



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, 2012**

Release Date: February 21, 2013

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, 2012. A financial audit covering the year ending June 30, 2012 was previously released on January 15, 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

WGH:TLK:rt

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, 2012**

FINANCIAL OPERATIONS	2012	2011
Additions		
Contributions		
Participants.....	\$ 312,357,812	\$ 309,934,408
Employer.....	1,031,738,495	818,435,806
Total Contributions.....	<u>1,344,096,307</u>	<u>1,128,370,214</u>
Investment Income		
Net appreciation (depreciation) in fair market value.....	(218,846,087)	2,646,764,487
Interest.....	81,396,519	192,587,174
Dividends.....	200,831,741	181,007,663
Securities lending.....	5,641,433	5,347,769
Less: Investment expense.....	<u>(43,296,841)</u>	<u>(52,092,669)</u>
Net Investment Income (Loss).....	<u>25,726,765</u>	<u>2,973,614,424</u>
Total Additions.....	<u>1,369,823,072</u>	<u>4,101,984,638</u>
Deductions		
Benefits.....	1,757,675,491	1,622,452,595
Refund of contributions.....	85,170,450	73,895,151
Administrative expense.....	<u>13,555,757</u>	<u>12,618,044</u>
Total Deductions.....	<u>1,856,401,698</u>	<u>1,708,965,790</u>
Net Increase (Decrease).....	<u>\$ (486,578,626)</u>	<u>\$ 2,393,018,848</u>
INVESTMENTS USED FOR BENEFITS AND EXPENSES (Defined Benefit Plan)		
	JUNE 30, 2012	JUNE 30, 2011
Contributions		
Participants.....	\$ 258,236,014	\$ 260,177,436
State of Illinois.....	940,218,809	737,047,682
Federal/Trust and other sources.....	<u>45,595,812</u>	<u>36,546,984</u>
Total Contributions.....	<u>1,244,050,635</u>	<u>1,033,772,102</u>
Deductions		
Benefits.....	1,743,745,957	1,611,228,356
Refunds.....	65,065,250	58,917,601
Administrative Expenses.....	13,166,856	12,273,786
Total Deductions.....	<u>1,821,978,063</u>	<u>1,682,419,743</u>
Investments Used to Pay Benefits and Expenses.....	<u>\$ (577,927,428)</u>	<u>\$ (648,647,641)</u>
SUPPLEMENTARY INFORMATION		
	JUNE 30, 2012	JUNE 30, 2011
Total investment administrative expenses.....	\$ 42,734,709	\$ 51,574,569
Investment return.....	0.5%	23.8%
Average number of employees (unaudited).....	117.80	118.80
Number of active members.....	81,156	81,611
Number of inactive members.....	81,341	79,922
Number of retirement benefit recipients.....	45,548	42,682
Number of survivor benefit recipients.....	7,870	7,578
Number of disabilities benefit recipients.....	715	709
AGENCY DIRECTOR		
During Audit Period and Current: William Mabe		