

REPORT DIGEST

GENERAL ASSEMBLY RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

COMPLIANCE EXAMINATION

For the Year Ended:
June 30, 2009

Summary of Findings:

Total this report	0
Total last report	1
Repeated from last report	0

Release Date:
April 20, 2010



State of Illinois
Office of the Auditor General
WILLIAM G. HOLLAND
AUDITOR GENERAL

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INTRODUCTION

This digest covers our compliance attestation examination of the General Assembly Retirement System of the State of Illinois (System) for the year ending June 30, 2009. A financial audit covering the year ending June 30, 2009 was previously released on February 16, 2010. 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, 2009 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.

{Financial Data and Supplementary Information are summarized on the reverse page.}

GENERAL ASSEMBLY RETIREMENT SYSTEM OF ILLINOIS
COMPLIANCE EXAMINATION
YEAR ENDED JUNE 30, 2009

OPERATING STATEMENT ANALYSIS	FY 2009	FY 2008
ADDITIONS: Contributions – Participants.....	\$ 1,697,575	\$ 1,772,860
Contributions – Appropriations & other	<u>8,856,422</u>	<u>6,809,800</u>
Total Contributions	\$ 10,553,997	\$ 8,582,660
Net investment income	1,411,133	1,893,640
Net appreciation (depreciation) in fair value of investments	(16,141,323)	(6,734,639)
Interest earned on cash balances.....	<u>67,905</u>	<u>132,702</u>
Total Additions	\$ (4,108,288)	\$ 3,874,363
DEDUCTIONS: Benefits - Retirement annuities	\$ 13,020,316	\$ 12,653,183
Benefits - Survivors' annuities.....	<u>2,836,903</u>	<u>2,605,438</u>
Total Benefits	\$ 15,857,219	\$ 15,258,621
Refunds.....	71,589	147,804
Administration	<u>276,722</u>	<u>224,170</u>
Total Deductions	\$ 16,205,530	\$ 15,650,595
Net Decrease.....	<u>\$(20,313,818)</u>	<u>\$(11,776,232)</u>
ANALYSIS OF PLAN INVESTMENTS	FY 2009	FY 2008
Balance at beginning of year, at fair value.....	\$ 71,923,943	\$ 83,864,942
Net cash transferred from investments	<u>(9,500,000)</u>	<u>(7,100,000)</u>
Net investments (1).....	<u>\$ 62,423,943</u>	<u>\$ 76,764,942</u>
Investment income – interest, dividends and other	1,654,178	2,164,234
Investment expenses	<u>(243,045)</u>	<u>(270,594)</u>
Net Investment income (2)	\$ 1,411,133	\$ 1,893,640
Net realized gain (loss) on sale of investments.....	(7,852,459)	3,911,240
Net unrealized gain (loss) on investments	<u>(8,288,864)</u>	<u>(10,645,897)</u>
Net appreciation (depreciation) in fair value of investments (3).....	<u>\$(16,141,323)</u>	<u>\$(6,734,639)</u>
Total net investment gain (loss) (4), (2) + (3).....	<u>\$(14,730,190)</u>	<u>\$(4,840,999)</u>
Balance at end of year, at fair value (1) + (4).....	<u>\$ 47,693,753</u>	<u>\$ 71,923,943</u>
INVESTMENTS USED FOR BENEFITS AND EXPENSES	FY 2009	FY 2008
CONTRIBUTIONS: Participants	\$ 1,697,575	\$ 1,772,860
Appropriations & other	<u>8,856,422</u>	<u>6,809,800</u>
Total Contributions (5).....	\$ 10,553,997	\$ 8,582,660
DEDUCTIONS: Benefits.....	\$15,857,219	\$15,258,621
Refunds	71,589	147,804
Administration	<u>276,722</u>	<u>244,170</u>
Total Deductions (6)	\$16,205,530	\$15,650,595
Investments used to Pay Benefits and Expenses) (5)-(6)	<u>\$(5,651,533)</u>	<u>\$(7,067,935)</u>
SUPPLEMENTARY INFORMATION (unaudited)	FY 2009	FY 2008
Retirees and beneficiaries currently receiving benefits.....	401	395
Total members	259	257
Total active members.....	181	182
Total return on investments.....	(20.1)%	(6.2)%
EXECUTIVE SECRETARY		
During Audit Period: Timothy B. Blair, Acting		
Currently: Timothy B. Blair, Acting		