

**PUBLIC SCHOOL TEACHERS' PENSION  
AND RETIREMENT FUND OF CHICAGO**

**SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION**

**For the Two Years Ended June 30, 2021**

**PUBLIC SCHOOL TEACHERS' PENSION AND RETIREMENT FUND OF CHICAGO  
SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2021**

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**PUBLIC SCHOOL TEACHERS' PENSION AND RETIREMENT FUND OF CHICAGO**  
**SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION**  
For the Two Years Ended June 30, 2021

**FUND OFFICIALS**

Executive Director (08/02/2021-present)	Mr. Carlton W. Lenoir Sr.
Executive Director (07/09/2021-08/01/2021)	Vacant
Interim Executive Director (03/02/2021-07/08/2021)	Mr. Jeffrey Blackwell
Executive Director (01/21/2021-03/01/2021)	Vacant
Interim Executive Director (10/15/2020-01/20/2021)	Ms. Mary Cavallaro
Executive Director (03/16/2015-10/14/2020)	Mr. Charles Burbridge

Deputy Executive Director (10/16/2020-present)	Vacant
Deputy Executive Director (06/22/2017-10/15/2020)	Ms. Mary Cavallaro

Chief Financial Officer	Ms. Alise White
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Chief Legal Officer	Mr. Daniel Hurtado
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Internal Audit Director	Ms. Adriane McCoy
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The Fund's offices are located at:  
425 S. Financial Place, Suite 1400  
Chicago, Illinois 60605-1000



425 S. Financial Place, Suite 1400 | Chicago, IL 60605-1000

## MANAGEMENT ASSERTION LETTER

March 21, 2022

Honorable Frank J. Mautino  
Auditor General  
State of Illinois  
740 East Ash Street  
Springfield, Illinois 62703-3154

Auditor General Mautino:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Public School Teachers' Pension and Retirement Fund of Chicago (Fund) for appropriations made by the General Assembly to the Fund from the General Revenue Fund. We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Fund's compliance with the following specified requirements during the two-year period ended June 30, 2021. Based on this evaluation, we assert that during the years ended June 30, 2020, and June 30, 2021, the Fund has materially complied with the specified requirements listed below.

- A. The Fund has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Fund has submitted its annual reports to the State of Illinois as required by law.

Yours truly,

Public School Teachers' Pension and Retirement Fund of Chicago

**SIGNED ORIGINAL ON FILE**

Carlton W. Lenoir Sr., Executive Director

**SIGNED ORIGINAL ON FILE**

Alise White, Chief Financial Officer

**SIGNED ORIGINAL ON FILE**

Daniel Hurtado, Chief Legal Officer

### BOARD OF TRUSTEES

Jeffery Blackwell <i>President</i>	Mary Sharon Reilly <i>Vice President</i>	Miguel del Valle	Maria J. Rodriguez	Quentin S. Washington	Carlton W. Lenoir, Sr. <i>Executive Director</i>
Jacquelyn Price Ward <i>Financial Secretary</i>	Lois Nelson <i>Recording Secretary</i>	Victor Ochoa	Jerry Travlos	Philip Weiss	
		Tina Padilla	Dwayne Truss		

**PUBLIC SCHOOL TEACHERS' PENSION AND RETIREMENT FUND OF CHICAGO  
SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2021**

**COMPLIANCE REPORT**

**SUMMARY**

The compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

**ACCOUNTANT'S REPORT**

The Independent Accountant's Report on Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers, or other significant non-standard language.

**SUMMARY OF FINDINGS**

<b>Number of</b>	<b><u>Current Report</u></b>	<b><u>Prior Report</u></b>
Findings	0	0
Repeated Findings	0	0
Prior Recommendations Implemented or Not Repeated	0	0

**EXIT CONFERENCE**

The Fund's management waived an exit conference in a correspondence from Alise White, Chief Financial Officer, on March 21, 2022.

