



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

William G. Holland, Auditor General

**SUMMARY REPORT DIGEST**

**TEACHERS' RETIREMENT SYSTEM OF THE  
STATE OF ILLINOIS**

**Compliance Examination  
For the Year Ended: June 30, 2012**

**Release Date: April 4, 2013**

**Summary of Findings:**

<b>Total this report:</b>	<b>0</b>
<b>Total last report:</b>	<b>0</b>
<b>Repeated findings:</b>	<b>0</b>

**SYNOPSIS**

This digest covers our compliance examination of the Teachers' Retirement System (System) for the year ended June 30, 2012. A financial audit covering the year ending June 30, 2012 was previously released on January 16, 2013. 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, 2012 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

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**SPECIAL ASSISTANT AUDITORS**

McGladrey LLP were our Special Assistant Auditors for this engagement.

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

**TEACHERS' RETIREMENT SYSTEM  
COMPLIANCE EXAMINATION  
For The Year Ended June 30, 2012**

<b>FINANCIAL OPERATIONS</b>	<b>FY 2012</b>	<b>FY 2011</b>
<b>Additions</b>		
Contributions		
Members.....	\$ 917,661,328	\$ 909,577,109
State of Illinois.....	2,406,364,156	2,170,918,489
School districts.....	154,894,946	155,110,133
Total Contributions.....	<u>\$ 3,478,920,430</u>	<u>\$ 3,235,605,731</u>
Investment Income		
Net appreciation (depreciation) in fair market value....	\$ (569,789,574)	\$ 6,493,315,290
Interest.....	252,487,148	263,477,734
Dividends.....	471,331,674	418,407,718
Real estate operating income, net.....	217,106,145	167,163,511
Private equity income.....	59,494,311	77,727,706
Other investment income.....	8,667,039	14,903,813
Securities lending income, net.....	19,617,303	17,793,331
Less: Investment expense.....	(234,807,327)	(218,249,613)
Net Investment Income.....	<u>\$ 224,106,719</u>	<u>\$ 7,234,539,490</u>
Total Additions.....	<u>\$ 3,703,027,149</u>	<u>\$ 10,470,145,221</u>
<b>Deductions</b>		
Benefits.....	\$ 4,553,822,073	\$ 4,228,282,978
Refund of contributions.....	84,635,032	76,587,192
Administrative expense.....	19,011,899	17,792,071
Total Deductions.....	<u>\$ 4,657,469,004</u>	<u>\$ 4,322,662,241</u>
<b>Net Increase (Decrease).....</b>	<u>\$ (954,441,855)</u>	<u>\$ 6,147,482,980</u>
<b>INVESTMENTS USED FOR BENEFITS AND EXPENSES</b>		
	<b>FY 2012</b>	<b>FY 2011</b>
<b>Contributions</b>		
Members.....	\$ 917,661,328	\$ 909,577,109
State of Illinois.....	2,406,364,156	2,170,918,489
School districts.....	154,894,946	155,110,133
Total Contributions.....	<u>\$ 3,478,920,430</u>	<u>\$ 3,235,605,731</u>
<b>Deductions</b>		
Benefits.....	\$ 4,553,822,073	\$ 4,228,282,978
Refunds.....	84,635,032	76,587,192
Administrative Expenses.....	19,011,899	17,792,071
Total Deductions.....	<u>\$ 4,657,469,004</u>	<u>\$ 4,322,662,241</u>
<b>Investments Used to Pay Benefits and Expenses.....</b>	<u>\$ (1,178,548,574)</u>	<u>\$ (1,087,056,510)</u>
<b>SUPPLEMENTARY INFORMATION</b>		
	<b>JUNE 30, 2012</b>	<b>JUNE 30, 2011</b>
Investment return (unaudited).....	0.8%	23.6%
Number of active members.....	162,217	166,013
Number of inactive members.....	99,052	94,820
New age retirement claims processed (unaudited).....	5,417	5,153
Number of retirement annuitants.....	94,865	90,967
Average monthly benefit for retirement annuitants.....	\$ 4,018	\$ 3,871
Number of survivor annuitants.....	9,509	9,272
Average monthly benefit for survivor annuitants.....	\$ 1,579	\$ 1,495
Number of disabilities benefit annuitants.....	1,073	1,049
Average monthly benefit for disability annuitants.....	\$ 2,161	\$ 2,084
<b>EXECUTIVE DIRECTOR</b>		
During Audit Period: Richard W. Ingram		
Currently: Richard W. Ingram		