



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

GENERAL ASSEMBLY RETIREMENT SYSTEM

**Financial Audit
For the Year Ended June 30, 2018**

Release Date: January 23, 2019

FINDINGS THIS AUDIT:	0
FINDINGS LAST AUDIT:	0

INTRODUCTION

This digest covers the financial statement audit of the General Assembly Retirement System of the State of Illinois (System) as of and for the year ended June 30, 2018. The General Assembly Retirement System's Compliance Examination covering the year ended June 30, 2018 will be issued in a separate report at a later date.

The System's total pension liability is \$382.8 million at June 30, 2018, an increase of \$4.4 million from \$378.4 million at June 30, 2017. The System's net pension liability at June 30, 2018 is \$326.0 million, which is the difference between the System's fiduciary net position of \$56.8 million and the total pension liability. The System's net position as a percentage of the total pension liability is 14.84% as of June 30, 2018 as compared to 14.36% at June 30, 2017. The criteria used for computing pension liability information in the financial report in accordance with GASB Statement No. 67 differs from the criteria used to compute the actuarial accrued liability and actuarial unfunded liability under the State's funding plan, therefore this information under the State's funding plan is no longer reported in the financial statements. There were no findings reported under *Government Auditing Standards* in our audit.

AUDITOR'S OPINION(S)

The auditors stated the financial statements of the System as of and for the year ended June 30, 2018 are fairly stated in all material respects.

This financial audit was conducted by RSM LLP.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:JAF

{Financial information is summarized on the next page.}

GENERAL ASSEMBLY RETIREMENT SYSTEM OF ILLINOIS
FINANCIAL AUDIT
For the Year Ended June 30, 2018 and 2017

STATEMENT OF CHANGES IN PLAN NET POSITION	2018	2017
Additions:		
Contributions - Participants.....	\$ 1,255,232	\$ 1,284,707
Contributions - Employer/Appropriations.....	21,155,000	21,721,000
Total Contributions.....	<u>22,410,232</u>	<u>23,005,707</u>
Net Appreciation (Depreciation) in Fair Value of Investments.....	2,610,659	4,047,802
Investment Income.....	1,197,307	1,174,687
Investment Expense.....	(74,462)	(82,239)
Net Investment Income.....	<u>3,733,504</u>	<u>5,140,250</u>
Total Additions.....	<u>26,143,736</u>	<u>28,145,957</u>
Deductions:		
Benefits.....	23,283,020	22,362,526
Refunds.....	44,856	130,885
Administrative Expenses.....	348,384	355,711
Total Deductions.....	<u>23,676,260</u>	<u>22,849,122</u>
Net Increase (Decrease) in Net Position.....	<u>\$ 2,467,476</u>	<u>\$ 5,296,835</u>
STATEMENT OF NET POSITION AND INVESTMENT SUMMARY - (All investments held in the Illinois State Board of Investment Commingled Fund at fair value)	June 30, 2018	June 30, 2017
U.S. Government and Agency Obligations.....	\$ 3,772,996,557	\$ 3,167,555,410
Foreign Obligations.....	317,071,356	259,928,956
Corporate Obligations.....	978,155,830	782,703,583
Municipal Bonds.....	8,911,164	8,524,180
Common Stock & Equity Funds.....	5,227,218,322	4,960,020,282
Commingled Funds.....	1,721,839,058	1,334,987,865
Foreign Equity Securities (including Preferred Stock).....	2,310,044,822	2,517,173,942
Hedge Funds.....	360,744,003	831,753,718
Opportunistic Debt.....	225,053,335	-
Real Estate Funds.....	1,594,774,574	1,601,026,564
Private Equity.....	706,768,270	609,298,253
Money Market Instruments.....	231,743,812	294,723,455
Real Assets.....	408,985,767	587,711,767
Bank Loans.....	464,315,920	424,188,017
Foreign Currency Forward Contracts.....	(7,847,062)	(11,493,448)
Total Investment Portfolio.....	<u>18,320,775,728</u>	<u>17,368,102,544</u>
Other ISBI Assets Less Liabilities.....	15,658,721	(61,804,339)
ISBI Net Position.....	<u>18,336,434,449</u>	<u>17,306,298,205</u>
Investments owned by other retirement systems and other entities.....	(18,284,946,506)	(17,259,150,100)
General Assembly Retirement System Investments.....	51,487,943	47,148,105
Cash, Receivables and Other Assets.....	7,374,616	9,272,664
Less: Total Liabilities.....	(2,046,175)	(2,071,861)
Net Position - Restricted for Pensions.....	<u>\$ 56,816,384</u>	<u>\$ 54,348,908</u>
ADMINISTRATIVE EXPENSES	2018	2017
Personal Services.....	\$ 130,636	\$ 129,208
Retirement, Group Insurance & Social Security.....	98,042	96,024
Contractual Services.....	107,700	108,676
Other Expenses (Net).....	12,006	21,803
Total Administrative Expenses.....	<u>\$ 348,384</u>	<u>\$ 355,711</u>
SUPPLEMENTARY INFORMATION	June 30, 2018	June 30, 2017
Benefit Recipients.....	417	421
Active Members.....	132	135
Inactive Members.....	52	58
Total.....	<u>601</u>	<u>614</u>
PENSION LIABILITY	June 30, 2018	June 30, 2017
Total Pension Liability.....	\$ 382,791,456	\$ 378,405,604
Plan Fiduciary Net Position.....	56,816,384	54,348,908
Net Pension Liability.....	<u>\$ 325,975,072</u>	<u>\$ 324,056,696</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability.....	14.84%	14.36%
EXECUTIVE SECRETARY		
During Engagement Period: Timothy B. Blair		
Currently: Timothy B. Blair		