



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

**GENERAL ASSEMBLY RETIREMENT SYSTEM
OF THE STATE OF ILLINOIS**

**COMPLIANCE EXAMINATION
For the Year Ended: June 30, 2010**

Release Date: April 14, 2011

Summary of Findings:

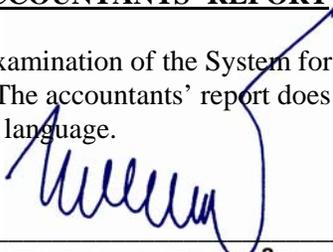
Total this audit:	0
Total last audit:	0
Repeated from last audit:	0

INTRODUCTION

This digest covers our compliance attestation examination of the General Assembly Retirement System of the State of Illinois (System) for the year ended June 30, 2010. A financial audit covering the year ended June 30, 2010 was previously released on March 3, 2011. It should be noted that, pursuant to the Illinois Pension Code, investments of the System are managed by the Illinois State Board of Investment. There were no report findings of noncompliance identified during our testing.

ACCOUNTANTS' REPORT

We conducted a compliance attestation examination of the System for the year ended June 30, 2010 as required by the Illinois State Auditing Act. The accountants' report does not contain any scope limitations, disclosures or other significant non-standard language.



WILLIAM G. HOLLAND
Auditor General

WGH:AKS

SPECIAL ASSISTANT AUDITORS

The public accounting firm of BKD LLP was our special assistant auditor for this engagement.

{Expenditures and Activity Measures are summarized on the reverse page.}

GENERAL ASSEMBLY RETIREMENT SYSTEM OF ILLINOIS
COMPLIANCE EXAMINATION
For The Year Ended June 30, 2010

OPERATING STATEMENT ANALYSIS	FY 2010	FY 2009
ADDITIONS: Contributions - Participants.....	\$ 1,680,603	\$ 1,697,575
Contributions - Appropriations & Other.....	10,411,274	8,856,422
Total Contributions.....	<u>\$ 12,091,877</u>	<u>\$ 10,553,997</u>
Net Investment Income.....	1,157,595	1,411,133
Net appreciation (depreciation) in fair value of investments.....	3,590,964	(16,141,323)
Interest Earned on Cash Balances.....	21,974	67,905
Total Additions.....	<u>\$ 16,862,410</u>	<u>\$ (4,108,288)</u>
DEDUCTIONS: Benefits - Retirement Annuities.....	13,770,131	13,020,316
Benefits - Survivors' Annuities.....	2,998,901	2,836,903
Total Benefits.....	<u>\$ 16,769,032</u>	<u>\$ 15,857,219</u>
Refunds.....	222,094	71,589
Administration.....	272,253	276,722
Total Deductions.....	<u>\$ 17,263,379</u>	<u>\$ 16,205,530</u>
Net Increase (Decrease).....	<u>\$ (400,969)</u>	<u>\$ (20,313,818)</u>
ANALYSIS OF PLAN INVESTMENTS	June 30, 2010	June 30, 2009
Balance at beginning of year, at fair value.....	\$ 47,693,753	\$ 71,923,943
Net cash transferred from investments.....	(803,726)	(9,500,000)
Net investments (1).....	<u>\$ 46,890,027</u>	<u>\$ 62,423,943</u>
Investment income - interest, dividends and other.....	1,364,709	1,654,178
Investment expenses.....	(207,114)	(243,045)
Net investment income (2).....	<u>\$ 1,157,595</u>	<u>\$ 1,411,133</u>
Net realized gain (loss) on sale of investments.....	2,595,581	(7,852,459)
Net unrealized gain (loss) on investments.....	995,383	(8,288,864)
Net appreciation (depreciation) in fair value of investments (3).....	<u>\$ 3,590,964</u>	<u>\$ (16,141,323)</u>
Total net investment income (loss) (4), (2) + (3).....	<u>\$ 4,748,559</u>	<u>\$ (14,730,190)</u>
Balance at end of year, at fair value (1) + (4).....	<u>\$ 51,638,586</u>	<u>\$ 47,693,753</u>
INVESTMENTS USED FOR BENEFITS AND EXPENSES	FY 2010	FY 2009
CONTRIBUTIONS: Participants.....	\$ 1,680,603	\$ 1,697,575
Appropriations & other.....	10,411,274	8,856,422
Total Contributions (5).....	<u>\$ 12,091,877</u>	<u>\$ 10,553,997</u>
DEDUCTIONS: Benefits.....	\$ 16,769,032	\$ 15,857,219
Refunds.....	222,094	71,589
Administration.....	272,253	276,722
Total Deductions (6).....	<u>\$ 17,263,379</u>	<u>\$ 16,205,530</u>
Investments used to pay Benefits and Expenses (5) - (6).....	<u>\$ (5,171,502)</u>	<u>\$ (5,651,533)</u>
SUPPLEMENTARY INFORMATION	June 30, 2010	June 30, 2009
Retirees and beneficiaries receiving benefits (unaudited).....	398	401
Total members (unaudited).....	255	259
Total active members (unaudited).....	182	181
Total return on investments (unaudited).....	9.1%	(20.1)%
EXECUTIVE SECRETARY		
During Engagement Period: Timothy Blair, Acting		
Currently: Timothy Blair		