



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

**Financial Audit
For the Year Ended June 30, 2019**

Release Date: January 14, 2020

FINDINGS THIS AUDIT:	0
FINDINGS LAST AUDIT:	0

INTRODUCTION

This digest covers the Financial Audit of the Teachers' Retirement System of the State of Illinois (System) as of and for the year ended June 30, 2019. The System's Compliance Examination covering the year ended June 30, 2019 will be issued in a separate report at a later date.

The System's total pension liability is \$134.4 billion at June 30, 2019, an increase of \$4.5 billion from \$129.9 billion at June 30, 2018. The System's net pension liability at June 30, 2019 is \$81.1 billion, which is the difference between the System's fiduciary net position of \$53.3 billion and the total pension liability. The System's net position as a percentage of the total pension liability is 39.6% at June 30, 2019 as compared to 40.0% at June 30, 2018. The criteria used for computing pension liability information in the financial report in accordance with GASB Statement No. 67 differs from the criteria used to compute the actuarial accrued liability and actuarial unfunded liability used for funding purposes, therefore this information is no longer reported in the financial statements. There were no findings reported under *Government Auditing Standards* in our audit.

AUDITOR'S OPINION

The auditors stated the financial statements of the System as of and for the year ended June 30, 2019 are fairly stated in all material respects.

This financial audit 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 information is summarized on the next page.}

TEACHERS' RETIREMENT SYSTEM OF ILLINOIS

FINANCIAL AUDIT

For the Year Ended June 30, 2019 and 2018

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	2019	2018
Additions:		
Contributions - Members.....	\$ 963,972,120	\$ 938,037,245
Contributions - State of Illinois.....	4,466,020,692	4,095,125,358
Contributions - School Districts / Employers.....	88,514,781	84,633,117
Total Contributions.....	5,518,507,593	5,117,795,720
Investment Income (Loss), Net of Expenses.....	2,617,831,332	4,049,271,728
Total Additions.....	8,136,338,925	9,167,067,448
Deductions:		
Benefits.....	6,745,544,182	6,458,709,645
Refunds.....	73,216,390	92,924,731
Administrative Expenses.....	24,335,680	21,550,896
Total Deductions.....	6,843,096,252	6,573,185,272
Net Increase (Decrease) in Net Position.....	\$ 1,293,242,673	\$ 2,593,882,176
STATEMENT OF FIDUCIARY NET POSITION	June 30, 2019	June 30, 2018
Cash.....	\$ 27,358,430	\$ 32,034,294
Receivables and Prepaid Expenses.....	7,164,874,414	5,856,758,011
Investments, at fair value.....	52,825,807,531	52,070,945,762
Invested Securities Lending Collateral.....	2,540,713,046	2,323,876,849
Capital Assets, Net of Accumulated Depreciation.....	2,856,794	2,851,122
Total Assets.....	\$ 62,561,610,215	\$ 60,286,466,038
Liabilities.....	9,298,820,848	8,316,919,344
Net Position Restricted for Pensions.....	\$ 53,262,789,367	\$ 51,969,546,694
INVESTMENT PORTFOLIO ANALYSIS - Fair Value	June 30, 2019	June 30, 2018
Fixed Income.....	\$ 13,725,761,411	\$ 12,138,093,138
Public Equities.....	17,823,681,423	18,207,596,005
Alternative Investments.....	19,635,394,819	20,343,876,329
Derivatives.....	(55,888,377)	32,220,547
Short-term Investments.....	1,601,845,805	1,280,712,915
Foreign Currency.....	95,012,450	68,446,828
Total Investment Portfolio.....	\$ 52,825,807,531	\$ 52,070,945,762
ADMINISTRATIVE EXPENSES	2019	2018
Personal Services.....	\$ 17,015,955	\$ 15,785,515
Other Services.....	3,011,089	2,405,690
Professional Services.....	2,874,959	1,879,628
Depreciation.....	875,719	948,500
Communications.....	557,958	531,563
Total Administrative Expenses.....	\$ 24,335,680	\$ 21,550,896
SUPPLEMENTARY INFORMATION	June 30, 2019	June 30, 2018
Benefit Recipients.....	124,299	122,423
Active Members.....	163,027	160,859
Inactive Members.....	136,178	134,010
Total.....	423,504	417,292
PENSION LIABILITY	June 30, 2019	June 30, 2018
Total Pension Liability.....	\$ 134,370,954,628	\$ 129,914,383,296
Plan Fiduciary Net Position.....	53,262,789,367	51,969,546,694
Net Pension Liability.....	\$ 81,108,165,261	\$ 77,944,836,602
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability.....	39.6%	40.0%
EXECUTIVE DIRECTOR		
During Engagement Period: Richard W. Ingram		
Currently: Richard W. Ingram		