

# REPORT DIGEST

## STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

### COMPLIANCE AUDIT

For the Year Ended:  
June 30, 1997

#### Summary of Findings:

Total this audit	0
Total prior audit	0
Repeated from last audit	0

Release Date:



State of Illinois  
Office of the Auditor General

**WILLIAM G. HOLLAND**  
AUDITOR GENERAL

Iles Park Plaza  
740 E. Ash Street  
Springfield, IL 62703  
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## INTRODUCTION

This digest covers our compliance audit of the System for the year ended June 30, 1997. A financial audit covering the year ending June 30, 1997 is being issued separately.

It should be noted that, pursuant to the Illinois Pension Code, investments of the System are managed by the Illinois State Board of Investment.

There were no material findings of noncompliance disclosed during our audit tests. We commend the System for maintaining effective fiscal controls.

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WILLIAM G. HOLLAND, Auditor General

WGH:KMA:pp

## SPECIAL ASSISTANT AUDITORS

McGladrey & Pullen, LLP were our special assistant auditors for this audit.

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

**STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS**  
**INFORMATION FROM FINANCIAL AND COMPLIANCE AUDITS**  
**TWO YEARS ENDED JUNE 30, 1997**

FINANCIAL OPERATIONS	FY 1997	FY 1996
<b>REVENUES</b>		
Contributions:		
Participants.....	\$145,683,543	\$137,220,037
Employing State agencies.....	149,689,714	137,574,134
State pension fund.....	8,489,800	8,823,800
Net investment income.....	213,670,347	193,491,522
Net appreciation in fair value of investments.....	735,593,840	540,406,296
Interest earned on cash balances.....	<u>3,346,821</u>	<u>2,265,444</u>
Total Revenue.....	<u>\$1,256,474,065</u>	<u>\$1,019,781,233</u>
<b>EXPENSES</b>		
Benefits:		
Retirement annuities.....	\$298,359,093	\$286,277,462
Survivors' annuities.....	35,239,862	32,972,599
Disability benefits.....	23,813,616	22,435,912
Lump-sum death benefits.....	11,256,372	10,792,160
Refunds.....	12,635,835	13,378,007
Administration.....	5,735,827	5,654,407
Transfers to reciprocating systems.....	<u>86,592</u>	<u>4,151</u>
Total Expenses.....	<u>\$387,127,197</u>	<u>\$371,514,698</u>
SELECTED ACCOUNT BALANCES	JUNE 30, 1997	JUNE 30, 1996
Cash.....	\$69,478,145	\$51,602,122
Receivables.....	\$14,423,277	\$13,215,401
Investments, at fair value.....	\$5,965,539,268	\$5,115,275,081
Property and equipment, net of accumulated depreciation.....	\$3,771,484	\$3,811,862
Liabilities.....	\$5,184,949	\$5,224,109
Net Assets Held in Trust for Benefits.....	\$6,048,027,225	\$5,178,680,357
Actuarial Accrued Liability.....	\$7,548,207,778	*
Unfunded Liability.....	\$1,500,180,553	*
SUPPLEMENTARY INFORMATION	FY 1997	FY 1996
Number of System employees.....	79	78
Number of retirees and beneficiaries currently receiving benefits.....	39,231	39,232
Inactive members not yet receiving benefits.....	3,291	3,138
Current Members:		
Vested.....	53,000	50,655
Nonvested.....	26,697	28,557
Total Return on Investments.....	18.8%	16.6%

\* Not available due to change in accounting principle

**EXECUTIVE SECRETARY**

During Audit Period: Michael L. Mory  
Currently: Michael L. Mory



