

State of Illinois
State Universities Retirement System
(A Component Unit of the State of Illinois)

Report on Allocation of Special Funding Situation
As of and For the Year Ended June 30, 2024

Performed as Special Assistant Auditors
For the Auditor General, State of Illinois

**State of Illinois
State Universities Retirement System
(A Component Unit of the State of Illinois)**

**Report on the Allocation of the Special Funding Situation
Year Ended June 30, 2024**

Table of Contents

	Page
System Officials	1
Summary	2
Independent Auditor's Report	3 - 4
Schedule of the Special Funding Situation Allocation	5 - 7
Notes to the Schedule of the Special Funding Situation Allocation	8 - 13

**State of Illinois
State Universities Retirement System
(A Component Unit of the State of Illinois)**

**Report on the Allocation of the Special Funding Situation
Year Ended June 30, 2024**

System Officials

Executive Director	Ms. Suzanne Mayer
Chief Financial Officer	Ms. Tara Myers
Chief Investment Officer (07/01/22 – 02/29/24)	Mr. Doug Wesley
Chief Investment Officer (03/01/24 – Present)	Mr. Michael Schlachter
General Counsel	Ms. Bianca Green
Chief Internal Auditor	Ms. Jacqueline Hohn

Board Officers/Trustees

Chairperson (07/01/22 – 10/19/23)	Mr. John Atkinson
Chairperson (10/20/23 – 11/14/23)	Vacant
Chairperson (11/15/23 – Present)	Mr. John Lyons
Vice Chairman	Mr. Colin Van Meter
Treasurer (07/01/23 – 11/14/23)	Mr. John Lyons
Treasurer (11/15/23 – 12/7/23)	Vacant
Treasurer (12/8/23 – Present)	Mr. Scott Hendrie

Board Trustees

Appointed Trustee (07/01/22 – 10/19/23)	Mr. John Atkinson
Appointed Trustee (10/20/23 – Present)	Mr. Pranav Kothari
Appointed Trustee	Mr. Richard Figueroa
Appointed Trustee	Ms. Jamie-Clare Flaherty
Appointed Trustee (06/30/24 – 04/27/25)	Vacant
Appointed Trustee (04/28/25 – Present)	Mrs. Jeanine Jiganti
Elected Active Trustee	Mr. Andriy Bodnaruk
Elected Active Trustee	Mr. Colin Van Meter
Elected Active Trustee (07/01/23 – Present)	Mr. Antonio Vasquez
Elected Active Trustee (07/01/22 – 07/14/24)	Mr. Steven Rock
Elected Active Trustee (07/15/24 – Present)	Mr. Herbert Pitman
Elected Annuitant Trustee	Mr. J. Fred Giertz
Elected Annuitant Trustee (07/01/22 – 07/14/24)	Mr. Mitchell Vogel
Elected Annuitant Trustee (07/15/24 – Present)	Mr. Steven Rock

Office Location

1901 Fox Drive
Champaign, Illinois 61820

**State of Illinois
State Universities Retirement System
(A Component Unit of the State of Illinois)**

**Report on the Allocation of the Special Funding Situation
Year Ended June 30, 2024**

Summary

The audit of the accompanying Schedule of the Special Funding Situation Allocation of the State of Illinois, State Universities Retirement System (System) was performed by RSM US LLP.

Based on their audit, the auditors expressed an unmodified opinion on the System's Schedule.

Independent Auditor's Report

RSM US LLP

Honorable Frank J. Mautino
Auditor General, State of Illinois

Board of Trustees
State Universities Retirement System of Illinois

Opinion

As Special Assistant Auditors for the Auditor General, we have audited the Schedule of the Special Funding Situation Allocation (Schedule) including the employer allocations and the columns titled the net pension liability allocation, total defined benefit special funding situation allocation and total defined contribution special funding situation allocation (specified column totals) included in the Schedule, of the State Universities Retirement System of Illinois (the System), a component unit of the State of Illinois, as of and for the year ended June 30, 2024, and the related notes.

