



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, 2011**

**Release Date: May 2, 2012**

**Summary of Findings this Audit Cycle:**

- **Compliance** **0**
- **Financial Audit (previously reported 2-21-12)** **1**

**Total findings:** **1**

**Summary of findings  
from previous audit  
cycle:**

**0**

**Repeated from last audit:** **0**

**INTRODUCTION**

The Financial Audit for the year ended June 30, 2011 was previously released on February 21, 2012. That audit contained one finding. This report addresses State compliance examination. No State Compliance finding issues are reported. In total this report contains one finding, which was previously reported in the Financial Audit.

**AUDITORS' OPINION**

The auditors conducted a compliance examination of the System for the year ended June 30, 2011. A financial audit covering the year ended June 30, 2011 was issued previously.

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WILLIAM G. HOLLAND  
Auditor General

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**SPECIAL ASSISTANT AUDITORS**

Our special assistant auditors for this compliance examination were BKD LLP.

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

**JUDGES' RETIREMENT SYSTEM OF ILLINOIS**  
**COMPLIANCE EXAMINATION**  
**For The Year Ended June 30, 2011**

<b>EXPENDITURE STATISTICS</b>	<b>FY 2011</b>	<b>FY 2010</b>
<b>Total Expenditures</b> .....	<u>\$ 164,648,367</u>	<u>\$ 171,057,974</u>
General Revenue Fund - 001:.....		
Continuing appropriation for pension contributions.....	\$ 15,041,832	\$ -
Judges' Retirement System Fund - 0477:.....		
Pensions, annuities and benefits.....	100,222,264	\$ 91,286,610
Purchase of investments.....	47,386,951	78,259,810
Refunds.....	680,983	476,064
Personal services.....	437,808	397,766
Other payroll costs (Retirement, Social Security and Group Insurance).....	248,450	226,461
Contractual services.....	109,637	98,178
All other expenses.....	23,132	22,793
Judges' Retirement Excess Benefit Fund - 0787:.....		
Pensions, annuities and benefits.....	\$ 497,310	290,292
<b>Total Receipts</b> .....	<u>\$ 151,077,864</u>	<u>\$ 169,816,209</u>
<b>ANALYSIS OF PLAN INVESTMENTS</b>	<b>June 30, 2011</b>	<b>June 30, 2010</b>
Balance at beginning of year, at fair value.....	\$ 506,463,522	\$ 435,604,601
Net cash transferred from investments.....	(23,813,049)	28,459,810
Net investments (1).....	<u>\$ 482,650,473</u>	<u>\$ 464,064,411</u>
Investment income - interest, dividends and other.....	13,926,694	12,828,991
Investment expenses.....	(1,901,411)	(1,952,648)
Net investment income (2).....	<u>\$ 12,025,283</u>	<u>\$ 10,876,343</u>
Net realized gain (loss) on sale of investments.....	16,756,568	9,301,240
Net unrealized gain (loss) on investments.....	76,362,254	22,221,528
Net appreciation (depreciation) in fair value of investments (3).....	<u>\$ 93,118,822</u>	<u>\$ 31,522,768</u>
Total net investment income (loss) (4), (2) + (3).....	<u>\$ 105,144,105</u>	<u>\$ 42,399,111</u>
Balance at end of year, at fair value (1) + (4).....	<u>\$ 587,794,578</u>	<u>\$ 506,463,522</u>
<b>INVESTMENTS USED FOR BENEFITS AND EXPENSES</b>	<b>FY 2011</b>	<b>FY 2010</b>
<b>CONTRIBUTIONS:</b> Participants.....	\$ 16,725,191	\$ 16,001,619
Appropriations & other.....	62,694,460	78,509,810
Total Contributions (5).....	<u>\$ 79,419,651</u>	<u>\$ 94,511,429</u>
<b>DEDUCTIONS:</b> Benefits.....	\$ 100,719,742	\$ 91,569,757
Refunds.....	652,193	510,555
Administration.....	622,045	563,360
Total Deductions (6).....	<u>\$ 101,993,980</u>	<u>\$ 92,643,672</u>
Deductions in Excess of Contributions (Investments used to pay.....		
Benefits and Expenses) (5) - (6).....	<u>\$ (22,574,329)</u>	<u>\$ -</u>
Contributions in Excess of Deductions (5) - (6).....	<u>\$ -</u>	<u>\$ 1,867,757</u>
<b>SUPPLEMENTARY INFORMATION</b>	<b>June 30, 2011</b>	<b>June 30, 2010</b>
Number of System employees.....	6	6
Retirees and beneficiaries receiving benefits (unaudited).....	1,047	1,001
Total members (unaudited).....	984	986
Total active members (unaudited).....	968	966
Total return on investments (unaudited).....	21.7%	9.1%
<b>EXECUTIVE SECRETARY</b>		
During Engagement Period: Timothy Blair		
Currently: Timothy Blair		