



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

STATE UNIVERSITIES RETIREMENT SYSTEM

**Special Funding Situation Allocation Schedules
For the Year Ended June 30, 2021**

Release Date: August 30, 2022

INTRODUCTION

This digest covers the Special Funding Situation Allocation Schedules as of and for the year ended June 30, 2021. The State of Illinois is considered a non-employer contributing entity to the community colleges, State universities, Board of Examiners, Illinois Community College Trustees' Association, and Illinois Federation of Teachers. The State Universities Retirement System (System) is the administrator of a cost-sharing, multiple-employer defined benefit public employee retirement plan (DB Plan) and a cost-sharing, multiple-employer defined contribution public employee retirement plan (DC Plan).

Employers participating in a DB Plan and/or a DC Plan under a special funding situation must recognize their proportionate share of the collective pension expense supported by the non-employer contributing entity as pension expense and special funding situation revenue within their financial statements. In addition, the employers must present certain information on their DB Plan's net pension liability (NPL) associated with the special funding situation within their notes to their financial statement and required supplementary information disclosures.

GASB Statement No. 68, paragraph 92, states that in determining an employer's proportion of the collective NPL, the basis should be consistent with the manner in which contributions to the pension plan, excluding those to separately finance specific liabilities of the individual employer to the plan, as determined, which is consistent with paragraphs 48-51.

The NPL as of June 30, 2021, and total DB Plan pension expense for the year ended June 30, 2021, are based on a one-year roll-forward of an actuarial valuation performed as of June 30, 2020. For the allocations to be reflective of the employee census underpinning that actuarial valuation, the basis of this allocation is the proportion of each employer's employee contributions to the DB Plan for the year ended June 30, 2020. The total DC Plan pension expense for the year ended June 30, 2021, is based on financial statement information for the same year. Unlike the DB Plan, there are no underlying actuarial inputs and, therefore, no inherent one-year lag in the employee population driving these contributions. As a result, the adjusted net contributions to the DC Plan used for this allocation are for the year ended June 30, 2021.

Due to the employers' needing to report these special funding amounts in their financial statements prepared in accordance with GAAP, the System has prepared the Special Funding Situation Allocation Schedules, which provides the necessary financial information for the employers. By having the Special Funding Situation Allocation Schedules audited, this will also provide the employers' auditors an Independent Auditor's opinion in regard to the Special Funding Situation Allocation Schedules.

AUDITORS' OPINION

Our auditors stated the Special Funding Situation Allocation Schedules and the related notes are fairly presented in all material respects as of and for the year ended June 30, 2021.

This audit of the Special Funding Situation Allocation Schedules was conducted by FORVIS, 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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