In our opinion, the accompanying Schedule referred to above presents fairly, in all material respects, the employer allocations and the net pension liability allocation, total defined benefit special funding situation allocation and total defined contribution special funding situation allocation for the total of all participating entities for the System as of and for the year ended June 30, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the employer allocations and specified column totals included in the Schedule are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the employer allocations and specified column totals included in the Schedule.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule of the Special Funding Situation Allocation, including the employer allocations and the specified column totals included in the Schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts in the Schedule of the Special Funding Situation Allocation, including the employer allocations and the specified column totals included in the Schedule and the related disclosures.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule of the Special Funding Situation Allocation, including the employer allocations and the specified column totals included in the Schedule.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the System as of and for the year ended June 30, 2024, and our report thereon, dated December 13, 2024, expressed an unmodified opinion on those financial statements.

In addition, as Special Assistant Auditors for the Auditor General, we have audited, in accordance with auditing standards generally accepted in the United State of America, the Schedule of Allocation of the State Universities Retirement System of Illinois, a component unit of the State of Illinois, as of and for the year ended June 30, 2024, and the related notes to the schedule. We have also audited the total for all entities of the columns titled ending net pension liability, total deferred outflows of resources, total deferred inflows of resources and total pension expense subject to allocation included in the Schedule of Pension Amounts of the System as of and for the year ended June 30, 2024, and the related notes, and our report thereon, dated February 12, 2025, expressed an unmodified opinion on those schedules.

Restriction on Use

Our report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, the Comptroller, System management, System Board of Trustees, System Employers and their auditors as of and for the year ended June 30, 2024, and is not intended to be, and should not be, used by anyone other than these specified parties.

SIGNED ORIGINAL ON FILE

Schaumburg, Illinois
June 9, 2025

**State of Illinois
State Universities Retirement System
(A Component Unit of the State of Illinois)**

**Schedule of the Special Funding Situation Allocation
As of and for the Year Ended June 30, 2024**

Employer	Defined Benefit Plan			
	Employee Contributions	Allocation Percentage	Net Pension Liability Allocation	Special Funding Situation Allocation
Black Hawk College	\$ 1,213,865	0.378657%	\$114,471,448	\$7,559,075
Carl Sandburg College	699,059	0.218067%	65,923,634	4,353,240
City Colleges of Chicago	16,149,031	5.037579%	1,522,905,859	100,564,468
College of DuPage	7,674,952	2.394148%	723,772,673	47,794,033
College of Lake County	5,246,288	1.636543%	494,741,804	32,670,073
Danville Area Community College	930,964	0.290408%	87,792,975	5,797,373
Elgin Community College	3,840,259	1.197942%	362,148,741	23,914,344
Heartland Community College	1,568,214	0.489194%	147,887,787	9,765,710
Highland Community College	750,482	0.234108%	70,772,973	4,673,464
Illinois Central College	2,723,835	0.849682%	256,866,581	16,962,080
Illinois Eastern Community College	1,361,339	0.424660%	128,378,573	8,477,427
Illinois Valley Community College	968,222	0.302030%	91,306,411	6,029,382
John A. Logan College	1,455,280	0.453965%	137,237,740	9,062,438
John Wood Community College	733,919	0.228941%	69,210,942	4,570,316
Joliet Junior College	4,605,510	1.436657%	434,314,452	28,679,778
Kankakee Community College	997,796	0.311256%	94,095,514	6,213,559
Kaskaskia College	1,034,319	0.322649%	97,539,721	6,440,996
Kishwaukee College	941,058	0.293557%	88,744,946	5,860,236
Lake Land College	1,824,672	0.569194%	172,072,513	11,362,738
Lewis and Clark Community College	1,501,652	0.468430%	141,610,641	9,351,201
Lincoln Land Community College	2,298,417	0.716975%	216,748,051	14,312,869
McHenry College	1,890,598	0.589759%	178,289,499	11,773,274
Moraine Valley Community College	4,046,712	1.262344%	381,618,050	25,199,992
Morton College	1,373,785	0.428543%	129,552,439	8,554,942
Oakton Community College	3,707,456	1.156515%	349,624,982	23,087,343
Parkland College	2,471,875	0.771084%	233,105,693	15,393,039
Prairie State College	1,490,462	0.464939%	140,555,280	9,281,511
Rend Lake College	847,931	0.264506%	79,962,565	5,280,295
Richland Community College	825,361	0.257466%	77,834,309	5,139,757
Rock Valley College	1,992,534	0.621557%	187,902,323	12,408,053
Sauk Valley College	647,673	0.202037%	61,077,619	4,033,236
Shawnee College	509,314	0.158877%	48,029,959	3,171,639
South Suburban College	1,404,270	0.438052%	132,427,096	8,744,769
Southeastern Illinois College	476,809	0.148737%	44,964,545	2,969,215
Southwestern Illinois College	2,827,396	0.881987%	266,632,676	17,606,980
Spoon River College	464,186	0.144800%	43,774,354	2,890,622
Triton College	2,733,267	0.852624%	257,755,975	17,020,811
Waubensee Community College	2,693,567	0.840240%	254,012,179	16,773,591
William Rainey Harper College	4,431,868	1.382491%	417,939,579	27,598,470
Chicago State University	2,991,977	0.933327%	282,153,224	18,631,873
Eastern Illinois University	4,604,103	1.436218%	434,181,738	28,671,014
Governors State University	3,689,650	1.150961%	347,945,958	22,976,470
Illinois State University	13,730,694	4.283195%	1,294,848,728	85,504,808
Northeastern Illinois University	4,569,553	1.425440%	430,923,451	28,455,854
Northern Illinois University	11,957,881	3.730178%	1,127,666,669	74,465,009
Northern Illinois University Foundation	34,547	0.010777%	3,257,985	215,140
Southern Illinois University System	28,681,903	8.947122%	2,704,796,196	178,610,115
University of Illinois Alumni Association	74,440	0.023221%	7,019,919	463,557
University of Illinois Foundation	721,718	0.225135%	68,060,354	4,494,338
University of Illinois System	148,856,508	46.434759%	14,037,649,147	926,970,440
Western Illinois University	5,445,792	1.698777%	513,555,707	33,912,442
Board of Examiners	32,641	0.010182%	3,078,111	203,262
Illinois Community College Trustees' Association	16,372	0.005107%	1,543,892	101,950
Illinois Federation of Teachers	28,956	0.009033%	2,730,758	180,324
State of Illinois	1,780,361	0.555368%	167,892,789	11,086,735
TOTALS	\$ 320,571,293	100.000000%	\$ 30,230,907,727	\$ 1,996,285,670

