

**State of Illinois**  
**General Assembly Retirement System**  
Compliance Examination  
For the Year Ended June 30, 2015  
Performed as Special Assistant Auditors for  
the Auditor General, State of Illinois



**General Assembly Retirement System  
of the State of Illinois  
Compliance Examination  
For the Year Ended June 30, 2015**

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of the State of Illinois  
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# **General Assembly Retirement System of the State of Illinois**

**For the Year Ended June 30, 2015**

## ***System Officials***

Executive Secretary  
Division Manager  
Accounting Division Supervisor  
Internal Auditor

Timothy B. Blair  
Jayne Waldeck  
David M. Richter, CPA (through 6/30/15)  
Casey Evans (effective 10/1/14 – Present)

## ***Office Locations***

2101 South Veterans Parkway  
P.O. Box 19255  
Springfield, Illinois 62794-9255

State of Illinois Building  
160 North LaSalle Street, Suite N725  
Chicago, Illinois 60601



**STATE  
RETIREMENT  
SYSTEMS**

● General Assembly Retirement System

Internet: <http://www.srs.illinois.gov>

E-Mail: [gars@srs.illinois.gov](mailto:gars@srs.illinois.gov)

2101 South Veterans Parkway, P.O. Box 19255, Springfield, IL 62794-9255

March 25, 2016

BKD, LLP  
Certified Public Accountants  
225 North Water Street, Suite 400  
Post Office Box 1580  
Decatur, IL 62525-1580

Ladies and Gentlemen:

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 General Assembly Retirement System of Illinois (System). 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 System's compliance with the following assertions during the year ended June 30, 2015. Based on this evaluation, we assert that during the year ended June 30, 2015 the System has materially complied with the assertions below.

- A. The System 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 System has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The System has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the System are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the System on behalf of the State or held in trust by the System have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

**General Assembly Retirement System of Illinois**

  
Timothy B. Blair, Executive Secretary

  
Alan Fowler, CPA, Accounting Division Manager

# **Compliance Report**

**General Assembly Retirement System  
of the State of Illinois  
Compliance Report Summary  
For the Year Ended June 30, 2015**

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

**Accountants' Reports**

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers or other significant non-standard language.

**Summary of Findings**

Number of	Current Report	Prior Report
Findings	2	2
Repeated findings	1	0
Prior recommendations implemented or not repeated	1	1

**Schedule of Findings**

Item No.	Page	Description	Finding Type
<b>Findings (Government Auditing Standards)</b>			
2015-001	11	Noncompliance with the Fiscal Control and Internal Auditing Act	Significant Deficiency
<b>Findings (State Compliance)</b>			
2015-002	12	Noncompliance with Ethics Training Requirements	Significant Deficiency and Noncompliance

**General Assembly Retirement System  
of the State of Illinois  
Compliance Report Summary  
For the Year Ended June 30, 2015**

In addition, the following findings which are reported as current findings relating to *Government Auditing Standards* also met the reporting requirements for State Compliance.

2015-001	11	Noncompliance with the Fiscal Control and Internal Auditing Act	Significant Deficiency and Noncompliance
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**Prior Finding Not Repeated**

A.	13	Controls over Census Data
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***Exit Conference***

System officials waived a formal exit conference in correspondence dated January 27, 2016. Responses to the recommendations were provided by Alan Fowler, Accounting Division Manager, in correspondence dated February 11, 2016.



## Independent Accountant's Report on State Compliance on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes

Honorable Frank J. Mautino  
Auditor General  
State of Illinois  
and  
The Board of Trustees  
General Assembly Retirement System of the State of Illinois

### Compliance

As Special Assistant Auditors for the Auditor General, we have examined the General Assembly Retirement System of the State of Illinois's (System) compliance with the 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, during the year ended June 30, 2015. The management of the System is responsible for compliance with these requirements. Our responsibility is to express an opinion on the System's compliance based on our examination.

- A. The System 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 System has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The System has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the System are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the System on behalf of the State or held in trust by the System have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with 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 as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the System's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the System's compliance with specified requirements.

In our opinion, the System complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the year ended June 30, 2015. However, the results of our procedures disclosed instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 2015-001 and 2015-002.

### Internal Control

Management of the System is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the System's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the System's internal controls over compliance. Accordingly, we do not express an opinion on the effectiveness of the System's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings as items 2015-001 and 2015-002, that we consider to be significant deficiencies.

As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter to your office.

The System's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the System's responses and, accordingly, we express no opinion on the responses.

#### Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the System as of and for the year ended June 30, 2015 (not presented herein) and have issued our report thereon dated December 18, 2015 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. We did not audit the 2015 financial statements of the Illinois State Board of Investment, an internal investment pool of the State of Illinois, which statements represent 86 percent, 90 percent, and 12 percent, respectively, of total assets, net position restricted for pension benefits, and total additions of the System. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Illinois State Board of Investment is based solely on the report of the other auditors. We have not performed any procedures with respect to the audited financial statements subsequent to December 18, 2015. The accompanying supplementary information for the year ended June 30, 2015 in Schedules 1 through 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the System. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The accompanying supplementary information for the year ended June 30, 2015 in Schedules 1 through 10 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2015 in Schedules 1 through 10 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2015.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the System's basic financial statements as of and for the years ended June 30, 2014 and 2013 (not presented herein) and have issued our reports thereon dated December 22, 2014 and December 20, 2013, respectively, which contained unmodified opinions on the respective financial statements. We did not audit the 2014 and 2013 financial statements of the Illinois State Board of Investment, an internal investment pool of the State of Illinois, which statements represents 87 and 85 percent of total assets; 91 and 90 percent of net position restricted for pension benefits; and 35 and 29 percent of total additions to the System, respectively. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Illinois State Board of Investment is based solely on the report of the other auditors. The accompanying supplementary information for the years ended June 30, 2014 and 2013 in Schedules 2, 4 through 7, and 9 through 10 is the responsibility of management and was derived from and relates directly to underlying accounting and other records used to prepare the June 30, 2014 and 2013 financial statements. The accompanying supplementary information for the years ended June 30, 2014 and 2013 in Schedules 2, 4 through 7, and 9 through 10 has been subjected to the auditing procedures applied in the audits of the June 30, 2014 and 2013 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the years

ended June 30, 2014 and 2013 in Schedules 2, 4 through 7, and 9 through 10 is fairly stated in all material respects in relation to the basic financial statements as a whole from which it has been derived.

The accompanying supplementary information in the Analysis of Operations Section is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, the System's Board of Trustees, and the System's management, and is not intended to be and should not be used by anyone other than these specified parties.

*BKD, LLP*

Decatur, Illinois

March 25, 2016, except for the Supplementary Information for State Compliance purposes, as to which the date is December 18, 2015

**Independent Auditor's Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of the Financial Statements Performed  
in Accordance With *Government Auditing Standards***

The Honorable William G. Holland  
Auditor General  
State of Illinois  
and  
The Board of Trustees  
General Assembly Retirement System of the State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the General Assembly Retirement System of the State of Illinois (System), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated December 18, 2015. Our report includes a reference to other auditors who audited the financial statements of the Illinois State Board of Investment, an internal investment pool of the State of Illinois, as described in our report on the System's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System'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, misstatement on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the System's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* 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 and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings as item 2015-001 that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **System's Response to Finding**

The System's response to the finding identified in our audit is described in the accompanying schedule of findings. The System's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control or on compliance. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*BKD, LLP*

Decatur, Illinois  
December 18, 2015

**General Assembly Retirement System  
of the State of Illinois**  
**Current Findings – Government Auditing Standards**  
**June 30, 2015**

**2015-001. Finding – Noncompliance with the Fiscal Control and Internal Auditing Act**

The General Assembly Retirement System (System) was not in compliance with the Fiscal Control and Internal Auditing Act (the Act).

During the prior year’s audit, we noted the System was required by the Act (30 ILCS 10/2001) to have a full-time program of internal auditing. The System filled the Internal Auditor position in October 2014. Therefore this part of the prior year’s finding is not repeated in the current fiscal year’s audit.

The Act (30 ILCS 10/2003) also requires the chief executive officer to ensure that internal audits of all major systems of internal control are conducted at least once every two years. As a result of the vacancy in the Internal Auditor position during part of the fiscal year, only one of the seven internal audits of major systems planned for fiscal year 2015 were completed. Therefore, the System was not in compliance with this provision of the Act.

According to System officials the System was not able to fill the internal audit position sooner and therefore the current internal auditor did not have adequate time during the fiscal year to complete internal audits as planned.

Failure to comply with the Act increases the risk that fraud, misuse of funds, or internal control weaknesses would not be detected on a timely basis. (Finding Code No. 2015-001, 2014-001)

Recommendation

We recommend System management develop a plan to ensure the internal audit function continues in the event the position is left vacant for a period of time.

System Response

The System accepts the finding and will develop a plan to ensure that the internal audit function continues in the event of another vacancy within the position over a significant period of time.

# **General Assembly Retirement System of the State of Illinois**

## **Current Findings – State Compliance**

**June 30, 2015**

### **2015-002. Finding – Noncompliance with Ethics Training Requirements**

The General Assembly Retirement System of the State of Illinois (System) did not comply with the Ethics training provisions of the Illinois Pension Code.

During current year examination testing, auditors noted the System did not track the ethics training completed by its Board members and did not submit the required annual certification of compliance certifying ethics training completed by its Board members with the Department of Insurance.

The Illinois Pension Code (40 ILCS 5/1-113.18) states all board members of a retirement system must attend ethics training of at least 8 hours per year. Each board shall annually certify compliance with this Section and submit an annual certification to the Department of Insurance.

System officials stated ethics training is performed, however the amount of time completed is not tracked in order to submit the annual certification.

Failure by the System to track and certify the ethics training completed by its Board members increases the risk that its Board members will not complete the required 8 hours of annual ethics training required by the Illinois Pension Code. (Finding Code No. 2015-002)

#### Recommendation

We recommend the System develop a process to track ethics training completed by its Board members to insure its Board members complete 8 hours annually and submit the required annual certification to the Department of Insurance.

#### System Response

The System accepts the finding. The System is working on procedures to better track, report and certify the required ethics training of each of the members of the Board of Trustees.



