



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, 2014

Release Date: May 7, 2015

FINDINGS THIS AUDIT: 2				AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	No Repeat Findings			
Category 2:	2	0	2				
Category 3:	0	0	0				
TOTAL	2	0	2				
FINDINGS LAST AUDIT: 1							

INTRODUCTION

This digest covers our Compliance Examination of the General Assembly Retirement System for the year ended June 30, 2014. A separate Financial Audit as of and for the year ending June 30, 2014, was previously released on January 22, 2015. In total, this report contains 2 findings, all of which were also reported in the Financial Audit.

AUDITORS' OPINION

The auditors conducted a State compliance examination of the General Assembly Retirement System for the year ended June 30, 2014, as required by the Illinois State Auditing Act. The accountant's report does not contain any scope limitations, disclaimers or other significant non-standard language.

WILLIAM G. HOLLAND
 - Auditor General

WGH:JAF

SPECIAL ASSISTANT AUDITORS

Our Special Assistant Auditors for this compliance examination were BKD LLP.

- Category 1:** Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).
- Category 2:** Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.
- Category 3:** Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

{Financial data is summarized on next page.}

GENERAL ASSEMBLY RETIREMENT SYSTEM OF ILLINOIS
COMPLIANCE EXAMINATION
For the Year Ended June 30, 2014

EXPENDITURE STATISTICS	FY 2014	FY 2013
Total Expenditures	\$ 35,239,599	\$ 34,646,453
General Revenue Fund - 001:		
Continuing appropriation for pension contributions.....	13,856,000	14,150,000
General Assembly Retirement System Fund - 481:		
Pensions, annuities and benefits.....	20,741,824	20,083,871
Refunds.....	292,603	73,862
Personal services.....	133,567	126,791
Other payroll costs (Retirement, Social Security and Group Insurance).....	98,204	95,735
Contractual services.....	66,945	69,257
All other expenses.....	5,861	5,227
General Assembly Retirement Excess Benefit Fund - 786:		
Pensions, annuities and benefits.....	44,595	41,710
Total Receipts	\$ 21,947,245	\$ 22,295,512
ANALYSIS OF PLAN INVESTMENTS	June 30, 2014	June 30, 2013
Balance at beginning of year, at fair value.....	\$ 49,003,784	\$ 49,025,145
Net cash transferred from investments.....	(5,800,000)	(6,500,000)
Net investments.....	43,203,784	42,525,145
Investment income - interest, dividends and other.....	1,510,792	1,491,417
Investment expenses.....	(153,577)	(151,663)
Net investment income.....	1,357,215	1,339,754
Net realized gain on sale of investments.....	2,106,911	990,450
Net unrealized gain (loss) on investments.....	4,881,464	4,148,435
Net appreciation (depreciation) in fair value of investments.....	6,988,375	5,138,885
Total net investment income (loss).....	8,345,590	6,478,639
Balance at end of year, at fair value.....	\$ 51,549,374	\$ 49,003,784
INVESTMENTS USED FOR BENEFITS AND EXPENSES (UNAUDITED)	FY 2014	FY 2013
CONTRIBUTIONS:		
Participant.....	\$ 1,502,605	\$ 1,451,227
Employer.....	13,956,669	14,150,000
Total Contributions.....	15,459,274	15,601,227
DEDUCTIONS:		
Benefits.....	20,800,502	20,110,119
Refunds.....	245,133	41,110
Administration.....	334,628	339,494
Total Deductions.....	21,380,263	20,490,723
Investments used to pay Benefits and Expenses.....	\$ (5,920,989)	\$ (4,889,496)
SUPPLEMENTARY INFORMATION (UNAUDITED)	June 30, 2014	June 30, 2013
Retirees and beneficiaries receiving benefits.....	421	429
Total members.....	232	246
Total active members.....	158	160
Money-weighted rate of return (not available prior to fiscal year 2014).....	17.9%	N/A
EXECUTIVE SECRETARY		
During Engagement Period: Timothy Blair		
Currently: Timothy Blair		