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OFFICE OF THE AUDITOR GENERAL  
FRANK J. MAUTINO

**INDEPENDENT ACCOUNTANT'S REPORT**  
**ON COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

and

Governing Board  
Public School Teachers' Pension and Retirement Fund of Chicago

**Report on Compliance**

We have examined compliance by the Public School Teachers' Pension and Retirement Fund of Chicago (Fund) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, for appropriations made by the General Assembly to the Fund from the General Revenue Fund during the two years ended June 30, 2021. Management of the Fund is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Fund's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Fund has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Fund has submitted its annual reports to the State of Illinois as required by law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Fund complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Fund complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Fund's compliance with the specified requirements.

In our opinion, the Fund complied with the specified requirements during the two years ended June 30, 2021, in all material respects.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

### **Report on Internal Control Over Compliance**

Management of the Fund is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the Fund's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Fund's compliance with the specified requirements and to test and report on the Fund's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A material weakness in internal control is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our examination we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

There were no immaterial findings that have been excluded from this report.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

**SIGNED ORIGINAL ON FILE**

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JANE CLARK, CPA  
Director of Financial and Compliance Audits

Springfield, Illinois  
March 21, 2022

**PUBLIC SCHOOL TEACHERS' PENSION AND RETIREMENT FUND OF CHICAGO  
DISCLOSURES ACCOMPANYING A STATE COMPLIANCE EXAMINATION REPORT  
For the Two Years Ended June 30, 2021**

**DISCLOSURES REPORT**

**SUMMARY**

A reading of the accompanying report components of the Public School Teachers' Pension and Retirement Fund of Chicago (Fund) was performed by staff of the Office of the Auditor General.

**ACCOUNTANT'S REPORT**

The accountants did not conclude an omission or uncorrected material misstatement of the other information exists in the Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report.

**EXIT CONFERENCE**

The Fund's management waived an exit conference in a correspondence from Alise White, Chief Financial Officer, on March 21, 2022.



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OFFICE OF THE AUDITOR GENERAL  
FRANK J. MAUTINO

**INDEPENDENT ACCOUNTANT'S REPORT**  
**ON DISCLOSURES ACCOMPANYING A COMPLIANCE EXAMINATION REPORT**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

and

Governing Board  
Public School Teachers' Pension and Retirement Fund of Chicago

***Disclosures Accompanying a Compliance Examination Report***

Management of the Public School Teachers' Pension and Retirement Fund of Chicago (Fund) is responsible for the *Disclosures Accompanying a Compliance Examination Report* (other information), which consists of the Fiscal Schedules and Analysis report components as listed in the Table of Contents. The other information comprises disclosures which must be presented by management in accordance with *Report Components* memorandum published by the Auditor General of the State of Illinois, but does not include our *Independent Accountant's Report on Compliance and on Internal Control over Compliance* found in the separate *Compliance Examination Report* included within this document. Our opinion on the Fund's compliance and internal control over compliance does not cover this other information, and we do not express an opinion or any form of assurance thereon.

In connection with our examination of the Fund, our responsibility is to read the other information and consider whether:

- 1) a material inconsistency exists between the other information and our knowledge and facts of the Fund we obtained as part of the Fund's compliance examination;
- 2) the other information appears to have been omitted; or,
- 3) the other information appears to be materially misstated.

If, based on the work performed, we concluded an omission or uncorrected material misstatement of the other information exists, we are required to describe it in this report.

**SIGNED ORIGINAL ON FILE**

JANE CLARK, CPA  
Director of Financial and Compliance Audits

Springfield, Illinois  
March 21, 2022

**PUBLIC SCHOOL TEACHERS' PENSION AND RETIREMENT FUND OF CHICAGO  
SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**

Appropriations for Fiscal Year 2021

For the Fifteen Months Ended September 30, 2021

	<u>Expenditures Through 06/30/21</u>	<u>Lapse Period Expenditures 07/01 - 9/30/21</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
<u>Public Acts 99-0524 and 100-0465</u>				
<u>GENERAL REVENUE FUND - 001</u>				
Contribution to the Public School Teachers' Pension and Retirement Fund of Chicago under Section 17-127 of the Illinois Pension Code	\$ 266,893,000	\$ -	\$ 266,893,000	\$ -
<b>GRAND TOTAL</b>	\$ 266,893,000	\$ -	\$ 266,893,000	\$ -

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2021, and have been reconciled to the Fund's records.

