



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

GENERAL ASSEMBLY RETIREMENT SYSTEM OF ILLINOIS

**FINANCIAL AUDIT
For the Year Ended: June 30, 2013**

Release Date: January 8, 2013

Summary of Findings:

Total this audit:	0
Total last audit:	1
Repeated from last audit:	0

INTRODUCTION

This digest covers our financial audit of the General Assembly Retirement System, State of Illinois (System) for the year ended June 30, 2013. A compliance examination report covering the year ending June 30, 2013 will be issued in a separate report at a later date.

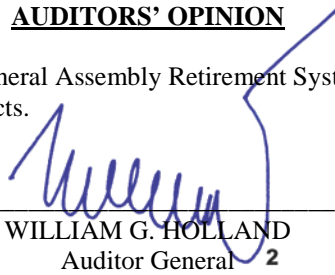
FUNDED RATIO

The actuarial accrued liability was valued at \$320.5 million at June 30, 2013. The actuarial value of assets (at smoothed value) totaled approximately \$51.9 million at June 30, 2013. The method for determining the actuarial value of the assets was changed beginning with the June 30, 2009 valuation from the market value to a smoothed value where the actuarial investment gains or losses for each year are recognized in equal amounts over the ensuing five-year period.

The difference between the actuarial accrued liability and the actuarial value of assets of \$268.6 million reflects the unfunded liability of the System at June 30, 2013. The System had a funded ratio (at smoothed value) of 16.2% at June 30, 2013. When using the market value, the System would have had a funded ratio of 17.0% at June 30, 2013.

AUDITORS' OPINION

The auditors stated the financial statements of the General Assembly Retirement System of Illinois as of June 30, 2013 and for the year then ended, are fairly stated in all material respects.



WILLIAM G. HOLLAND
Auditor General 2

WGH:JAF

SPECIAL ASSISTANT AUDITORS

Our special assistant auditors for this audit were BKD LLP.

{Financial Statement information is summarized on the reverse page}

GENERAL ASSEMBLY RETIREMENT SYSTEM, STATE OF ILLINOIS
FINANCIAL AUDIT
For the Year Ended June 30, 2013

STATEMENT OF CHANGES IN PLAN NET POSITION	2013	2012
Additions:		
Contributions - Participants.....	\$ 1,451,227	\$ 1,622,742
Contributions - Employer / Appropriations.....	14,150,000	10,502,000
Total Contributions.....	<u>15,601,227</u>	<u>12,124,742</u>
Net Appreciation / (Depreciation) in Fair Value of Investments.....	5,138,885	(1,321,914)
Net Investment Income.....	1,339,754	1,225,617
Interest Earned on Cash Balances.....	13,959	14,849
Total Investment Income / (Loss).....	<u>6,492,598</u>	<u>(81,448)</u>
Total Additions.....	<u>22,093,825</u>	<u>12,043,294</u>
Deductions:		
Benefits.....	20,110,119	19,246,885
Refunds.....	41,110	149,294
Administrative Expenses.....	339,494	298,104
Total Deductions.....	<u>20,490,723</u>	<u>19,694,283</u>
Net Increase/(Decrease).....	<u>\$ 1,603,102</u>	<u>\$ (7,650,989)</u>
INVESTMENT SUMMARY - (All investments held in the Illinois State Board of Investment commingled fund at fair value)	June 30, 2013	June 30, 2012
U.S. Government and Agency Obligations.....	\$ 887,400,073	\$ 958,131,279
Foreign Obligations.....	415,070,013	385,628,617
Corporate Obligations.....	674,154,128	656,977,663
Common Stock & Equity Funds	3,916,478,305	3,253,103,566
Commingled Funds.....	317,408,396	225,608,712
Foreign Equity Securities (including Preferred Stock).....	2,329,869,123	2,013,366,729
Hedge Funds.....	1,166,602,482	1,026,725,785
Real Estate Funds.....	1,294,600,976	967,346,450
Private Equity.....	643,775,529	678,423,383
Money Market Instruments.....	237,649,781	256,922,180
Real Assets.....	550,739,042	507,019,665
Bank Loans.....	416,649,247	328,593,596
Forward Foreign Currency Contracts.....	(412,825)	(43,859)
Total Investment Portfolio.....	<u>12,849,984,270</u>	<u>11,257,803,766</u>
Other ISBI Assets Less Liabilities.....	16,472,966	26,132,919
ISBI Net Assets.....	<u>12,866,457,236</u>	<u>11,283,936,685</u>
Investments owned by other retirement systems and other entities.....	(12,817,453,452)	(11,234,911,540)
General Assembly Retirement System Investments.....	<u>\$ 49,003,784</u>	<u>\$ 49,025,145</u>
ADMINISTRATIVE EXPENSES	2013	2012
Personal Services.....	\$ 126,791	\$ 122,061
Contractual Services.....	108,182	91,533
Retirement, Insurance & Social Security.....	95,735	80,818
Change in Accrued Compensated Absences.....	2,911	(3,507)
Printing.....	1,787	1,750
Information technology.....	1,284	2,335
Telecommunications.....	857	902
Depreciation.....	757	705
Travel.....	577	252
Operation of Automotive Equipment.....	371	957
Commodities.....	242	238
Loss on disposal of equipment.....	-	60
Total Administrative Expenses.....	<u>\$ 339,494</u>	<u>\$ 298,104</u>
FUNDING PROGRESS - at smoothed value	June 30, 2013	June 30, 2012
Actuarial Accrued Liability.....	\$ 320,461,498	\$ 303,469,263
Actuarial Value of Assets.....	51,849,558	56,090,081
Unfunded Actuarial Accrued Liability.....	<u>\$ 268,611,940</u>	<u>\$ 247,379,182</u>
Funded Ratio.....	16.2%	18.5%
EXECUTIVE SECRETARY		
During Engagement Period: Timothy B. Blair		
Currently: Timothy B. Blair		