

# DILIGENCE

An aerial night photograph of a modern glass skyscraper in a city skyline. The building is illuminated from within, showing a grid of windows and floors. The surrounding city is dark, with other buildings and streetlights visible in the background. The sky is a deep blue, suggesting dusk or dawn.

**DILIGENTLY PURSUING EXCELLENCE**

**Comprehensive Annual Financial Report**

**For the Fiscal Year ended June 30, 2006**

**Teachers' Retirement System of the State of Illinois**

*a component unit of the State of Illinois*

# Statement of Purpose

Retirement Security for Illinois Educators

## Mission Statement

Deliver superior service through skilled staff, innovative technology, and careful investment.

## Fiscal Year Highlights

	<b>2006</b>	<b>2005</b>
Active contributing members	159,272	155,850
Inactive noncontributing members	81,218	87,328
Benefit recipients	<u>85,103</u>	<u>82,575</u>
Total membership	325,593	325,753
Actuarial accrued liability (AAL)	\$58,996,913,000	\$56,075,029,000
Less net assets held in trust for pension benefits	<u>36,584,889,000</u>	<u>34,085,218,000</u>
Unfunded actuarial accrued liability (UAAL)	\$22,412,024,000	\$21,989,811,000
Funded ratio (actuarial value of assets/AAL)	62.0%	60.8%
Total fund investment return, net of fees	11.8%	10.8%
<b>Expenses</b>		
Benefits paid	\$2,877,230,697	\$2,533,102,848
Refunds paid	57,967,063	59,395,758
Administrative Expenses	<u>15,303,370</u>	<u>14,403,715</u>
Total	\$2,950,501,130	\$2,606,902,321
<b>Income</b>		
Member contributions*	\$799,034,336	\$761,790,009
Employer contributions	123,542,608	148,813,036
State of Illinois contributions	534,305,256	906,749,310
Total investment income	<u>3,993,289,880</u>	<u>3,330,039,158</u>
Total	\$5,450,172,080	\$5,147,391,513

\* Includes member payments and accounts receivable under the Payroll Deduction Program.

## Photos

Cover: 101 South Second Street, San Francisco, California

Facing page: Olympic Block, Seattle, Washington

*Buildings pictured in this report are part of the TRS investment portfolio. Some are wholly owned, while others are owned by a real estate fund in which TRS is a major investor.*

## **In Memoriam**

**Marjorie Cashin Shea**  
**1922-2005**



The Teachers' Retirement System and staff honor the memory of Marjorie Cashin Shea, a member of the TRS Board of Trustees from 1988 to 1992.

Mrs. Shea was a retired teacher who taught in the public schools of central Illinois for 28 years. While serving on the board, she focused on improving state pension funding. Mrs. Shea worked tirelessly with the Illinois Retired Teachers Association and devoted special attention to the benefits of TRS's oldest annuitants.

The board and staff extend sympathy to her husband Lawrence and their children.