**General Assembly Retirement System  
of the State of Illinois**  
**Prior Finding Not Repeated**  
**June 30, 2015**

**A. Finding – Controls over Census Data**

The General Assembly Retirement System of the State of Illinois (System) had weaknesses in controls over creditable earnings and member census data reported by the Illinois Office of the Comptroller (Comptroller). (Finding Code No. 2014-002)

During the current fiscal year audit, the System performed an audit at the Comptroller of payroll records to verify census data utilized by the System.

**Supplementary Information  
for State Compliance Purposes**

**General Assembly Retirement System  
of the State of Illinois**  
**Supplementary Information for State Compliance Purposes**  
**Summary**  
**For the Year Ended June 30, 2015**

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:
  - Schedule of Appropriations, Expenditures and Lapsed Balances
  - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
  - Schedule of Changes in State Property
  - Comparative Schedules of Cash Receipts
  - Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
  - Analysis of Significant Variations in Expenses
  - Analysis of Significant Variations in Cash Receipts
  - Analysis of Significant Lapse Period Spending
  - Analysis of Significant Statement of Fiduciary Net Position Accounts
  - Analysis of Contributions Receivable
  
- Analysis of Operations (Unaudited):
  - System's Functions and Planning Program (Unaudited)
  - Progress in Funding the System (Unaudited)
  - Money-Weighted Rate of Return (Unaudited)
  - Average Number of System Employees (Unaudited)
  - Comparison of Administrative Expenses to Total Expenses (Unaudited)
  - Schedule of Contributions/Deductions and Effect on Investments (Unaudited)
  - Service Efforts and Accomplishments (Unaudited)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states that it has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in the auditors' opinion, it is fairly stated in all material respects in relation to the basic financial statements as a whole from which it has been derived. The accountants' report also states the Analysis of Operations Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, they do not express an opinion or provide any assurance on it.

## **Fiscal Schedules and Analysis**

## General Assembly Retirement System of the State of Illinois

### Schedule of Appropriations, Expenditures and Lapsed Balances Appropriations for Fiscal Year 2015 Fourteen Months ended August 31, 2015

	Appropriations (Net After Transfers)	Expenditures Through June 30, 2015	Lapse Period Expenditures July 1, 2015 through August 31, 2015	Total Expenditures	Balances Lapsed
<b>Public Act 98-0680</b>					
<b>Appropriated Funds</b>					
<b><u>General Revenue Fund –</u></b>					
<b><u>0001</u></b>					
Continuing appropriation for pension contributions	\$ 15,809,000	\$ 15,809,000	\$ —	\$ 15,809,000	\$ —
Total all appropriated funds	<u>\$ 15,809,000</u>	<u>\$ 15,809,000</u>	<u>\$ —</u>	<u>\$ 15,809,000</u>	<u>\$ —</u>
<b>Nonappropriated Funds</b>					
<b><u>Kanerva vs State Trust</u></b>					
<b><u>Fund – 0234</u></b>					
Annuitant disbursement		\$ 302,728	\$ —	\$ 302,728	
<b><u>General Assembly</u></b>					
<b><u>Retirement System Fund –</u></b>					
<b><u>0481</u></b>					
Personal services		102,426	54,136	156,562	
Employee retirement pickup		1,794	729	2,523	
Retirement contributions		43,419	22,952	66,371	
Social Security contributions		7,575	4,038	11,613	
Group insurance		20,571	8,219	28,790	
Contractual services		82,521	4,169	86,690	
Travel		764	67	831	
Purchase of investments		700,000	—	700,000	
Commodities		35	175	210	
Electronic data processing		301	4,643	4,944	
Telecommunications		571	363	934	
Automotive		152	52	204	
Nonrecurring refunds and distributions		146,524	—	146,524	
Pensions, annuities and benefits		21,236,886	(187)	21,236,699	
Refunds, prior calendar year contributions		11,814	—	11,814	
Refunds, not elsewhere classified		<u>52,680</u>	<u>—</u>	<u>52,680</u>	
Subtotal – Fund 0481		<u>22,408,033</u>	<u>99,356</u>	<u>22,507,389</u>	

## General Assembly Retirement System of the State of Illinois

### Schedule of Appropriations, Expenditures and Lapsed Balances Appropriations for Fiscal Year 2015 Fourteen Months ended August 31, 2015 (Continued)

	Appropriations (Net After Transfers)	Expenditures Through June 30, 2015	Lapse Period Expenditures July 1, 2015 through August 31, 2015	Total Expenditures	Balances Lapsed
<b><u>General Assembly</u></b>					
<b><u>Retirement Excess Benefit</u></b>					
<b><u>Fund – 0786</u></b>					
Pensions, annuities and benefits		\$ 54,226	\$ —	\$ 54,226	
Total nonappropriated funds		<u>22,764,987</u>	<u>99,356</u>	<u>22,864,343</u>	
Grand total, all Funds		<u>\$ 38,573,987</u>	<u>\$ 99,356</u>	<u>\$ 38,673,343</u>	

Note 1: The above data was taken from records of the State Comptroller.

