



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, 2012**

Release Date: May 30, 2013

Summary of Findings:

• Compliance Examination	0
• Financial Audit (previously reported 1-16-13)	<u>1</u>
Total findings:	1
Total last report	1
Repeated from last audit:	0

SYNOPSIS

This digest covers our compliance examination of the Judges' Retirement System (System) for the year ended June 30, 2012. A financial audit covering the year ending June 30, 2012 was previously released on January 16, 2013. In total this report contains one finding, which was previously reported in the Financial Audit.

ACCOUNTANTS' REPORT

The auditors conducted a compliance attestation examination of the System for the year ended June 30, 2012 as required by the Illinois State Auditing Act. The accountants' report does not contain any scope limitations, disclaimers or other significant non-standard language.

WILLIAM G. HOLLAND
•• Auditor General

WGH:JAF:rt

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, 2012

EXPENDITURE STATISTICS	FY 2012	FY 2011
Total Expenditures.....	\$ 171,823,600	\$ 164,648,367
General Revenue Fund - 001:		
Continuing appropriation for pension contributions.....	63,628,000	15,041,832
Judges' Retirement System Fund - 477:		
Pensions, annuities and benefits.....	105,992,244	100,222,264
Purchase of investments.....	-	47,386,951
Refunds.....	586,981	680,983
Personal services.....	488,243	437,808
Other payroll costs (Retirement, Social Security and Group Insurance).....	323,273	248,450
Contractual services.....	101,762	109,637
All other expenses.....	36,137	23,132
Judges' Retirement Excess Benefit Fund - 787:		
Pensions, annuities and benefits.....	666,960	497,310
Total Receipts.....	\$ 100,935,506	\$ 151,077,864
ANALYSIS OF PLAN INVESTMENTS	June 30, 2012	June 30, 2011
Balance at beginning of year, at fair value.....	\$ 587,794,578	\$ 506,463,522
Net cash transferred from investments.....	(28,500,000)	(23,813,049)
Net investments (1).....	559,294,578	482,650,473
Investment income - interest, dividends and other.....	15,223,558	13,926,694
Investment expenses.....	(1,815,417)	(1,901,411)
Net investment income (2).....	13,408,141	12,025,283
Net realized gain on sale of investments.....	16,920,124	16,756,568
Net unrealized gain (loss) on investments.....	(30,483,564)	76,362,254
Net appreciation (depreciation) in fair value of investments (3).....	(13,563,440)	93,118,822
Total net investment income (loss) (4), (2) + (3).....	(155,299)	105,144,105
Balance at end of year, at fair value (1) + (4).....	\$ 559,139,279	\$ 587,794,578
INVESTMENTS USED FOR BENEFITS AND EXPENSES (UNAUDITED)	FY 2012	FY 2011
CONTRIBUTIONS:		
Participants.....	\$ 16,444,796	\$ 16,725,191
Appropriations & other.....	63,644,099	62,694,460
Total Contributions (5).....	80,088,895	79,419,651
DEDUCTIONS:		
Benefits.....	106,653,095	100,719,742
Refunds.....	586,455	652,193
Administration.....	764,090	622,045
Total Deductions (6).....	108,003,640	101,993,980
Deductions in Excess of Contributions (Investments used to pay Benefits and Expenses) (5) - (6).....	\$ (27,914,745)	\$ (22,574,329)
SUPPLEMENTARY INFORMATION (UNAUDITED)	June 30, 2012	June 30, 2011
Number of System employees.....	6	6
Retirees and beneficiaries receiving benefits.....	1,056	1,047
Total members.....	983	984
Total active members.....	968	968
Total return on investments	0.1%	21.7%
EXECUTIVE SECRETARY		
During Engagement Period: Timothy Blair		
Currently: Timothy Blair		