**State of Illinois
State Universities Retirement System
(A Component Unit of the State of Illinois)**

**Schedule of the Special Funding Situation Allocation
As of and for the Year Ended June 30, 2024**

Employer	Defined Contribution Plan			
	Adjusted Net Contributions	Allocation Percentage	Special Funding Situation Allocation	Special Funding Sourced by Forfeitures
Black Hawk College	\$370,623	0.363400%	\$351,560	\$25,019
Carl Sandburg College	85,692	0.084022%	81,284	5,785
City Colleges of Chicago	1,634,338	1.602485%	1,550,274	110,327
College of DuPage	1,513,195	1.483703%	1,435,362	102,150
College of Lake County	1,103,383	1.081878%	1,046,629	74,485
Danville Area Community College	144,053	0.141245%	136,643	9,724
Elgin Community College	628,647	0.616395%	596,312	42,437
Heartland Community College	309,079	0.303055%	293,181	20,865
Highland Community College	153,287	0.150299%	145,402	10,348
Illinois Central College	439,196	0.430636%	416,605	29,648
Illinois Eastern Community College	243,701	0.238951%	231,166	16,451
Illinois Valley Community College	204,462	0.200477%	193,945	13,802
John A. Logan College	162,880	0.159705%	154,502	10,995
John Wood Community College	82,816	0.081202%	78,556	5,591
Joliet Junior College	588,843	0.577366%	558,555	39,750
Kankakee Community College	162,954	0.159778%	154,572	11,000
Kaskaskia College	200,910	0.196994%	190,576	13,563
Kishwaukee College	176,588	0.173146%	167,505	11,921
Lake Land College	207,518	0.203473%	196,844	14,009
Lewis and Clark Community College	354,283	0.347378%	336,060	23,916
Lincoln Land Community College	429,419	0.421050%	407,332	28,988
McHenry College	465,813	0.456734%	441,853	31,445
Moraine Valley Community College	676,192	0.663013%	641,411	45,647
Morton College	134,301	0.131683%	127,393	9,066
Oakton Community College	691,079	0.677610%	655,533	46,652
Parkland College	549,020	0.538320%	520,781	37,062
Prairie State College	220,787	0.216484%	209,431	14,904
Rend Lake College	128,487	0.125983%	121,878	8,674
Richland Community College	194,691	0.190896%	184,676	13,143
Rock Valley College	372,205	0.364951%	353,060	25,126
Sauk Valley College	155,344	0.152316%	147,353	10,487
Shawnee College	78,653	0.077120%	74,607	5,310
South Suburban College	104,603	0.102564%	99,222	7,061
Southeastern Illinois College	11,903	0.011671%	11,291	804
Southwestern Illinois College	401,093	0.393276%	380,463	27,076
Spoon River College	70,834	0.069453%	67,190	4,782
Triton College	328,370	0.321970%	311,480	22,167
Waubensee Community College	690,260	0.676807%	654,756	46,597
William Rainey Harper College	1,630,683	1.598901%	1,546,807	110,081
Chicago State University	431,412	0.423004%	409,222	29,123
Eastern Illinois University	1,431,036	1.403145%	1,357,429	96,603
Governors State University	812,327	0.796495%	770,544	54,837
Illinois State University	4,455,489	4.368651%	4,226,315	300,772
Northeastern Illinois University	818,702	0.802745%	776,591	55,267
Northern Illinois University	5,067,845	4.969073%	4,807,175	342,109
Northern Illinois University Foundation	31,180	0.030572%	29,576	2,105
Southern Illinois University System	10,247,861	10.048130%	9,720,751	691,791
University of Illinois Alumni Association	76,017	0.074535%	72,107	5,132
University of Illinois Foundation	509,457	0.499528%	483,253	34,391
University of Illinois System	60,208,456	59.034992%	57,111,565	4,064,424
Western Illinois University	1,572,490	1.541842%	1,491,607	106,152
Board of Examiners	-	0.000000%	-	-
Illinois Community College Trustees' Association	-	0.000000%	-	-
