



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

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

**Compliance Examination
For the Year Ended: June 30, 2013**

Release Date: February 20, 2014

Summary of Findings:

Total this report:	0
Total last report:	0
Repeated findings:	0

SYNOPSIS

This digest covers our compliance examination of the Teachers' Retirement System (System) for the year ended June 30, 2013. A financial audit covering the year ending June 30, 2013 was previously released on January 8, 2014. There were no findings of noncompliance identified during our testing.

ACCOUNTANTS' REPORT

The auditors conducted a compliance attestation examination of the System for the year ended June 30, 2013 as required by the Illinois State Auditing Act. The accountants' report does not contain any scope limitations, disclaimers or other significant non-standard language.

A handwritten signature in blue ink, appearing to read 'William G. Holland', written over a horizontal line.

WILLIAM G. HOLLAND, Auditor General

WGH:RPU

SPECIAL ASSISTANT AUDITORS

McGladrey LLP were our Special Assistant Auditors for this engagement.

{Financial data and Supplementary Information are summarized on the reverse page.}

**TEACHERS' RETIREMENT SYSTEM
COMPLIANCE EXAMINATION
For the Year Ended June 30, 2013**

FINANCIAL OPERATIONS	FY 2013	FY 2012
Additions		
Contributions		
Members.....	\$ 921,422,657	\$ 917,661,328
State of Illinois.....	2,703,312,213	2,406,364,156
School districts.....	157,179,243	154,894,946
Total Contributions.....	<u>3,781,914,113</u>	<u>3,478,920,430</u>
Investment Income		
Net appreciation (depreciation) in fair market value.....	3,801,020,789	(569,789,574)
Interest.....	237,105,503	252,487,148
Dividends.....	466,665,278	471,331,674
Real estate operating income, net.....	224,838,678	217,106,145
Private equity income.....	85,549,726	59,494,311
Other investment income.....	13,064,572	8,667,039
Securities lending income, net.....	13,896,564	19,617,303
Less: Investment expense.....	(280,372,727)	(234,807,327)
Net Investment Income.....	<u>4,561,768,383</u>	<u>224,106,719</u>
Total Additions.....	<u>8,343,682,496</u>	<u>3,703,027,149</u>
Deductions		
Benefits.....	4,893,084,234	4,553,822,073
Refund of contributions.....	88,397,549	84,635,032
Administrative expense.....	20,257,553	19,011,899
Total Deductions.....	<u>5,001,739,336</u>	<u>4,657,469,004</u>
Net Increase (Decrease).....	<u>\$ 3,341,943,160</u>	<u>\$ (954,441,855)</u>
INVESTMENTS USED FOR BENEFITS AND EXPENSES		
	FY 2013	FY 2012
Contributions		
Members.....	\$ 921,422,657	\$ 917,661,328
State of Illinois.....	2,703,312,213	2,406,364,156
School districts.....	157,179,243	154,894,946
Total Contributions.....	<u>3,781,914,113</u>	<u>3,478,920,430</u>
Deductions		
Benefits.....	4,893,084,234	4,553,822,073
Refunds.....	88,397,549	84,635,032
Administrative Expenses.....	20,257,553	19,011,899
Total Deductions.....	<u>5,001,739,336</u>	<u>4,657,469,004</u>
Investments Used to Pay Benefits and Expenses.....	<u>\$ (1,219,825,223)</u>	<u>\$ (1,178,548,574)</u>
SUPPLEMENTARY INFORMATION		
	JUNE 30, 2013	JUNE 30, 2012
Investment return (unaudited).....	12.8%	0.8%
Number of active members.....	160,692	162,217
Number of inactive members.....	120,325	99,052
New age retirement claims processed (unaudited).....	5,567	5,417
Number of retirement annuitants.....	97,899	94,865
Average monthly benefit for retirement annuitants.....	\$ 4,150	\$ 4,018
Number of survivor annuitants.....	9,756	9,509
Average monthly benefit for survivor annuitants.....	\$ 1,665	\$ 1,579
Number of disabilities benefit annuitants.....	1,128	1,073
Average monthly benefit for disability annuitants.....	\$ 2,214	\$ 2,161
EXECUTIVE DIRECTOR		
During Audit Period: Richard W. Ingram		
Currently: Richard W. Ingram		