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

## General Assembly Retirement System of the State of Illinois

### Comparative Schedules of Net Appropriations, Expenditures and Lapsed Balances For the Years Ended June 30, 2015, 2014 and 2013

	Fiscal Year		
	2015	2014	2013
	P.A. 98-0680	P.A. 98-0017	P.A. 97-0685
<b>Appropriated Funds</b>			
<b><u>General Revenue Fund – 0001</u></b>			
Appropriations	\$ 15,809,000	\$ 13,856,000	\$ 14,150,000
Expenditures			
Continuing appropriation for pension contributions	15,809,000	13,856,000	14,150,000
Total all appropriated funds	15,809,000	13,856,000	14,150,000
Lapsed balances	\$ —	\$ —	\$ —
<b>Nonappropriated Funds</b>			
<b><u>Kanerva vs State Trust Fund – 0234</u></b>			
Expenditures			
Annuitant disbursement	\$ 302,728	\$ —	\$ —
<b><u>General Assembly Retirement System Fund – 0481</u></b>			
Expenditures			
Personal services	\$ 156,562	\$ 133,567	\$ 126,791
Employee retirement pickup	2,523	2,252	2,209
Retirement contributions	66,371	53,907	48,235
Social Security contributions	11,613	9,781	9,354
Group insurance	28,790	32,264	35,937
Contractual services	86,690	66,945	69,257
Travel	831	501	577
Purchase of investments	700,000	—	—
Commodities	210	194	242
Printing	—	1,675	1,787
Equipment	—	237	109
Electronic data processing	4,944	2,003	1,284
Telecommunications	934	873	857
Automotive	204	378	371
Nonrecurring refunds and distributions	146,524	225,806	27,789
Pensions, annuities and benefits	21,236,699	20,741,824	20,083,871
Refunds, prior calendar year contributions	11,814	14,117	15,343
Refunds, not elsewhere classified	52,680	52,680	30,730
Total expenditures	22,507,389	21,339,004	20,454,743
<b><u>General Assembly Retirement Excess Benefit Fund</u></b>			
<b><u>– 0786</u></b>			
Pensions, annuities and benefits	54,226	44,595	41,710
Total nonappropriated expenditures	22,864,343	21,383,599	20,496,453
Grand total expenditures, all Funds	\$ 38,673,343	\$ 35,239,599	\$ 34,646,453

## General Assembly Retirement System of the State of Illinois

### Schedule of Changes in State Property For the Year Ended June 30, 2015

	Beginning Balance	Additions	Deletions	Ending Balance
Equipment	\$ 15,723	\$ 221	\$ (520)	\$ 15,424
Accumulated depreciation	<u>(12,536)</u>	<u>(930)</u>	<u>520</u>	<u>(12,946)</u>
Equipment, net	<u>3,187</u>	<u>(709)</u>	<u>—</u>	<u>2,478</u>
Internally developed software	—	6,990	—	6,990
Accumulated amortization	<u>—</u>	<u>(350)</u>	<u>—</u>	<u>(350)</u>
Internally developed software, net	<u>—</u>	<u>6,640</u>	<u>—</u>	<u>6,640</u>
Capital assets, net	<u>\$ 3,187</u>	<u>\$ 5,931</u>	<u>\$ —</u>	<u>\$ 9,118</u>

This summary schedule was prepared using State property records required by the Illinois Administrative Code. The capitalization policy in the Code is different than the capitalization policy established by the Office of the State Comptroller for financial reporting in accordance with generally accepted accounting principles.



## General Assembly Retirement System of the State of Illinois

### Comparative Schedule of Cash Receipts For the Years Ended June 30, 2015 and 2014

	2015	2014
Receipts:		
Participant contributions	\$ 1,457,814	\$ 1,501,274
Employer contributions:		
General Revenue Fund	15,727,661	14,457,830
Paid by participants	34,602	100,669
Received from reciprocal systems	27,340	—
Interest income on cash balances	21,159	17,677
Tax-deferred installment payments	5,342	8,381
Post tax installment payments	2,042	—
Receipts from reciprocal systems	25,471	—
Cancellation of annuities	10,441	61,414
Transfers from Illinois State Board of Investment	5,350,000	5,800,000
Miscellaneous	100	—
Total cash receipts, per book	\$ 22,661,972	\$ 21,947,245

## General Assembly Retirement System of the State of Illinois

### Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller For the Years Ended June 30, 2015 and 2014

	<b>2015</b>	<b>2014</b>
Total cash receipts, per books	\$ 22,661,972	\$ 21,947,245
Add (deduct)		
Interest on cash balances	(21,159)	(17,677)
Cancellation of annuities	(10,441)	(61,414)
Deposits in transit		
Beginning of year	—	50
End of year	(2,220)	—
Cash in transit:		
Beginning of year	—	—
End of year	—	—
Cancellation of annuities (IRS tax levies) processed as receipt deposits	52,680	52,680
Prior year intergovernmental payment vouchers deposited into the GARS Trust Fund (Fund #0481) during the current fiscal year*	(577,370)	—
Intergovernmental transfers submitted to the Comptroller's office but not yet released/deposited into the GARS Trust Fund (Fund #0481)*	658,709	577,370
Deposits remitted to the State Comptroller for order into the State Treasury	\$ 22,762,171	\$ 22,498,254

\* Intergovernmental transfers are GRF employer contributions that are deposited in the GARS Trust Fund (Fund #0481). Intergovernmental transfers are recorded as revenue on the monthly revenue report (SB04) at the time the intergovernmental payment voucher is entered into the SAMS system. GARS does not record the intergovernmental transfer as a receipt until the voucher has been released and the payment has been deposited into the Trust Fund.

