**

Release Date: February 11, 2014

Summary of Findings:

Total this report:	0
Total last report:	0
Repeated findings:	0

SYNOPSIS

This digest covers our compliance examination of the State Universities Retirement System (System) for the year ended June 30, 2013. A financial audit covering the year ending June 30, 2013 was previously released on January 8, 2014. There were no findings of noncompliance identified during our testing.

ACCOUNTANTS' REPORT

The auditors conducted a compliance attestation examination of the System for the year ended June 30, 2013 as required by the Illinois State Auditing Act. The accountants' report does not contain any scope limitations, disclaimers or other significant non-standard language.

A handwritten signature in blue ink, appearing to read "William G. Holland", written over a horizontal line.

WILLIAM G. HOLLAND
Auditor General

WGH:TLK

SPECIAL ASSISTANT AUDITORS

McGladrey LLP were our Special Assistant Auditors for this engagement.

{Financial data and Supplementary Information are summarized on the reverse page.}

**STATE UNIVERSITIES RETIREMENT SYSTEM
COMPLIANCE EXAMINATION
For The Year Ended June 30, 2013**

FINANCIAL OPERATIONS	2013	2012*
Additions		
Contributions		
Participants.....	\$ 305,079,175	\$ 312,357,812
Employer.....	1,450,720,295	1,031,738,495
Total Contributions.....	<u>1,755,799,470</u>	<u>1,344,096,307</u>
Investment Income		
Net appreciation (depreciation) in fair market value.....	1,549,836,543	(218,846,087)
Interest.....	100,489,294	81,396,519
Dividends.....	237,085,587	200,831,741
Securities lending.....	4,404,538	5,641,433
Less: Investment expense.....	(49,548,198)	(43,296,841)
Net Investment Income (Loss).....	<u>1,842,267,764</u>	<u>25,726,765</u>
Total Additions.....	<u>3,598,067,234</u>	<u>1,369,823,072</u>
Deductions		
Benefits.....	1,934,136,238	1,748,672,457
Refund of contributions.....	101,598,796	94,173,484
Administrative expense.....	13,852,565	13,555,757
Total Deductions.....	<u>2,049,587,599</u>	<u>1,856,401,698</u>
Net Increase (Decrease).....	<u>\$ 1,548,479,635</u>	<u>\$ (486,578,626)</u>
*Certain reclassifications were made to the 2012 amounts to conform to the current year presentation.....		
INVESTMENTS USED FOR BENEFITS AND EXPENSES (Defined Benefit Plan)		
	JUNE 30, 2013	JUNE 30, 2012
Contributions		
Participants.....	\$ 245,141,327	\$ 258,236,014
State of Illinois.....	1,359,607,030	940,218,809
Federal/Trust and other sources.....	41,874,081	45,595,812
Total Contributions.....	<u>1,646,622,438</u>	<u>1,244,050,635</u>
Deductions		
Benefits.....	1,914,554,567	1,735,319,897
Refunds.....	81,454,902	73,491,309
Administrative Expenses.....	13,426,494	13,166,856
Total Deductions.....	<u>2,009,435,963</u>	<u>1,821,978,062</u>
Investments Used to Pay Benefits and Expenses.....	<u>\$ (362,813,525)</u>	<u>\$ (577,927,427)</u>
SUPPLEMENTARY INFORMATION		
Asset management expenses.....	\$ 49,174,215	\$ 42,734,709
Investment return.....	12.5%	0.5%
Average number of employees (unaudited).....	121.00	117.80
Number of active members.....	81,302	81,156
Number of inactive members.....	82,196	81,341
Number of retirement benefit recipients.....	48,142	45,548
Number of survivor benefit recipients.....	8,001	7,870
Number of disabilities benefit recipients.....	688	715
AGENCY DIRECTOR		
During Audit Period and Current: William Mabe		