



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

**Financial Audit
For the Year Ended June 30, 2020**

Release Date: January 7, 2021

FINDINGS THIS AUDIT:	0
FINDINGS LAST AUDIT:	0

INTRODUCTION

This digest covers the Financial Audit of the Teachers' Retirement System of the State of Illinois (System) as of and for the year ended June 30, 2020. The System's Compliance Examination covering the year ended June 30, 2020 will be issued in a separate report at a later date.

The System's total pension liability is \$138.5 billion at June 30, 2020, an increase of \$4.1 billion from \$134.4 billion at June 30, 2019. The System's net pension liability at June 30, 2020 is \$86.2 billion, which is the difference between the System's fiduciary net position of \$52.3 billion and the total pension liability. The System's net position as a percentage of the total pension liability is 37.8% at June 30, 2020 as compared to 39.6% at June 30, 2019. 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 used for funding purposes, therefore this information 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, 2020 are fairly stated in all material respects.

The financial audit was conducted by BKD 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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TEACHERS' RETIREMENT SYSTEM OF ILLINOIS

FINANCIAL AUDIT

For the Year Ended June 30, 2020 and 2019

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	2020	2019
Additions:		
Contributions - Members.....	\$ 994,400,416	\$ 963,972,120
Contributions - State of Illinois.....	4,813,451,679	4,466,020,692
Contributions - School Districts / Employers.....	92,658,238	88,514,781
Total Contributions.....	5,900,510,333	5,518,507,593
Investment Income (Loss), Net of Expenses.....	275,669,398	2,617,831,332
Total Additions.....	6,176,179,731	8,136,338,925
Deductions:		
Benefits.....	7,035,307,499	6,745,544,182
Refunds.....	64,217,456	73,216,390
Administrative Expenses.....	22,966,372	24,335,680
Total Deductions.....	7,122,491,327	6,843,096,252
Net Increase (Decrease) in Net Position.....	\$ (946,311,596)	\$ 1,293,242,673
STATEMENT OF FIDUCIARY NET POSITION	June 30, 2020	June 30, 2019
Cash.....	\$ 24,329,683	\$ 27,358,430
Receivables and Prepaid Expenses.....	4,496,792,625	7,164,874,414
Investments, at fair value.....	51,454,158,912	52,825,807,531
Invested Securities Lending Collateral.....	2,023,876,139	2,540,713,046
Capital Assets, Net of Accumulated Depreciation.....	6,130,809	2,856,794
Total Assets.....	\$ 58,005,288,168	\$ 62,561,610,215
Liabilities.....	5,688,810,397	9,298,820,848
Net Position Restricted for Pensions.....	\$ 52,316,477,771	\$ 53,262,789,367
INVESTMENT PORTFOLIO ANALYSIS - Fair Value	June 30, 2020	June 30, 2019
Fixed Income.....	\$ 9,887,918,930	\$ 11,476,994,417
Public Equities.....	16,764,439,384	17,823,681,423
Alternative Investments.....	23,063,736,143	21,884,161,813
Derivatives.....	6,184,038	(55,888,377)
Short-term Investments.....	1,652,527,489	1,601,845,805
Foreign Currency.....	79,352,928	95,012,450
Total Investment Portfolio.....	\$ 51,454,158,912	\$ 52,825,807,531
ADMINISTRATIVE EXPENSES	2020	2019
Personal Services.....	\$ 16,760,897	\$ 17,015,955
Other Services.....	2,821,806	3,011,089
Professional Services.....	1,808,829	2,874,959
Depreciation.....	1,104,613	875,719
Communications.....	470,227	557,958
Total Administrative Expenses.....	\$ 22,966,372	\$ 24,335,680
SUPPLEMENTARY INFORMATION	June 30, 2020	June 30, 2019
Benefit Recipients.....	125,927	124,299
Active Members.....	163,115	163,027
Inactive Members.....	138,279	136,178
Total.....	427,321	423,504
PENSION LIABILITY	June 30, 2020	June 30, 2019
Total Pension Liability.....	\$ 138,531,733,887	\$ 134,370,954,628
Plan Fiduciary Net Position.....	52,316,477,771	53,262,789,367
Net Pension Liability.....	\$ 86,215,256,116	\$ 81,108,165,261
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability.....	37.8%	39.6%
EXECUTIVE DIRECTOR		
During Engagement Period: Richard W. Ingram (7/1/19 - 8/3/20)		
Currently: Stan Rupnik (Acting) (effective 8/4/20)		