



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

STATE EMPLOYEES' RETIREMENT SYSTEM
OF ILLINOIS

Financial Audit
For the Year Ended June 30, 2023

Release Date: February 29, 2024

FINDINGS THIS AUDIT: 0

FINDINGS LAST AUDIT: 0

INTRODUCTION

This digest covers the financial statement audit of the State Employees' Retirement System of the State of Illinois (System) as of and for the year ended June 30, 2023. A digest covering the System's State Compliance Examination for the two years ended June 30, 2023, will be released at a later date.

The System's total pension liability is \$56.4 billion at June 30, 2023, an increase of \$1.9 billion from \$54.6 billion at June 30, 2022. The System's net pension liability at June 30, 2023 is \$33.1 billion, which is the difference between the System's fiduciary net position of \$23.3 billion and the total pension liability. The System's net position as a percentage of the total pension liability is 41.4% as of June 30, 2023, as compared to 40.7% at June 30, 2022. 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 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, 2023, are fairly stated in all material respects.

This financial audit was conducted by RSM US 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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STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
FINANCIAL AUDIT
For the Years Ended June 30, 2023 and 2022

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	2023	2022
Additions:		
Contributions - Participants.....	\$ 297,411,268	\$ 288,829,988
Contributions - State Agencies and Appropriations.....	2,666,685,015	2,665,685,426
Total Contributions.....	<u>2,964,096,283</u>	<u>2,954,515,414</u>
Net Appreciation (Depreciation) in Fair Value of Investments.....	1,055,827,394	(1,991,526,518)
Interest and Dividends.....	297,807,032	442,773,148
Investment Expense	(17,757,843)	(28,069,283)
Net Investment Income (Loss).....	<u>1,335,876,583</u>	<u>(1,576,822,653)</u>
Total Additions.....	<u>4,299,972,866</u>	<u>1,377,692,761</u>
Deductions:		
Benefits.....	3,128,312,244	2,991,760,475
Refunds.....	24,968,832	26,582,459
Administrative Expenses.....	18,516,803	18,185,673
Total Deductions.....	<u>3,171,797,879</u>	<u>3,036,528,607</u>
Net Increase (Decrease) in Net Position.....	<u>\$ 1,128,174,987</u>	<u>\$ (1,658,835,846)</u>
STATEMENT OF FIDUCIARY NET POSITION AND INVESTMENT SUMMARY - (All investments held in the Illinois State Board of Investment Commingled Fund at fair value)	June 30, 2023	June 30, 2022
U.S. Government, Agency and Municipal Obligations.....	\$ 541,162,376	\$ 446,203,174
Domestic Equities.....	3,971,415,156	3,973,541,539
International Equities.....	255,573,082	291,857,727
Domestic Bank Loans.....	125,535,488	142,598,047
Domestic Obligations.....	206,488,310	277,598,925
International Obligations.....	20,127,751	13,336,421
Commingled Funds.....	11,666,738,909	11,077,749,826
Real Estate Funds.....	2,727,334,591	2,853,235,142
Private Equity Funds.....	2,400,092,174	2,059,446,250
Private Credit Funds.....	1,652,431,070	1,384,143,425
Infrastructure Funds.....	551,606,026	447,873,206
Hedge Funds.....	180,591	558,141
Deposit (Subscription Advance).....	-	5,000,000
Money Market Instruments.....	160,666,276	167,509,479
Total Investment Portfolio.....	<u>24,279,351,800</u>	<u>23,140,651,302</u>
Other ISBI Assets Less Liabilities.....	57,994,036	37,232,785
ISBI Net Position.....	<u>24,337,345,836</u>	<u>23,177,884,087</u>
Investments owned by other retirement systems and other entities.....	(1,423,918,535)	(1,372,643,691)
State Employees' Retirement System Investments.....	22,913,427,301	21,805,240,396
Cash, Receivables and Other Assets.....	492,888,176	483,706,826
Less: Total Liabilities.....	<u>(53,637,742)</u>	<u>(64,444,474)</u>
Net Position - Restricted for Pensions.....	<u>\$ 23,352,677,735</u>	<u>\$ 22,224,502,748</u>
ADMINISTRATIVE EXPENSES	2023	2022
Personal Services.....	\$ 6,007,258	\$ 5,765,093
Retirement, Group Insurance & Social Security.....	5,532,723	5,546,311
Electronic Data Processing.....	4,355,266	4,359,987
Contractual Services.....	1,350,055	1,408,079
Depreciation and Amortization.....	1,191,480	1,010,635
Other Expenses (Net).....	80,021	95,568
Total Administrative Expenses.....	<u>\$ 18,516,803</u>	<u>\$ 18,185,673</u>
SUPPLEMENTARY INFORMATION	June 30, 2023	June 30, 2022
Benefit Recipients.....	76,878	75,826
Active Members.....	61,651	61,056
Inactive Members.....	3,835	3,708
Total.....	<u>142,364</u>	<u>140,590</u>
PENSION LIABILITY	June 30, 2023	June 30, 2022
Total Pension Liability.....	\$ 56,453,895,403	\$ 54,561,367,762
Plan Fiduciary Net Position.....	<u>23,352,677,735</u>	<u>22,224,502,748</u>
Net Pension Liability.....	<u>\$ 33,101,217,668</u>	<u>\$ 32,336,865,014</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability.....	41.4%	40.7%
EXECUTIVE SECRETARY		
During Engagement Period: Timothy B. Blair		
Currently: Timothy B. Blair		