Illinois Federation of Teachers	5,307	0.005204%	5,034	358
State of Illinois	219,979	0.215694%	208,668	14,850
TOTALS	\$ 101,987,743	100.000000%	\$ 96,741,887	\$ 6,884,772

**State of Illinois
State Universities Retirement System
(A Component Unit of the State of Illinois)**

**Schedule of the Special Funding Situation Allocation
As of and for the Year Ended June 30, 2024**

Employer	Total Allocation of the Special Funding Situation		
	Defined Benefit	Defined Contribution	Total
Black Hawk College	\$7,559,075	\$351,560	\$7,910,635
Carl Sandburg College	4,353,240	81,284	4,434,524
City Colleges of Chicago	100,564,468	1,550,274	102,114,742
College of DuPage	47,794,033	1,435,362	49,229,395
College of Lake County	32,670,073	1,046,629	33,716,702
Danville Area Community College	5,797,373	136,643	5,934,016
Elgin Community College	23,914,344	596,312	24,510,656
Heartland Community College	9,765,710	293,181	10,058,891
Highland Community College	4,673,464	145,402	4,818,866
Illinois Central College	16,962,080	416,605	17,378,685
Illinois Eastern Community College	8,477,427	231,166	8,708,593
Illinois Valley Community College	6,029,382	193,945	6,223,327
John A. Logan College	9,062,438	154,502	9,216,940
John Wood Community College	4,570,316	78,556	4,648,872
Joliet Junior College	28,679,778	558,555	29,238,333
Kankakee Community College	6,213,559	154,572	6,368,131
Kaskaskia College	6,440,996	190,576	6,631,572
Kishwaukee College	5,860,236	167,505	6,027,741
Lake Land College	11,362,738	196,844	11,559,582
Lewis and Clark Community College	9,351,201	336,060	9,687,261
Lincoln Land Community College	14,312,869	407,332	14,720,201
McHenry College	11,773,274	441,853	12,215,127
Moraine Valley Community College	25,199,992	641,411	25,841,403
Morton College	8,554,942	127,393	8,682,335
Oakton Community College	23,087,343	655,533	23,742,876
Parkland College	15,393,039	520,781	15,913,820
Prairie State College	9,281,511	209,431	9,490,942
Rend Lake College	5,280,295	121,878	5,402,173
Richland Community College	5,139,757	184,676	5,324,433
Rock Valley College	12,408,053	353,060	12,761,113
Sauk Valley College	4,033,236	147,353	4,180,589
Shawnee College	3,171,639	74,607	3,246,246
South Suburban College	8,744,769	99,222	8,843,991
Southeastern Illinois College	2,969,215	11,291	2,980,506
Southwestern Illinois College	17,606,980	380,463	17,987,443
Spoon River College	2,890,622	67,190	2,957,812
Triton College	17,020,811	311,480	17,332,291
Waubonsee Community College	16,773,591	654,756	17,428,347
William Rainey Harper College	27,598,470	1,546,807	29,145,277
Chicago State University	18,631,873	409,222	19,041,095
Eastern Illinois University	28,671,014	1,357,429	30,028,443
Governors State University	22,976,470	770,544	23,747,014
Illinois State University	85,504,808	4,226,315	89,731,123
Northeastern Illinois University	28,455,854	776,591	29,232,445
Northern Illinois University	74,465,009	4,807,175	79,272,184
Northern Illinois University Foundation	215,140	29,576	244,716
Southern Illinois University System	178,610,115	9,720,751	188,330,866
University of Illinois Alumni Association	463,557	72,107	535,664
University of Illinois Foundation	4,494,338	483,253	4,977,591
University of Illinois System	926,970,440	57,111,565	984,082,005
Western Illinois University	33,912,442	1,491,607	35,404,049
Board of Examiners	203,262	-	203,262
Illinois Community College Trustees' Association	101,950	-	101,950
Illinois Federation of Teachers	180,324	5,034	185,358
State of Illinois	11,086,735	208,668	11,295,403
TOTALS	\$ 1,996,285,670	\$ 96,741,887	\$ 2,093,027,557

