



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

STATE UNIVERSITIES RETIREMENT SYSTEM

**Compliance Examination
 For the Year Ended June 30, 2014**

Release Date: May 7, 2015

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	No Repeat Findings			
Category 2:	1	0	1				
Category 3:	0	0	0				
TOTAL	1	0	1				
FINDINGS LAST AUDIT: 0							

INTRODUCTION

This digest covers our compliance examination of the State Universities Retirement System for the year ended June 30, 2014. A separate Financial Audit as of and for the year ending June 30, 2014, was previously released on January 22, 2015. In total, this report contains 1 finding, which was also reported in the Financial Audit.

AUDITOR'S OPINION

The auditors conducted a State compliance examination of the State Universities Retirement System for the year ended June 30, 2014, as required by the Illinois State Auditing Act. The accountant's report does not contain any scope limitations, disclaimers or other significant non-standard language.



WILLIAM G. HOLLAND
 Auditor General

WGH:TLK

SPECIAL ASSISTANT AUDITORS

Our Special Assistant Auditors for this compliance examination were McGladrey LLP.

- Category 1:** Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).
- Category 2:** Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.
- Category 3:** Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

{Financial data is summarized on next page.}

**STATE UNIVERSITIES RETIREMENT SYSTEM
COMPLIANCE EXAMINATION
For the Year Ended June 30, 2014**

FINANCIAL OPERATIONS	2014	2013
Additions		
Contributions		
Participants.....	\$ 348,612,466	\$ 305,079,175
Employer.....	1,560,025,406	1,450,720,295
Total Contributions.....	<u>1,908,637,872</u>	<u>1,755,799,470</u>
Investment Income		
Net appreciation in fair market value.....	2,650,003,387	1,549,836,543
Interest.....	97,719,525	100,489,294
Dividends.....	214,220,387	237,085,587
Securities lending.....	4,147,244	4,404,538
Less: Investment expense.....	(51,901,633)	(49,548,198)
Net Investment Income.....	<u>2,914,188,910</u>	<u>1,842,267,764</u>
Total Additions.....	<u>4,822,826,782</u>	<u>3,598,067,234</u>
Deductions		
Benefits.....	2,021,245,873	1,934,136,238
Refund of contributions.....	107,710,940	101,598,796
Administrative expense.....	14,297,630	13,852,565
Total Deductions.....	<u>2,143,254,443</u>	<u>2,049,587,599</u>
Net Increase	<u>\$ 2,679,572,339</u>	<u>\$ 1,548,479,635</u>
INVESTMENTS USED FOR BENEFITS AND EXPENSES (Defined Benefit Plan)		
	JUNE 30, 2014	JUNE 30, 2013
Contributions		
Participants.....	\$ 283,081,326	\$ 245,141,327
State of Illinois.....	1,458,965,014	1,359,607,030
Federal/Trust and other sources.....	43,898,604	41,874,081
Total Contributions.....	<u>1,785,944,944</u>	<u>1,646,622,438</u>
Deductions		
Benefits.....	2,002,869,428	1,914,554,567
Refunds.....	82,897,092	81,454,902
Administrative Expenses.....	13,857,522	13,426,494
Total Deductions.....	<u>2,099,624,042</u>	<u>2,009,435,963</u>
Investments Used to Pay Benefits and Expenses.....	<u>\$ (313,679,098)</u>	<u>\$ (362,813,525)</u>
SUPPLEMENTARY INFORMATION		
	JUNE 30, 2014	JUNE 30, 2013
Asset management expenses.....	\$ 51,526,391	\$ 49,174,215
Investment return.....	18.2%	12.5%
Average number of employees (unaudited).....	120	121
Number of active members.....	80,845	81,302
Number of inactive members.....	83,484	82,196
Number of retirement benefit recipients.....	50,237	48,142
Number of survivor benefit recipients.....	8,144	8,001
Number of disabilities benefit recipients.....	634	688
EXECUTIVE DIRECTOR		
During Audit Period: William Mabe		
Current: W. Bryan Lewis		