



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

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

**Financial Audit  
For the Year Ended June 30, 2022**

**Release Date: March 30, 2023**

<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 Employees' Retirement System of the State of Illinois (System) as of and for the year ended June 30, 2022.

The System's total pension liability is \$54.6 billion at June 30, 2022, a decrease of \$2.4 billion from \$57.0 billion at June 30, 2021. The System's net pension liability at June 30, 2022 is \$32.3 billion, which is the difference between the System's fiduciary net position of \$22.2 billion and the total pension liability. The System's net position as a percentage of the total pension liability is 40.73% as of June 30, 2022 as compared to 41.91% at June 30, 2021. 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, 2022, 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

FJM:dmg

**STATE EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**  
**FINANCIAL AUDIT**  
**For the Years Ended June 30, 2022 and 2021**

<b>STATEMENT OF CHANGES IN FIDUCIARY NET POSITION</b>	<b>2022</b>	<b>2021</b>
Additions:		
Contributions - Participants.....	\$ 288,829,988	\$ 280,583,917
Contributions - State Agencies and Appropriations.....	2,665,685,426	2,478,209,949
Total Contributions.....	<u>2,954,515,414</u>	<u>2,758,793,866</u>
Net Appreciation (Depreciation) in Fair Value of Investments.....	(1,991,526,518)	4,597,023,302
Interest and Dividends.....	442,773,148	246,645,442
Investment Expense.....	(28,069,283)	(29,167,875)
Net Investment Income (Loss).....	<u>(1,576,822,653)</u>	<u>4,814,500,869</u>
Total Additions.....	<u>1,377,692,761</u>	<u>7,573,294,735</u>
Deductions:		
Benefits.....	2,991,760,475	2,853,548,896
Refunds.....	26,582,459	17,102,185
Administrative Expenses.....	18,185,673	16,577,412
Total Deductions.....	<u>3,036,528,607</u>	<u>2,887,228,493</u>
Net Increase (Decrease) in Net Position.....	<u>\$ (1,658,835,846)</u>	<u>\$ 4,686,066,242</u>
<b>STATEMENT OF FIDUCIARY NET POSITION AND INVESTMENT SUMMARY - (All investments held in the Illinois State Board of Investment Commingled Fund at fair value)</b>		
	<b>June 30, 2022</b>	<b>June 30, 2021</b>
U.S. Government, Agency and Municipal Obligations.....	\$ 446,203,174	\$ 521,828,660
Domestic Equities.....	3,973,541,539	3,337,691,564
International Equities.....	291,857,727	307,054,822
Domestic Bank Loans.....	142,598,047	145,394,891
Domestic Obligations.....	277,598,925	271,011,211
International Obligations.....	13,336,421	17,207,758
Commingled Funds.....	11,077,749,826	14,551,185,317
Hedge Funds.....	558,141	76,923,377
Real Estate Funds.....	2,853,235,142	2,233,918,871
Private Equity Funds.....	2,059,446,250	1,690,845,180
Infrastructure Funds.....	447,873,206	310,090,578
Private Credit Funds.....	1,384,143,425	-
Opportunistic Debt Funds.....	-	1,131,242,538
Deposit (Subscription Advance).....	5,000,000	35,000,000
Money Market Instruments.....	167,509,479	250,743,051
Total Investment Portfolio.....	<u>23,140,651,302</u>	<u>24,880,137,818</u>
Other ISBI Assets Less Liabilities.....	37,232,785	(19,286,609)
ISBI Net Position.....	<u>23,177,884,087</u>	<u>24,860,851,209</u>
Investments owned by other retirement systems and other entities.....	(1,372,643,691)	(1,477,748,645)
State Employees' Retirement System Investments.....	21,805,240,396	23,383,102,564
Cash, Receivables and Other Assets.....	483,706,826	625,753,902
Less: Total Liabilities.....	<u>(64,444,474)</u>	<u>(125,517,872)</u>
Net Position - Restricted for Pensions.....	<u>\$ 22,224,502,748</u>	<u>\$ 23,883,338,594</u>
<b>ADMINISTRATIVE EXPENSES</b>		
	<b>2022</b>	<b>2021</b>
Personal Services.....	\$ 5,765,093	\$ 5,275,180
Retirement, Group Insurance & Social Security.....	5,546,311	4,899,228
Electronic Data Processing.....	4,359,987	4,065,553
Contractual Services.....	1,408,079	1,328,785
Depreciation and Amortization.....	1,010,635	909,168
Other Expenses (Net).....	95,568	99,498
Total Administrative Expenses.....	<u>\$ 18,185,673</u>	<u>\$ 16,577,412</u>
<b>SUPPLEMENTARY INFORMATION</b>		
	<b>June 30, 2022</b>	<b>June 30, 2021</b>
Benefit Recipients.....	75,826	74,907
Active Members.....	61,056	62,253
Inactive Members.....	3,708	3,825
Total.....	<u>140,590</u>	<u>140,985</u>
<b>PENSION LIABILITY</b>		
	<b>June 30, 2022</b>	<b>June 30, 2021</b>
Total Pension Liability.....	\$ 54,561,367,762	\$ 56,984,058,744
Plan Fiduciary Net Position.....	<u>22,224,502,748</u>	<u>23,883,338,594</u>
Net Pension Liability.....	<u>\$ 32,336,865,014</u>	<u>\$ 33,100,720,150</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability.....	40.73%	41.91%
<b>EXECUTIVE SECRETARY</b>		
During Engagement Period: Timothy B. Blair		
Currently: Timothy B. Blair		