**General Assembly Retirement System  
of the State of Illinois**  
**Analysis of Significant Variations in Expenses**  
**For the Year Ended June 30, 2015**

The System's expenses, obtained from Schedule 2, have been analyzed for fluctuations greater than \$75,000 and 20% from the previous year.

	<u>2015</u>		<u>2014</u>		<u>Increase</u>
Kanerva vs. State Trust Fund	\$ 302,728	\$	—	\$	302,728 (1)
Purchase of investments	\$ 700,000	\$	—	\$	700,000 (2)
Nonrecurring refunds and distributions	\$ 146,524	\$	225,806	\$	(79,282) (3)

- (1) From July 2013 through October 2014, annuitants with less than 20 years of service started paying a portion of their health insurance as required by the pension reform law passed by legislature in 2012. The Supreme Court later ruled that the 2012 pension reform law violated the state constitution's pension protection clause and, as a result, the premium payments were refunded to the annuitants. The increase represents the amount of retiree health insurance premiums refunded to annuitants during fiscal year 2015.
- (2) The System strives to maintain a Trust Fund cash balance sufficient to cover two months of operating expenses. Any projected Trust Fund balance excess or shortfall is transferred to or transferred from the Illinois State Board of Investment, respectively. The increase represents the projected excess cash balance that was transferred to the Illinois State Board of Investment for long term investment.
- (3) The decrease in nonrecurring refunds and distributions is primarily due to a decrease in termination and survivor's annuity contribution refunds paid during fiscal year 2015.

**General Assembly Retirement System  
of the State of Illinois**

**Analysis of Significant Variations in Cash Receipts  
For the Years Ended June 30, 2015**

The System's cash receipts, obtained from Schedule 4, have been analyzed for fluctuations greater than \$75,000 and 20% from the previous year.

There were no significant variations in cash receipts during fiscal year 2015.

**General Assembly Retirement System  
of the State of Illinois**

**Analysis of Significant Lapse Period Spending  
For the Year Ended June 30, 2015**

The System's lapse period spending, obtained from Schedule 1 has been analyzed for spending greater than \$15,000 and 20% in any appropriated line item.

There was no significant lapse period spending during fiscal year 2015.

## General Assembly Retirement System of the State of Illinois

### Analysis of Significant Statement of Fiduciary Net Position Accounts For the Years Ended June 30, 2015 and 2014

#### **Cash Balances**

	<b>2015</b>	<b>2014</b>
Cash in State Treasury	\$ 4,904,253	\$ 4,767,584

The increase in cash balances from the prior year is mainly due to timing differences in the receipts, expenditures, and transfer of funds from the Illinois State Board of Investment (ISBI).

#### **Investments**

General Information:

Pursuant to Article 22A of the Illinois Pension Code, investments of the General Assembly Retirement System of Illinois are managed by the ISBI and are held in the ISBI Commingled Fund. Units of the ISBI Commingled Fund are issued to the member systems on the last day of the month based on the unit net asset value calculated as of that date. Net investment income of the ISBI Commingled Fund is allocated to each of the member systems on the last day of the month on the basis of percentage of accumulated units owned by the respective systems.

Investment portfolio management and performance are the direct responsibility of the ISBI which establishes investment policy and strategy.

Comparison of the changes in the System's investments held in the ISBI Commingled Fund for the years ended June 30, 2015 and 2014 is summarized as follows:

	<b>2015</b>	<b>2014</b>
Balance at beginning of year, at fair value	\$ 51,549,374	\$ 49,003,784
Net cash transferred from investments	<u>(4,650,000)</u>	<u>(5,800,000)</u>
	<u>46,899,374</u>	<u>43,203,784</u>
Investment income		
Interest, dividends and other	1,640,460	1,510,792
Expenses	<u>(143,291)</u>	<u>(153,577)</u>
Net investment income	<u>1,497,169</u>	<u>1,357,215</u>
Net appreciation in fair value of investments		
Net unrealized gain (loss) on investments	(905,449)	4,881,464
Net realized gain on sales of investments	<u>1,674,582</u>	<u>2,106,911</u>
Net appreciation (depreciation) in fair value of investments	<u>769,133</u>	<u>6,988,375</u>
Total net investment income (loss)	<u>2,266,302</u>	<u>8,345,590</u>
Balance at end of year, at fair value	<u>\$ 49,165,676</u>	<u>\$ 51,549,374</u>

**General Assembly Retirement System  
of the State of Illinois**

**Analysis of Significant Statement of Fiduciary Net Position Accounts  
For the Years Ended June 30, 2015 and 2014  
(Continued)**

Securities lending collateral decreased by \$95,000 in fiscal year 2015 compared to the fiscal year 2014 ending balance from \$2.269 million to \$2.174 million. The State Treasurer lends securities to broker-dealers and other entities for collateral that will be returned for the same security in the future. Each year the Treasurer provides an allocation to the Comptroller to adjust each State Agency's financial statements to include their proportionate share of the securities lending transaction balances at year end. Securities lending activity can vary from year to year depending on market conditions and the availability of securities to lend.

