



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

William G. Holland, Auditor General

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**SUMMARY REPORT DIGEST**

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**STATE UNIVERSITIES RETIREMENT SYSTEM**

**Compliance Examination  
For the Year Ended: June 30, 2010**

**Release Date: February 10, 2011**

**Summary of Findings:**

<b>Total this audit:</b>	<b>0</b>
<b>Total last audit:</b>	<b>3</b>
<b>Repeated from last audit:</b>	<b>0</b>

**INTRODUCTION**

This digest covers our compliance examination of the System for the year ended June 30, 2010. A financial audit covering the year ending June 30, 2010 was issued separately.

{Expenditures and Activity Measures are summarized on the reverse page.}

**STATE UNIVERSITIES RETIREMENT SYSTEM  
COMPLIANCE EXAMINATION  
For The Year Ended June 30, 2010**

<b>FINANCIAL OPERATIONS</b>	<b>2010</b>	<b>2009</b>
<b>Additions</b>		
Contributions		
Participants.....	\$ 323,570,314	\$ 322,117,492
Employer.....	739,711,843	489,881,392
Total Contributions.....	<u>\$ 1,063,282,157</u>	<u>\$ 811,998,884</u>
Investment Income		
Net appreciation (depreciation) in fair market value.....	\$ 1,294,472,087	\$ (3,290,131,425)
Interest.....	324,588,475	183,668,534
Dividends.....	153,916,871	153,789,636
Securities lending.....	6,534,929	16,649,099
Less: Investment expense.....	(54,177,017)	(31,095,737)
Net Investment Income (Loss).....	<u>1,725,335,345</u>	<u>(2,967,119,893)</u>
Total Additions.....	<u>\$ 2,788,617,502</u>	<u>\$ (2,155,121,009)</u>
<b>Deductions</b>		
Benefits.....	\$ 1,483,740,506	\$ 1,376,726,389
Refund of contributions.....	57,467,779	51,372,312
Administrative expense.....	12,455,584	12,922,070
Total Deductions.....	<u>\$ 1,553,663,869</u>	<u>\$ 1,441,020,771</u>
Net Increase (Decrease).....	<u>\$ 1,234,953,633</u>	<u>\$ (3,596,141,780)</u>
<b>INVESTMENTS USED FOR BENEFITS AND EXPENSES (Defined Benefit Plan)</b>		
	<b>JUNE 30, 2010</b>	<b>JUNE 30, 2009</b>
<b>Contributions</b>		
Participants.....	\$ 274,999,557	\$ 273,292,053
State of Illinois.....	662,429,484	417,257,229
Federal/Trust and other sources.....	34,165,857	34,359,837
Total Contributions.....	<u>\$ 971,594,898</u>	<u>\$ 724,909,119</u>
<b>Deductions</b>		
Benefits.....	\$ 1,477,486,374	\$ 1,371,990,391
Refunds.....	47,284,471	42,651,635
Administrative Expenses.....	12,108,181	12,922,070
Total Deductions.....	<u>1,536,879,026</u>	<u>\$ 1,427,564,096</u>
Investments Used to Pay Benefits and Expenses.....	<u>\$ (565,284,128)</u>	<u>\$ (702,654,977)</u>
<b>SUPPLEMENTARY INFORMATION</b>		
	<b>JUNE 30, 2010</b>	<b>JUNE 30, 2009</b>
Total investment administrative expenses.....	\$ 53,524,481	\$ 29,430,957
Investment return (unaudited).....	15%	(19.7%)
Average number of employees (unaudited).....	118.30	114.10
Number of active members.....	82,742	83,545
Number of inactive members.....	80,438	77,780
Number of retirement benefit recipients.....	40,364	38,400
Number of survivor benefit recipients.....	7,402	7,269
Number of disabilities benefit recipients.....	728	726
<b>AGENCY DIRECTOR</b>		
During Audit Period: Interim Executive Director: Judith A. Parker		
Currently: William Mabe		

**AUDITORS' OPINION**

Our auditors state the June 30, 2010 financial statements of the State Universities Retirement System are presented fairly in all material respects.

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

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WILLIAM G. HOLLAND  
Auditor General

WGH:TLK:PP

**SPECIAL ASSISTANT AUDITORS**

McGladrey & Pullen LLP were our Special Assistant Auditors for this engagement.