**State of Illinois
State Universities Retirement System
(A Component Unit of the State of Illinois)**

**Notes to the Schedule of the Special Funding Situation Allocation
Year Ended June 30, 2024**

Note 1. Summary of Plans

The State Universities Retirement System (SURS or the System) is the administrator of a cost-sharing, multiple-employer defined benefit plan (DB Plan) and a cost-sharing, multiple-employer defined contribution plan (DC Plan). SURS was established on July 21, 1941, and provides retirement annuities and other benefits for employees of the state universities, state community colleges, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees.

Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, defines special funding situations as circumstances in which a nonemployer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of the contributions for which the nonemployer entity is legally responsible is not dependent upon one or more events unrelated to pensions or (2) the nonemployer is the only entity with a legal obligation to make contributions directly to a pension plan. The State of Illinois is considered a nonemployer contributing entity to the community colleges, the universities, the Board of Examiners, the Illinois Community College Trustees' Association, and the Illinois Federation of Teachers. Additionally, this Schedule aggregates agencies of the State of Illinois together to reflect their participation in the System to fairly allocate activity among the System's employers; however, these agencies' activity within the System is not subject to a special funding situation and is included within the State of Illinois' activity within SURS' Schedules of Allocation and Pension Amounts released under a separate cover.

SURS is included in the State of Illinois' financial reports as a component unit. SURS is governed by Chapter 40, Act 5, Article 15, of the Illinois Compiled Statutes. These statutes assign the authority to establish and amend the benefit provisions of the System's plans to the General Assembly. The statutes also define the scope of SURS reporting entity. Operation of the System and the direction of its policies are the responsibility of the Board of Trustees of the System. There are no statutory provisions for termination of the System. The Illinois Constitution provides that the pension obligation of the state shall be an enforceable contractual relationship, the benefits of which shall not be diminished or impaired.

Benefit Provisions

The traditional defined benefit plan was established in 1941. An alternative defined benefit program, known as the portable benefit package, and a defined contribution plan were established effective January 1, 1998, due to the enactment of Public Act 90-0448. A summary of the benefit provisions can be found in the System's Annual Comprehensive Financial Report (ACFR), specifically within the Notes to the Financial Statements. The System's ACFR can be accessed on its website at www.surs.org.

Note 2. Summary of Significant Accounting Policies

Nature of Schedule

Employers participating in a cost-sharing pension 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, these employers must present certain information on their net pension liability (NPL) associated with the special funding situation within their notes to their financial statements and required supplementary information disclosures.

