



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

STATE UNIVERSITIES RETIREMENT SYSTEM

Release Date: February 11, 2020

**Compliance Examination
For the Year Ended June 30, 2019**

INTRODUCTION

This digest covers our compliance examination of the State Universities Retirement System (System) for the year ended June 30, 2019. A separate Financial Audit as of and for the year ending June 30, 2019, was previously released on December 19, 2019.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the System for the year ended June 30, 2019, as required by the Illinois State Auditing Act. The accountants stated the System complied, in all material respects, with the requirements described in the report.

FINDINGS THIS AUDIT:	0
FINDINGS LAST AUDIT:	1

This compliance examination was conducted by BKD LLP.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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{Financial data is summarized on next page summarized on next page.

**STATE UNIVERSITIES RETIREMENT SYSTEM
COMPLIANCE EXAMINATION
For the Year Ended June 30, 2019**

FINANCIAL OPERATIONS	2019	2018
Additions		
Contributions		
Participants.....	\$ 368,588,213	\$ 366,944,715
Employer.....	1,713,287,608	1,677,312,471
Total Contributions.....	<u>2,081,875,821</u>	<u>2,044,257,186</u>
Investment Income		
Net appreciation (depreciation) in fair market value.....	958,763,679	1,467,434,542
Interest.....	155,798,932	127,396,974
Dividends.....	237,287,406	232,971,148
Securities lending.....	5,191,144	4,741,875
Less: Investment expense.....	(64,578,560)	(73,708,756)
Net Investment Income.....	<u>1,292,462,601</u>	<u>1,758,835,783</u>
Total Additions.....	<u>3,374,338,422</u>	<u>3,803,092,969</u>
Deductions		
Benefits.....	2,617,196,859	2,497,944,964
Refund of contributions.....	115,051,659	123,842,578
Administrative expense.....	16,662,874	14,848,138
Total Deductions.....	<u>2,748,911,392</u>	<u>2,636,635,680</u>
Net Increase.....	<u>\$ 625,427,030</u>	<u>\$ 1,166,457,289</u>
INVESTMENTS USED FOR BENEFITS AND EXPENSES (Defined Benefit Plan)(Unaudited)	JUNE 30, 2019	JUNE 30, 2018
Contributions		
Participants.....	\$ 280,017,618	\$ 282,726,126
State of Illinois.....	1,592,639,155	1,568,220,976
Federal/Trust and other sources.....	49,415,109	39,659,344
Total Contributions.....	<u>1,922,071,882</u>	<u>1,890,606,446</u>
Deductions		
Benefits.....	2,558,990,197	2,446,291,238
Refunds.....	80,538,398	93,492,132
Administrative Expenses.....	16,083,589	14,396,609
Total Deductions.....	<u>2,655,612,184</u>	<u>2,554,179,979</u>
Investments Used to Pay Benefits and Expenses.....	<u>\$ (733,540,302)</u>	<u>\$ (663,573,533)</u>
SUPPLEMENTARY INFORMATION	JUNE 30, 2019	JUNE 30, 2018
Asset management expenses.....	\$ 64,109,736	\$ 73,281,987
Investment return.....	6.0%	8.2%
Average number of employees (Unaudited).....	137	129
Number of active members.....	75,120	74,950
Number of inactive members.....	93,077	91,874
Number of retirement benefit recipients (Unaudited).....	57,890	56,293
Number of survivor benefit recipients (Unaudited).....	8,973	8,844
Number of disabilities benefit recipients (Unaudited).....	599	651
Number of disabilities retirement allowance recipients (Unaudited).....	380	381
EXECUTIVE DIRECTOR		
During Audit Period: Martin Noven		
Current: Martin Noven		