



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

GENERAL ASSEMBLY RETIREMENT SYSTEM

**COMPLIANCE EXAMINATION
For the Year Ended: June 30, 2012**

Release Date: May 30, 2013

Summary of Findings:

• Compliance Examination	0
• Financial Audit (previously reported 1-16-13)	<u>1</u>
Total findings:	1
Total last report	1
Repeated from last audit:	0

INTRODUCTION

This digest covers our compliance examination of the General Assembly Retirement System (System) for the year ended June 30, 2012. A financial audit covering the year ending June 30, 2012 was previously released on January 16, 2013. In total this report contains one finding, which was previously reported in the Financial Audit.

ACCOUNTANTS' REPORT

The auditors conducted a compliance attestation examination of the System for the year ended June 30, 2012 as required by the Illinois State Auditing Act. The accountants' report does not contain any scope limitations, disclaimers or other significant non-standard language.

WILLIAM G. HOLLAND
Auditor General

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SPECIAL ASSISTANT AUDITORS

Our special assistant auditors for this compliance examination were BKD LLP.

{Expenditures and Activity Measures are summarized on the reverse page.}

GENERAL ASSEMBLY RETIREMENT SYSTEM OF ILLINOIS
COMPLIANCE EXAMINATION
For the Year Ended June 30, 2012

EXPENDITURE STATISTICS	FY 2012	FY 2011
Total Expenditures.....	\$ 30,154,759	\$ 29,071,660
General Revenue Fund - 001:		
Continuing appropriation for pension contributions.....	10,502,000	2,009,666
General Assembly Retirement System Fund - 481:		
Pensions, annuities and benefits.....	19,202,730	17,652,459
Purchase of investments.....	-	9,037,344
Refunds.....	147,433	72,281
Personal services.....	122,061	131,342
Other payroll costs (Retirement, Social Security and Group Insurance).....	80,818	74,536
Contractual services.....	51,628	58,425
All other expenses.....	9,052	5,971
General Assembly Retirement Excess Benefit Fund - 786:		
Pensions, annuities and benefits.....	39,037	29,636
Total Receipts.....	\$ 19,076,722	\$ 27,108,341
ANALYSIS OF PLAN INVESTMENTS	June 30, 2012	June 30, 2011
Balance at beginning of year, at fair value.....	\$ 57,346,442	\$ 51,638,586
Net cash transferred from investments.....	(8,225,000)	(4,562,656)
Net investments (1).....	49,121,442	47,075,930
Investment income - interest, dividends and other.....	1,391,187	1,355,661
Investment expenses.....	(165,570)	(183,751)
Net investment income (2).....	1,225,617	1,171,910
Net realized gain on sale of investments.....	1,583,507	1,602,133
Net unrealized gain (loss) on investments.....	(2,905,421)	7,496,469
Net appreciation (depreciation) in fair value of investments (3).....	(1,321,914)	9,098,602
Total net investment income (loss) (4), (2) + (3).....	(96,297)	10,270,512
Balance at end of year, at fair value (1) + (4).....	\$ 49,025,145	\$ 57,346,442
INVESTMENTS USED FOR BENEFITS AND EXPENSES (UNAUDITED)	FY 2012	FY 2011
CONTRIBUTIONS:		
Participants.....	\$ 1,622,742	\$ 2,006,200
Appropriations & other.....	10,502,000	11,433,614
Total Contributions (5).....	12,124,742	13,439,814
DEDUCTIONS:		
Benefits.....	19,246,885	17,676,851
Refunds.....	149,294	61,476
Administration.....	298,104	299,116
Total Deductions (6).....	19,694,283	18,037,443
Investments used to pay Benefits and Expenses) (5) - (6).....	\$ (7,569,541)	\$ (4,597,629)
SUPPLEMENTARY INFORMATION (UNAUDITED)	June 30, 2012	June 30, 2011
Retirees and beneficiaries receiving benefits.....	414	410
Total members.....	255	266
Total active members.....	176	180
Total return on investments	0.1%	21.7%
EXECUTIVE SECRETARY		
During Engagement Period: Timothy Blair		
Currently: Timothy Blair		