**State of Illinois
State Universities Retirement System
(A Component Unit of the State of Illinois)**

**Notes to the Schedule of the Special Funding Situation Allocation (Continued)
Year Ended June 30, 2024**

Note 2. Summary of Significant Accounting Policies (Continued)

GASB Statement No. 68, paragraph 92, states that in determining the 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, are determined, which is consistent with paragraphs 48-51. GASB 68, paragraph 92 further states that in determining the non-employer's proportion of the collective NPL and corresponding pension amounts the Plan should follow the Plan terms to determine the specific relationship of the contribution requirements of the non-employer contributing entity to those of the employer and other contributing entities.

Under the Illinois Compiled Statutes (40 ILCS 5/15-157(a)), employees participating within SURS must contribute 8% of their gross earnings, with certain police officers and firefighters contributing 9.5% of their gross earnings.

Due to the nature of the Schedule, the contributions utilized in the allocation calculation were actual employee contributions received and numbers throughout the Schedule have been rounded. Therefore, the total amounts reported within the Schedule may not agree to the summation of the individual columns.

Timing of Contributions Used for Allocation

The allocation methodologies for the DB Plan and DC Plan differ due to the underlying inputs into the amounts being allocated.

Defined Benefit Plan

The Schedule presents the allocation among the System's employers of the State of Illinois' (1) ending NPL of \$30,230,907,727 as of the measurement date of June 30, 2024, and (2) total defined benefit pension expense of \$1,996,285,670 for the measurement year ended June 30, 2024.

The NPL as of June 30, 2024, and total defined benefit pension expense for the year ended June 30, 2024, are based on a one-year roll-forward of an actuarial valuation performed as of June 30, 2023. For the allocations in the Schedule to be reflective of the employee census underpinning that actuarial valuation, the basis of these allocations is the proportion of each employer's employee contributions to the DB Plan for the year ended June 30, 2023.

Defined Contribution Plan

The Schedule presents the allocation among the System's employers of the State of Illinois' total defined contribution pension expense of \$95,655,312 for the measurement year ended June 30, 2024.

The total defined contribution pension expense for the year ended June 30, 2024, is based on financial statement information for the same year. For the contributions used in the allocations to be reflective of the State of Illinois' pension expense, employee contributions per employer were adjusted to reflect the lower employer contribution rate of 7.6% (compared to 8% for employees) and then reduced by the forfeited contributions specifically attributable to each employer*. These adjusted net contributions per employer are the basis of this allocation. 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, 2024.

*Employees whose SURS-covered employment is terminated before attaining five years of service credit mandatorily forfeit their accumulated employer contributions. Employee contributions are always 100% vested.

**State of Illinois
State Universities Retirement System
(A Component Unit of the State of Illinois)**

**Notes to the Schedule of the Special Funding Situation Allocation (Continued)
Year Ended June 30, 2024**

Note 2. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting

The financial transactions are recorded using the economic resources measurement focus and the accrual basis of accounting. Employer and non-employer contributing entity contributions are recognized as revenue when due pursuant to statutory or contractual requirements. The total pension liability valued for this report is based on an actuarial valuation performed as of June 30, 2023, rolled forward to June 30, 2024, the measurement date.

Use of Estimates in the Preparation of the Schedule

The preparation of the Schedule in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts, and changes therein, and disclosures. Actual results could differ from those estimates and differences could be material. The System uses an actuary to determine the total pension liability for the defined benefit plan and to calculate the actuarially determined contributions of the State and employers.

Basis of Allocation

In determining the proportionate share of the NPL and corresponding employer pension amounts subject to the special funding situation, the basis should be consistent with the manner in which contributions to the Plan, excluding those to separately finance specific liabilities of an individual employer, are determined. The System's approach to determining which contributions to use as the basis of allocation is explained in *Timing of Contributions Used for Allocation* above. The System has determined that this approach is representative of the non-employer pension expense incurred by the State of Illinois.

The contributions to the System for SURS' employees were not included because the costs for SURS' employees ultimately must be recovered through charges to the nonemployer contributing entity. By excluding these contributions from the denominator, the cost of SURS' employees is recognized by the other employers included in the Schedule.

