



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

William G. Holland, Auditor General

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**SUMMARY REPORT DIGEST**

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**STATE UNIVERSITIES RETIREMENT SYSTEM**

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

**Release Date: February 9, 2012**

**Summary of Findings:**

<b>Total this audit:</b>	<b>0</b>
<b>Total last audit:</b>	<b>0</b>
<b>Repeated from last audit:</b>	<b>0</b>

**INTRODUCTION**

This digest covers our compliance examination of the System for the year ended June 30, 2011. A financial audit covering the year ending June 30, 2011 was issued separately.

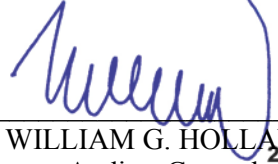
{Expenditures and Activity Measures are summarized on the reverse page.}

**STATE UNIVERSITIES RETIREMENT SYSTEM  
COMPLIANCE EXAMINATION  
For The Year Ended June 30, 2011**

<b>FINANCIAL OPERATIONS</b>	<b>2011</b>	<b>2010</b>
<b>Additions</b>		
Contributions		
Participants.....	\$ 309,934,408	\$ 323,570,314
Employer.....	818,435,806	739,711,843
Total Contributions.....	<u>\$ 1,128,370,214</u>	<u>\$ 1,063,282,157</u>
Investment Income		
Net appreciation (depreciation) in fair market value....	\$ 2,646,764,487	\$ 1,294,472,087
Interest.....	192,587,174	324,588,475
Dividends.....	181,007,663	153,916,871
Securities lending.....	5,347,769	6,534,929
Less: Investment expense.....	(52,092,669)	(54,177,017)
Net Investment Income (Loss).....	<u>2,973,614,424</u>	<u>1,725,335,345</u>
Total Additions.....	<u>\$ 4,101,984,638</u>	<u>\$ 2,788,617,502</u>
<b>Deductions</b>		
Benefits.....	\$ 1,622,452,595	\$ 1,483,740,506
Refund of contributions.....	73,895,151	57,467,779
Administrative expense.....	12,618,044	12,455,584
Total Deductions.....	<u>\$ 1,708,965,790</u>	<u>\$ 1,553,663,869</u>
Net Increase (Decrease).....	<u>\$ 2,393,018,848</u>	<u>\$ 1,234,953,633</u>
<b>INVESTMENTS USED FOR BENEFITS AND EXPENSES (Defined Benefit Plan)</b>		
	<b>JUNE 30, 2011</b>	<b>JUNE 30, 2010</b>
<b>Contributions</b>		
Participants.....	\$ 260,177,436	\$ 274,999,557
State of Illinois.....	737,047,682	662,429,484
Federal/Trust and other sources.....	36,546,984	34,165,857
Total Contributions.....	<u>\$ 1,033,772,102</u>	<u>\$ 971,594,898</u>
<b>Deductions</b>		
Benefits.....	\$ 1,611,228,356	\$ 1,477,486,374
Refunds.....	58,917,601	47,284,471
Administrative Expenses.....	12,273,786	12,108,181
Total Deductions.....	<u>1,682,419,743</u>	<u>\$ 1,536,879,026</u>
Investments Used to Pay Benefits and Expenses.....	<u>\$ (648,647,641)</u>	<u>\$ (565,284,128)</u>
<b>SUPPLEMENTARY INFORMATION</b>		
Total investment administrative expenses.....	\$ 51,574,569	\$ 53,524,481
Investment return (unaudited).....	23.8%	15.0%
Average number of employees (unaudited).....	118.80	118.30
Number of active members.....	81,611	82,742
Number of inactive members.....	79,922	80,438
Number of retirement benefit recipients.....	42,682	40,364
Number of survivor benefit recipients.....	7,578	7,402
Number of disabilities benefit recipients.....	709	728
<b>AGENCY DIRECTOR</b>		
During Audit Period and Current: William Mabe		

**AUDITORS' OPINION**

Our auditors state the June 30, 2011 financial statements of the State Universities Retirement System are presented fairly in all material respects.

A handwritten signature in blue ink, appearing to read "William G. Holland", is written over a horizontal line. A long, thin blue line extends from the end of the signature upwards and to the right.

WILLIAM G. HOLLAND  
Auditor General

WGH:TLK:PP

**SPECIAL ASSISTANT AUDITORS**

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