**General Assembly Retirement System  
of the State of Illinois**

**Analysis of Contributions Receivable  
For the Years Ended June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Employer contributions	\$ 658,709	\$ 577,370
Participants' contributions	4,234	7,557
Refundable annuities	2,236	3,295
Interest on cash balances	<u>2,111</u>	<u>1,656</u>
Total receivables	<u>\$ 667,290</u>	<u>\$ 589,878</u>

The variance in total receivables from 2014 to 2015 is primarily due to approximately \$81,000 more employer contributions receivable from the General Revenue Fund at June 30, 2015. During fiscal years 2015 and 2014, the monthly allocations of employer contributions from the General Revenue Fund were \$1,317,417 and \$1,154,740, respectively. At June 30, 2015 and 2014, the System was due one half month of allocated employer contributions, or \$658,709 and \$577,370, respectively. No receivables were deemed noncollectable at June 30, 2015. Receivables included above represent amounts due from participants and the employers for contributions. Accounts are first analyzed by System personnel for collectability before being sent to the Attorney General's office for final determination.



# **Analysis of Operations**

# **General Assembly Retirement System of the State of Illinois**

## **Analysis of Operations (Unaudited) For the Years Ended June 30, 2015 and 2014**

### ***System's Functions and Planning Program (Unaudited)***

The General Assembly Retirement System, State of Illinois (System) was created to provide retirement annuities, survivors' annuities and other benefits for members and presiding officers of the General Assembly and their survivors. The governing statute was amended in 1975 (P.A. 79-969) to extend coverage to certain elected State executive officers.

The System began operations on November 1, 1947, and is governed by Chapter 40 Act 5, Article 2, of the Illinois Compiled Statutes. It is administered by a Board of Trustees consisting of seven persons, as follows: The President of the Senate, ex officio, or his designee, two members of the Senate appointed by the President of the Senate, three members of the House of Representatives appointed by the Speaker of the House of Representatives, and one person elected from the member annuitants.

Senator James Clayborne, Jr. is Chairman of the Board of Trustees (Board) and Mr. Timothy B. Blair is the Executive Secretary of the System. The Executive Secretary is appointed by the Board and is charged with the administration of the detailed affairs of the System.

The System is also responsible for the general administration of the State Employees Group Insurance Program as it applies to eligible annuitants. This includes enrollment, processing life insurance claims and other administrative details related to that program.

Currently, the System utilizes a formal planning program which includes, among other things, operational project planning as well as administrative expense budgeting.

During fiscal year 2015, the System, in conjunction with the State Employees' Retirement System's Information Technology Division, worked on several modernization/reengineering projects which included: new active member statements, changes to the retiree/survivor statements, new general statements, and a new active member web system; upgraded SRS-Central databases to SQL Server 2012 with encryption, VoIP Phone system upgrade; Office 2013 upgrade; new wireless LAN system, and full disaster recovery planning and testing.

During fiscal year 2016, the System will continue to work with the State Employees' Retirement System's Information Technology Division on the following new projects: conversion of mainframe IMS active member services to new SRS-Central system; refinements to the active member statements; the implementation of the new benefit setup and pension calculation process using the new system; complete work on the disability setup and accounts receivable / cash receipts in SRS-Central; upgrades to Office 2016 and Windows Servers to 2012; complete full disaster recovery planning and testing.

# **General Assembly Retirement System of the State of Illinois**

## **Analysis of Operations (Unaudited)**

**For the Years Ended June 30, 2015 and 2014**

### ***Progress in Funding the System (Unaudited)***

In August 1994, Senate Bill 533 was signed into law as Public Act 88-0593. This funding legislation, which became effective July 1, 1995, provides for a systematic 50-year funding plan with an ultimate goal to fund the cost of maintaining and administering the System at an actuarial funded ratio of 90 percent. In addition, the funding plan provides for a 15-year phase-in period to allow the State to adapt to the increased financial commitment. Once the 15-year phase-in is complete, the State's contribution will then remain at a level percentage of payroll for the next 35 years until the 90 percent funded level is achieved.

The funding legislation also provides for the establishment of a continuing appropriation of the required employer contributions to the System. This, in effect, removed the appropriation of those funds from the annual budgetary process.

Public Act 93-0002 became law on April 7, 2003, and authorized the State to issue \$10 billion in general obligation bonds for the purpose of making contributions to the retirement systems. On June 12, 2003, the State issued \$10 billion in General Obligation Bonds, Pension Funding Series of June 2003.

Commencing with fiscal year 2005, the maximum State contribution under Public Act 93-0002 equals the State contribution that would have been required if the general obligation bond contribution had not been made, reduced – but not below zero – by the State's debt service on each system's respective portion of the full \$10 billion of General Obligation Bond, Pension Funding Series of June 2003.

In June 2005, Public Act 94-0004 became law. This legislation further modified the funding plan by reducing the amount of required employer contributions for fiscal years 2006 and 2007 that would have otherwise been required under Public Act 88-0593, as modified by Public Act 93-0002. This act specified the appropriation amounts for fiscal years 2006 and 2007. The required State contributions for fiscal years 2008 through 2010 will then be increased incrementally as a percentage of the participant payroll so that by fiscal year 2011 the State is contributing at the required level contribution rate to achieve the financing objective of a 90% funded status by the end of fiscal year 2045.