The fiscal year 2023 actual employee contributions used as the denominator for the defined benefit allocation calculations in the Schedule can be reconciled to the System's ACFR as follows:

Contributions used as basis of allocation	\$ 320,571,293
Plus: Contributions made by SURS employees for current service	<u>886,906</u>
Total member contributions to SURS for current service	321,458,199
Plus: Member contributions for service credit purchases	7,859,141
Less: Refunds of excess contributions to retiring members	(27,309,894)
Less: Member contributions transferred to DC Plan upon plan election	(2,464,679)
Less: Member contributions transferred to local police pension funds	(316,213)
Plus: Contribution adjustments, timing differences, etc.	<u>358,470</u>
Member contributions per Statement of Changes in Fiduciary Net Position	<u><u>\$ 299,585,024</u></u>

**State of Illinois
State Universities Retirement System
(A Component Unit of the State of Illinois)**

**Notes to the Schedule of the Special Funding Situation Allocation (Continued)
Year Ended June 30, 2024**

Note 2. Summary of Significant Accounting Policies (Continued)

Basis of Allocation (Continued)

The fiscal year 2024 adjusted net contributions used as the denominator for the defined contribution allocation calculation in the Schedule can be reconciled to the System's ACFR as follows:

Adjusted net contributions used as basis of allocation, at employer rate	\$ 101,987,743
Plus: Employer matches forfeited	7,070,697
Less: Previously-forfeited employer matches reinstated	<u>(185,926)</u>
Adjusted contributions to SURS for current service, at employer rate	<u>\$ 108,872,514</u>
Apply employee/employer contribution rate ratio of ^{8.0} / _{7.6}	\$ 114,602,646
Plus: Contributions made by SURS employees for current service	<u>210,899</u>
Total member contributions to SURS for current service	114,813,545
Plus: Member contributions for service credit purchases	400,822
Plus: Member contributions transferred from DB Plan upon DC Plan election	2,798,951
Plus: Contribution adjustments, timing differences, etc.	<u>(921)</u>
Member contributions per Combining Statement of Changes in Fiduciary Net Position	<u>\$ 118,012,397</u>

**State of Illinois
State Universities Retirement System
(A Component Unit of the State of Illinois)**

**Notes to the Schedule of the Special Funding Situation Allocation (Continued)
Year Ended June 30, 2024**

Note 2. Summary of Significant Accounting Policies (Continued)

Basis of Allocation (Continued)

In addition, the various campuses of the Southern Illinois University System and the University of Illinois System were aggregated for the purposes of the Schedule. The contributions associated with each campus were as follows:

	DB Plan	DC Plan
Southern Illinois University Carbondale	\$ 19,820,415	\$ 7,451,548
Southern Illinois University Edwardsville	8,861,488	2,796,313
Total, Southern Illinois University System	<u>\$ 28,681,903</u>	<u>\$ 10,247,861</u>
University of Illinois Chicago	\$ 85,945,623	\$ 30,275,178
University of Illinois Springfield	3,365,335	1,044,142
University of Illinois Urbana-Champaign	59,545,550	28,889,136
Total, University of Illinois System	<u>\$ 148,856,508</u>	<u>\$ 60,208,456</u>

Finally, the agencies of the State of Illinois were aggregated for the purposes of the Schedule. The contributions associated with each agency or purpose were as follows:

	DB Plan	DC Plan
State Universities Civil Service System	\$ 47,898	\$ 10,108
Board of Higher Education	248,700	13,071
Department of Innovation and Technology	175,153	37,837
Illinois Community College Board	264,558	26,195
Illinois Mathematics and Science Academy	992,404	113,571
Gubernatorial Appointees under the Civil Administrative Code of Illinois Pursuant to Section 15-107(c) of the Illinois Pension Code	51,648	19,197
Total, State of Illinois	<u>\$ 1,780,361</u>	<u>\$ 219,979</u>

**State of Illinois
State Universities Retirement System
(A Component Unit of the State of Illinois)**

**Notes to the Schedule of the Special Funding Situation Allocation (Continued)
Year Ended June 30, 2024**

Note 3. Pension Expense and Amortization of Pension Expense

Additional information about the System's NPL and pension expense, as well as deferred outflows of resources and deferred inflows of resources, are available within SURS' Annual Comprehensive Financial Report and SURS' Schedules of Allocation and Pension Amounts released under separate covers.

Note 4. Requests for Information

SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the state's financial reports as a pension trust fund. SURS is governed by Section 5/15, Chapter 40 of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.surs.org.