



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

JUDGES' RETIREMENT SYSTEM

**Compliance Examination
 For the Year Ended June 30, 2014**

Release Date: May 7, 2015

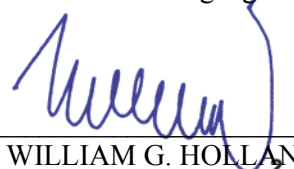
FINDINGS THIS AUDIT: 2	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	No Repeat Findings			
Category 2:	2	0	2				
Category 3:	0	0	0				
TOTAL	2	0	2				
FINDINGS LAST AUDIT: 1							

INTRODUCTION

This digest covers our Compliance Examination of the Judges' 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 Judges' 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.

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| <p>Category 1: Findings that are material weaknesses in internal control and/or a qualification on compliance with State laws and regulations (material noncompliance).</p> <p>Category 2: Findings that are significant deficiencies in internal control and noncompliance with State laws and regulations.</p> <p>Category 3: Findings that have no internal control issues but are in noncompliance with State laws and regulations.</p> |
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{Financial data is summarized on next page.}

JUDGES' RETIREMENT SYSTEM OF ILLINOIS
COMPLIANCE EXAMINATION
For the Year Ended June 30, 2014

EXPENDITURE STATISTICS	FY 2014	FY 2013
Total Expenditures	\$ 263,022,480	\$ 204,507,820
General Revenue Fund - 001:		
Continuing appropriation for pension contributions.....	126,808,000	88,210,000
Judges' Retirement System Fund - 477:		
Pensions, annuities and benefits.....	117,860,035	112,800,072
Purchase of investments.....	16,000,000	-
Personal services.....	534,266	507,165
Refunds.....	531,570	1,749,474
Other payroll costs (Retirement, Social Security and Group Insurance).....	392,816	382,940
Contractual services.....	97,579	110,858
All other expenses.....	23,992	22,316
Judges' Retirement Excess Benefit Fund - 787:		
Pensions, annuities and benefits.....	774,222	724,995
Total Receipts	\$ 145,274,684	\$ 128,872,044
ANALYSIS OF PLAN INVESTMENT	June 30, 2014	June 30, 2013
Balance at beginning of year, at fair value.....	\$ 612,751,563	\$ 559,139,279
Net cash transferred from investments.....	16,000,000	(23,200,000)
Net investments.....	<u>628,751,563</u>	<u>535,939,279</u>
Investment income - interest, dividends and other.....	20,323,223	17,907,317
Investment expenses.....	(2,059,317)	(1,823,780)
Net investment income.....	<u>18,263,906</u>	<u>16,083,537</u>
Net realized gain on sale of investments.....	28,169,109	11,937,526
Net unrealized gain (loss) on investments.....	63,520,360	48,791,221
Net appreciation (depreciation) in fair value of investments.....	<u>91,689,469</u>	<u>60,728,747</u>
Total net investment income (loss).....	<u>109,953,375</u>	<u>76,812,284</u>
Balance at end of year, at fair value.....	<u>\$ 738,704,938</u>	<u>\$ 612,751,563</u>
INVESTMENTS USED FOR BENEFITS AND EXPENSES (UNAUDITED)	FY 2014	FY 2013
CONTRIBUTIONS:		
Participant.....	\$ 15,918,732	\$ 16,368,637
Employer.....	126,815,881	88,239,564
Total Contributions.....	<u>142,734,613</u>	<u>104,608,201</u>
DEDUCTIONS:		
Benefits.....	118,590,965	113,557,429
Refunds.....	687,923	1,751,540
Administration.....	831,652	831,950
Total Deductions.....	<u>120,110,540</u>	<u>116,140,919</u>
Contributions in Excess of Deductions (Investments used to pay Benefits and Expenses).....	<u>\$ 22,624,073</u>	<u>\$ (11,532,718)</u>
SUPPLEMENTARY INFORMATION (UNAUDITED)	June 30, 2014	June 30, 2013
Number of System employees.....	6	6
Retirees and beneficiaries receiving benefits.....	1,100	1,078
Total members.....	970	984
Total active members.....	951	962
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		