Public Act 96-0043 became law on July 15, 2009. As required under PA 96-0043, the method for determining the actuarial value of assets used to determine the employer contribution rate was changed beginning with the June 30, 2009 valuation. The method was changed from the market/fair value to a smoothed value. The smoothed value recognizes actuarial investment gains or losses for each fiscal year, beginning with FY09, in equal amounts over the ensuing five-year period.

# **General Assembly Retirement System of the State of Illinois**

## **Analysis of Operations (Unaudited)**

### **For the Years Ended June 30, 2015 and 2014**

Public Act 96-0889 added a lower tier of benefits for members who first contribute to GARS on or after January 1, 2011. When Public Act 96-1511 was enacted in January 2011, it required the System to assume that the provisions of Public Act 96-0889 were in effect on June 30, 2009 and to recalculate and recertify the fiscal year 2011 state funding requirement. Under this recertification, the fiscal year 2011 state contribution requirement was reduced by \$1.1 million, from \$12.1 million to \$11.0 million.

Under the State's funding plan, the actuarial accrued liability of the System at June 30, 2015, amounted to approximately \$328.2 million. The actuarial value of assets (at smoothed value) at June 30, 2015 amounted to approximately \$52.6 million. The difference between the actuarial accrued liability and the actuarial value of assets of \$275.6 million reflects the unfunded actuarial accrued liability of the System at June 30, 2015 under the State's funding plan. The System had a funded ratio based on the State's funding plan of 16.0% at June 30, 2015.

For financial reporting purposes, the System adopted GASB Statement No. 67, *Financial Reporting for Pension Plans* in the fiscal year ended June 30, 2014. GASB Statement No. 67 requires the use of the market value of assets rather than the actuarial value of assets (smoothed value) used under the State's funding plan in calculating the net pension liability. It also requires that the System use the entry age actuarial cost method rather than the projected unit credit cost method used under the State's funding plan for calculating the total pension liability. In addition it requires the System use a blended rate of return of 6.91% combining the assumed rate of return 7.00% and a municipal bond rate of 3.80% based on an index of 20 year general obligation bonds with an average AA rating for investments in the event the System's assets are exhausted in the future.

On June 30, 2015 the System reported for financial reporting purposes under GASB Statement No. 67 that the market value of assets was \$54.6 million. The difference between the total pension liability of \$333.3 million and the market value of assets was the net pension liability of \$278.7 million and the funded ratio was 16.4%. On June 30, 2014, the market value of assets was \$56.8 million. The difference between the System's June 30, 2014 total pension liability of \$397.5 million and the market value of assets was the June 30, 2014 net pension liability of \$340.7 million and the funded ratio was 14.3%.

The market value of the assets of the fund, that were available for benefits, decreased from \$56.8 million as of June 30, 2014 to \$54.6 million as of June 30, 2015. The actuarial value of the assets of \$52.6 million at June 30, 2015, is \$2.0 million lower than the market value of the assets due to recognition of 100% of the actuarial gain in fiscal year 2011, 80% of the actuarial loss in fiscal year 2012, 60% of the actuarial gain in fiscal year 2013, 40% of the actuarial gain in fiscal year 2014, and 20% of the actuarial loss in fiscal year 2015.

# General Assembly Retirement System of the State of Illinois

## Analysis of Operations (Unaudited)

For the Years Ended June 30, 2015 and 2014

State required contributions to the System for the next five fiscal years are noted in the table below.

Year Ended June 30	Required State Contribution (in millions)
2016	\$ 16.1
2017	21.7
2018	21.8
2019	21.8
2020	21.8

The Schedule of the State's Net Pension Liability (in millions) for fiscal years ending June 30, 2015 and 2014 are noted in the table below.

	2015	2014
Total pension liability	\$ 333.3	\$ 397.5
Plan fiduciary net position	<u>54.6</u>	<u>56.8</u>
State's net pension liability (asset)	\$ <u>278.7</u>	\$ <u>340.7</u>
Plan fiduciary net position as a percentage of the total pension liability	16.37%	14.29%
Covered employee payroll	\$ 11.6	\$ 12.8
State's net pension liability (asset) as a percentage of covered employee payroll	2,401.18%	2,666.44%

The Schedule of State Contributions for the fiscal years ending June 30, 2015 and 2014 is noted in the table below.

Year Ended June 30	Actuarially determined contribution	Contributions received	Contribution (deficiency) excess	Covered Employee Payroll	Contributions received as a percentage of covered employee payroll
2015	\$ 16,900,876	\$ 15,870,941	\$ (1,029,935)	\$ 11,609,403	136.71%
2014	17,110,135	13,956,669	(3,153,466)	12,777,821	109.23

# General Assembly Retirement System of the State of Illinois

## Analysis of Operations (Unaudited)

For the Years Ended June 30, 2015 and 2014

### **Notes to the Schedule of State Contributions**

Valuation date:	June 30, 2015
Notes:	Actuarially determined contribution rates are calculated as of June 30, which is 12 months prior to the beginning of the fiscal year in which the contributions will be made.

