



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

**TEACHERS' RETIREMENT SYSTEM OF THE
STATE OF ILLINOIS**

**Compliance Examination
For the Year Ended: June 30, 2011**

Release Date: February 28, 2012

Summary of Findings:

Total this report:	0
Total last report:	0
Repeated findings:	0

SYNOPSIS

This digest covers our compliance examination of the Teachers' Retirement System (System) for the year ended June 30, 2011. A financial audit covering the year ending June 30, 2011 was previously released on January 11, 2012. 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, 2011 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:RPU:RT

SPECIAL ASSISTANT AUDITORS

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

{Financial data and Supplementary Information are summarized on the reverse page

**TEACHERS' RETIREMENT SYSTEM
COMPLIANCE EXAMINATION
For The Year Ended June 30, 2011**

FINANCIAL OPERATIONS	FY 2011	FY 2010
Additions		
Contributions		
Members.....	\$ 909,577,109	\$ 899,401,028
State of Illinois.....	2,170,918,489	2,080,729,055
School districts.....	155,110,133	171,420,549
Total Contributions.....	<u>\$ 3,235,605,731</u>	<u>\$ 3,151,550,632</u>
Investment Income		
Net appreciation in fair market value.....	\$ 6,493,315,290	\$ 2,999,370,225
Interest.....	263,477,734	291,830,747
Dividends.....	418,407,718	344,648,907
Real estate operating income, net.....	167,163,511	174,189,540
Private equity income.....	77,727,706	32,412,430
Other investment income.....	14,903,813	16,846,619
Securities lending income, net.....	17,793,331	21,111,429
Less: Investment expense.....	(218,249,613)	(200,766,937)
Net Investment Income (Loss).....	<u>\$ 7,234,539,490</u>	<u>\$ 3,679,642,960</u>
Total Additions.....	<u>\$ 10,470,145,221</u>	<u>\$ 6,831,193,592</u>
Deductions		
Benefits.....	\$ 4,228,282,978	\$ 3,927,838,363
Refund of contributions.....	76,587,192	60,349,779
Administrative expense.....	17,792,071	16,950,679
Total Deductions.....	<u>\$ 4,322,662,241</u>	<u>\$ 4,005,138,821</u>
Net Increase.....	<u>\$ 6,147,482,980</u>	<u>\$ 2,826,054,771</u>
INVESTMENTS USED FOR BENEFITS AND EXPENSES		
	FY 2011	FY 2010
Contributions		
Members.....	\$ 909,577,109	\$ 899,401,028
State of Illinois.....	2,170,918,489	2,080,729,055
School districts.....	155,110,133	171,420,549
Total Contributions.....	<u>\$ 3,235,605,731</u>	<u>\$ 3,151,550,632</u>
Deductions		
Benefits.....	\$ 4,228,282,978	\$ 3,927,838,363
Refunds.....	76,587,192	60,349,779
Administrative Expenses.....	17,792,071	16,950,679
Total Deductions.....	<u>\$ 4,322,662,241</u>	<u>\$ 4,005,138,821</u>
Investments Used to Pay Benefits and Expenses.....	<u>\$ (1,087,056,510)</u>	<u>\$ (853,588,189)</u>
SUPPLEMENTARY INFORMATION		
	JUNE 30, 2011	JUNE 30, 2010
Investment return (unaudited).....	23.6%	12.9%
Number of active members.....	166,013	170,275
Number of inactive members.....	94,820	104,222
New age retirement claims processed (unaudited).....	5,153	4,788
Number of retirement annuitants.....	90,967	87,654
Average monthly benefit for retirement annuitants.....	\$ 3,871	\$ 3,737
Number of survivor annuitants.....	9,272	9,049
Average monthly benefit for survivor annuitants.....	\$ 1,495	\$ 1,409
Number of disabilities benefit annuitants.....	1,049	1,051
Average monthly benefit for disability annuitants.....	\$ 2,084	\$ 2,045
EXECUTIVE DIRECTOR		
During Audit Period: Stan Rupnick, Acting (until 1-27-2011); Richard W. Ingram (beginning 1-27-2011)		
Currently: Richard W. Ingram		