Note 2: Expenditure amounts are vouchers approved for payment by the Fund and submitted to the State Comptroller for payment to the vendor.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**PUBLIC SCHOOL TEACHERS' PENSION AND RETIREMENT FUND OF CHICAGO  
SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**

Appropriations for Fiscal Year 2020

Fourteen Months Ended August 31, 2020

	<u>Expenditures Through 06/30/20</u>	<u>Lapse Period Expenditures 07/01 - 08/31/20</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
<u>Public Acts 99-0005 and 100-0465</u>				
<u>GENERAL REVENUE FUND - 001</u>				
Contribution to the Public School Teachers' Pension and Retirement Fund of Chicago under Section 17-127 of the Illinois Pension Code	\$ 257,349,000	\$ -	\$ 257,349,000	\$ -
<b>GRAND TOTAL</b>	\$ 257,349,000	\$ -	\$ 257,349,000	\$ -

Note 1: Expenditure amounts are vouchers approved for payment by the Fund and submitted to the State Comptroller for payment to the vendor.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**PUBLIC SCHOOL TEACHERS' PENSION AND RETIREMENT FUND OF CHICAGO**  
**SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION**  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,**  
**EXPENDITURES, AND LAPSED BALANCES**  
For the Fiscal Year Ended June 30,

	Fiscal Year		
	2021	2020	2019
	Public Acts 99-0524 and 100-0465	Public Acts 99-0005 and 100-0465	Public Acts 99-0524 and 100-0465
<b>General Revenue Fund - 0001</b>			
Appropriations	\$ 266,893,000	\$ 257,349,000	\$ 238,869,000
Expenditures			
Contribution to the Public School Teachers' Pension and Retirement Fund of Chicago under Section 17-127 of the Illinois Pension Code	\$ 266,893,000	\$ 257,349,000	\$ 238,869,000
For payment of the State's contribution for retirement contributions to the Public School Teachers' Pension and Retirement Fund of Chicago	-	-	-
Total Expenditures	<u>\$ 266,893,000</u>	<u>\$ 257,349,000</u>	<u>\$ 238,869,000</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 1: Expenditure amounts are vouchers approved for payment by the Fund and submitted to the State Comptroller for payment to the vendor.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**PUBLIC SCHOOL TEACHERS' PENSION AND TRUST FUND OF CHICAGO**  
**COMPARATIVE SCHEDULE OF NET EXPENDITURES**  
**BY MAJOR ACTIVITY**  
For the Fiscal Year Ended June 30,

EXPENDITURE STATISTICS	2021	2020	2019
<b>All State Treasury Funds</b>			
Total Awards and Grants Expenditures:	\$ 266,893,000	\$ 257,349,000	238,869,000
Percentage of Total Expenditures:	100.00%	100.00%	100.00%
<b>GRAND TOTAL - ALL EXPENDITURES:</b>	<b>\$ 266,893,000</b>	<b>\$ 257,349,000</b>	<b>238,869,000</b>

Note 1: Expenditures were obtained from the Authority's records and have been reconciled to the Office of Comptroller's records as of June 30, 2021.

Note 2: Expenditure amounts are vouchers approved for payment by the Authority and submitted to the Office of Comptroller for payment to the vendor.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**PUBLIC SCHOOL TEACHERS' PENSION AND RETIREMENT FUND OF CHICAGO**  
**SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION**  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2021

**Fiscal Year 2021 Compared to Fiscal Year 2020**

The Fund did not have any significant variations in expenditures.

**Fiscal Year 2020 Compared to Fiscal Year 2019**

The Fund did not have any significant variations in expenditures.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

**PUBLIC SCHOOL TEACHERS' PENSION AND RETIREMENT FUND OF CHICAGO**  
**SPECIAL LIMITED SCOPE COMPLIANCE EXAMINATION**  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2021

**Fiscal Year 2021**

The Fund did not have any significant Lapse Period spending.

**Fiscal Year 2020**

The Fund did not have any significant Lapse Period spending.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.