### **Methods and Assumptions Used to Determine Contribution Rates as of the Valuation Date**

Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	Normal cost plus a level percentage of uncapped payroll amortization of the unfunded accrued liability.
Remaining Amortization Period:	30 years, open
Asset Valuation Method:	5 year smoothed market
Inflation:	3.00 percent
Salary Increases:	A salary increase assumption of 3.50 percent per annum, compounded annually, was used. This 3.50 percent salary increase assumption includes an inflation component of 3.00 percent per annum, a productivity component of 0.40 percent per annum, and a merit/promotion component of 0.10 percent per annum. Salaries were assumed to remain at the current rate for fiscal year 2016.
Post-Retirement Benefit	Post-retirement benefit increases of 3.00 percent, compounded, for Tier 1 and 3.00 percent or the annual change in the Consumer Price Index, whichever is less, compounded for Tier 2.
Investment Rate of Return:	7.00 percent
Retirement Age:	Age-based table of rates that are specific to the type of eligibility condition.
Mortality:	RP-2000 Combined Healthy Mortality Table, sex distinct, projected to 2015 (static table) setback 3 years for males and 2 years for females.

# General Assembly Retirement System of the State of Illinois

## Analysis of Operations (Unaudited) For the Years Ended June 30, 2015 and 2014

### ***Money-Weighted Rate of Return (Unaudited)***

Pursuant to Article 22A of the Illinois Pension Code, investments of the General Assembly Retirement System of Illinois are managed by the Illinois State Board of Investment (ISBI) and are held to the ISBI Commingled Fund. ISBI operates under a long-range investment plan with the objective to maximize the total rate of return. The objectives set forth are as follows:

- At least equal to the assumed actuarial interest rate, currently 7.0% per year.
- At least equal to the return of a composite benchmark of market indices in the same proportions as the Board's asset allocation policy targets.

The time-weighted rate of return of the Illinois State Board of Investment (ISBI) Commingled Fund was 4.7% for fiscal year 2015. The ISBI's total fund performance was better than the composite benchmark of 4.0% for the year ended June 30, 2015.

The System's annual money-weighted rate of return, net of investment expense, as of June 30, 2015 and 2014 is as follows:

	2015	2014
Money-weighted return*	3.24%	18.12%

\* The annual money-weighted rate of return expresses the investment performance, net of investment expense, adjusted for changing amounts actually invested. This information is not available for years prior to 2014.

### ***Average Number of System Employees (Unaudited)***

The System does not have any designated employees. However, personal services and all related expenses are shared with the Judges' Retirement System of Illinois as explained below:

### ***Comparison of Administrative Expenses to Total Expenses (Unaudited)***

	2015	2014
Total expenses		
Benefits	\$ 21,274,949	\$ 20,800,502
Refunds	191,755	245,133
Administrative	394,695	334,628
Total expenses	\$ 21,861,399	\$ 21,380,263
Administrative expenses as a percentage of total expenses	1.8%	1.6%

# General Assembly Retirement System of the State of Illinois

## Analysis of Operations (Unaudited)

For the Years Ended June 30, 2015 and 2014

Administrative expenses are not subject to appropriation control but are controlled by budgets adopted by the Board of Trustees. Administrative expenses common to the General Assembly Retirement System, State of Illinois and Judges' Retirement System of Illinois are paid 25 percent by the General Assembly Retirement System, State of Illinois and 75 percent by the Judges' Retirement System of Illinois. Invoices/vouchers covering common expenses incurred are paid by the Judges' Retirement System of Illinois and the applicable percent is allocated to and reimbursed by the General Assembly Retirement System, State of Illinois.

### ***Schedule of Contributions/Deductions and Effect on Investments (Unaudited)***

Below is a schedule of contributions received by the System and expenditures of the System for benefits and operations and the effect of these transactions on the System's investments.

	2015	2014
<b>Contributions</b>		
Participant Contributions	\$ 1,487,346	\$ 1,502,605
Employer Contributions	<u>15,870,941</u>	<u>13,956,669</u>
<b>Total Contributions</b>	<u>17,358,287</u>	<u>15,459,274</u>
<b>Deductions</b>		
Retirement Benefits	17,663,009	17,218,504
Survivor Benefits	3,611,940	3,581,998
Refunds	191,755	245,133
Administrative Expenses	<u>394,695</u>	<u>334,628</u>
Total Deductions	<u>21,861,399</u>	<u>21,380,263</u>
<b>Investments Used to Pay Benefits and Expenses</b>	<u>\$ (4,503,112)</u>	<u>\$ (5,920,989)</u>



# General Assembly Retirement System of the State of Illinois

## Analysis of Operations (Unaudited)

For the Years Ended June 30, 2015 and 2014

### *Service Efforts and Accomplishments (Unaudited)*

	2015	2014
Membership data		
Active members	145	158
Inactive members	75	74
Total members	220	232
Benefit payments processed		
Recurring		
Retirement annuities (1)	309	303
Survivors' annuities (2)	114	117
Reversionary annuities	1	1
Total	424	421
Termination refunds processed	3	8
Retirement counseling		
One-on-one counseling programs held*	28	22
One-on-one counseling programs held (GARS only)	—	3

\* Held in conjunction with the Judges' Retirement System of Illinois.

(1) 83 percent of the fiscal year 2015 retirement annuities were processed in less than 30 days.

(2) 100 percent of the fiscal year 2015 survivors' annuities were processed in less than 30 days.