



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, 2019

Release Date: January 22, 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, 2019. The General Assembly Retirement System's Compliance Examination covering the year ended June 30, 2019 will be issued in a separate report at a later date.

The System's total pension liability is \$381.5 million at June 30, 2019, a decrease of \$1.3 million from \$382.8 million at June 30, 2018. The System's net pension liability at June 30, 2019 is \$321.8 million, which is the difference between the System's fiduciary net position of \$59.7 million and the total pension liability. The System's net position as a percentage of the total pension liability is 15.65% as of June 30, 2019 as compared to 14.84% at June 30, 2018. 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

The auditors stated the financial statements of the System as of and for the year ended June 30, 2019 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

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{Financial information is summarized on the next page.}

GENERAL ASSEMBLY RETIREMENT SYSTEM OF ILLINOIS
FINANCIAL AUDIT
For the Year Ended June 30, 2019 and 2018

STATEMENT OF CHANGES IN PLAN NET POSITION	2019	2018
Additions:		
Contributions - Participants.....	\$ 1,317,187	\$ 1,255,232
Contributions - Employer/Appropriations.....	23,253,426	21,155,000
Total Contributions.....	<u>24,570,613</u>	<u>22,410,232</u>
Net Appreciation (Depreciation) in Fair Value of Investments.....	2,569,372	2,610,659
Investment Income.....	954,406	1,197,307
Investment Expense.....	(74,362)	(74,462)
Net Investment Income.....	<u>3,449,416</u>	<u>3,733,504</u>
Total Additions.....	<u>28,020,029</u>	<u>26,143,736</u>
Deductions:		
Benefits.....	24,558,440	23,283,020
Refunds.....	168,920	44,856
Administrative Expenses.....	389,833	348,384
Total Deductions.....	<u>25,117,193</u>	<u>23,676,260</u>
Net Increase (Decrease) in Net Position.....	<u>\$ 2,902,836</u>	<u>\$ 2,467,476</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, 2019	June 30, 2018
U.S. Government and Agency Obligations.....	\$ 249,211,178	\$ 3,772,996,557
Foreign Obligations.....	145,836,447	317,071,356
Corporate Obligations.....	687,426,898	978,155,830
Municipal Bonds.....	2,174,758	8,911,164
Common Stock & Equity Funds.....	2,961,709,654	5,227,218,322
Commingled Funds.....	10,791,639,807	1,721,839,058
Foreign Equity Securities (including Preferred Stock).....	233,224,060	2,310,044,822
Hedge Funds.....	141,715,793	360,744,003
Opportunistic Debt.....	506,150,801	225,053,335
Real Estate Funds.....	1,737,430,583	1,594,774,574
Private Equity.....	779,475,084	706,768,270
Infrastructure.....	316,264,251	408,985,767
Bank Loans.....	392,020,733	464,315,920
Money Market Instruments.....	156,715,534	231,743,812
Foreign Currency Forward Contracts.....	-	(7,847,062)
Total Investment Portfolio.....	<u>19,100,995,581</u>	<u>18,320,775,728</u>
Other ISBI Assets Less Liabilities.....	58,269,428	15,658,721
ISBI Net Position.....	<u>19,159,265,009</u>	<u>18,336,434,449</u>
Investments owned by other retirement systems and other entities.....	(19,104,660,577)	(18,284,946,506)
General Assembly Retirement System Investments.....	54,604,432	51,487,943
Cash, Receivables and Other Assets.....	6,088,563	7,374,616
Less: Total Liabilities.....	(973,775)	(2,046,175)
Net Position - Restricted for Pensions.....	<u>\$ 59,719,220</u>	<u>\$ 56,816,384</u>
ADMINISTRATIVE EXPENSES	2019	2018
Personal Services.....	\$ 117,379	\$ 130,636
Retirement, Group Insurance & Social Security.....	99,977	98,042
Contractual Services.....	153,741	107,700
Other Expenses (Net).....	18,736	12,006
Total Administrative Expenses.....	<u>\$ 389,833</u>	<u>\$ 348,384</u>
SUPPLEMENTARY INFORMATION	June 30, 2019	June 30, 2018
Benefit Recipients.....	429	417
Active Members.....	126	132
Inactive Members.....	54	52
Total.....	<u>609</u>	<u>601</u>
PENSION LIABILITY	June 30, 2019	June 30, 2018
Total Pension Liability.....	\$ 381,562,351	\$ 382,791,456
Plan Fiduciary Net Position.....	59,719,220	56,816,384
Net Pension Liability.....	<u>\$ 321,843,131</u>	<u>\$ 325,975,072</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability.....	15.65%	14.84%
EXECUTIVE SECRETARY		
During Engagement Period: Timothy B. Blair		
Currently: Timothy B. Blair		