



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**STATE UNIVERSITIES RETIREMENT SYSTEM**

**Financial Audit  
For the Year Ended June 30, 2018**

**Release Date: January 3, 2019**

<b>FINDINGS THIS AUDIT:</b>	<b>0</b>
<b>FINDINGS LAST AUDIT:</b>	<b>0</b>

**INTRODUCTION**

This digest covers the financial statement audit of the State Universities Retirement System (System) as of and for the year ended June 30, 2018. The State Universities Retirement System's Compliance Examination covering the year ended June 30, 2018 will be issued in a separate report at a later date.

The System's total pension liability is \$46.816 billion at June 30, 2018. The net pension liability at June 30, 2018 is \$27.495 billion, which is the difference between the System's fiduciary net position of \$18.485 billion and the total pension liability. The System's funded ratio is 41.27%. 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 under the State's funding plan, therefore this information under the State's funding plan is no longer reported in the financial statements.

There were no material findings of noncompliance disclosed during our examination.

**AUDITOR'S OPINION**

The auditors stated the financial statements of the State Universities Retirement System as of June 30, 2018, and for the year then ended, 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 next page.

**STATE UNIVERSITIES RETIREMENT SYSTEM**  
**FINANCIAL AUDIT**  
**For the Year Ended June 30, 2018**

<b>FINANCIAL OPERATIONS</b>	<b>2018</b>	<b>2017</b>
<b>Additions</b>		
<b>Contributions</b>		
Participants.....	\$ 366,944,715	\$ 363,859,687
Employer and Non-employer contributing entity.....	1,677,312,471	1,717,467,545
<b>Total Contributions.....</b>	<u>2,044,257,186</u>	<u>2,081,327,232</u>
<b>Investment Income</b>		
Net appreciation (depreciation) in fair market value.....	1,467,434,542	1,967,912,694
Interest.....	127,396,974	114,131,741
Dividends.....	232,971,148	236,551,585
Securities lending.....	4,741,875	5,885,222
Less: Investment expense.....	(73,708,756)	(63,821,279)
<b>Net Investment Income.....</b>	<u>1,758,835,783</u>	<u>2,260,659,963</u>
<b>Total Additions.....</b>	<u>3,803,092,969</u>	<u>4,341,987,195</u>
<b>Deductions</b>		
Benefits.....	2,497,944,964	2,383,819,393
Refund of contributions.....	123,842,578	118,929,259
Administrative expense.....	14,848,138	15,303,608
<b>Total Deductions.....</b>	<u>2,636,635,680</u>	<u>2,518,052,260</u>
<b>Net Increase/(Decrease) .....</b>	<u>\$ 1,166,457,289</u>	<u>\$ 1,823,934,935</u>
<b>INVESTMENT PORTFOLIO ANALYSIS</b>		
<b>(Fair Value)</b>	<b>JUNE 30, 2018</b>	<b>JUNE 30, 2017</b>
Equities.....	\$ 10,773,499,828	\$ 9,998,536,284
Fixed income.....	4,784,437,115	4,772,101,327
Real estate and Alternative investments.....	3,449,561,022	3,345,526,675
Mutual funds and variable annuities.....	2,370,017,322	2,052,773,940
<b>Total.....</b>	<u>\$ 21,377,515,287</u>	<u>\$ 20,168,938,226</u>
<b>PENSION LIABILITY (in millions)</b>		
<b>Total Pension Liability.....</b>	<u>\$ 46,815.6</u>	<u>\$ 43,965.9</u>
Plan Net Position.....	19,321.1	\$ 18,484.8
<b>Net Pension Liability.....</b>	<u>\$ 27,494.5</u>	<u>\$ 25,481.1</u>
Plan Net Position as a Percentage of the Total Pension Liability.....	41.27%	42.04%
<b>SUPPLEMENTARY INFORMATION</b>		
<b>Benefit recipients.....</b>	<u>66,908</u>	<u>65,078</u>
Active members.....	74,950	75,969
Inactive members.....	91,874	90,819
<b>Total.....</b>	<u>233,732</u>	<u>231,866</u>
<b>AGENCY DIRECTOR</b>		
During Audit Period and Current: Mr. Martin Noven		