

McGladrey & Pullen

Certified Public Accountants

STATE OF ILLINOIS JUDGES' RETIREMENT SYSTEM OF ILLINOIS

FINANCIAL REPORT
YEARS ENDED JUNE 30, 2005 AND 2004
PERFORMED AS SPECIAL ASSISTANT AUDITORS
FOR THE AUDITOR GENERAL, STATE OF ILLINOIS

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JUDGES' RETIREMENT SYSTEM OF ILLINOIS

FINANCIAL STATEMENTS

JUNE 30, 2005 AND 2004

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying financial statements of the Judges' Retirement System of Illinois was performed by McGladrey & Pullen, LLP.

Based on their audit, the auditors expressed an unqualified opinion on the System's financial statements.

McGladrey & Pullen

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland
Auditor General, State of Illinois
Springfield, Illinois

Board of Trustees
Judges' Retirement System of Illinois
Springfield, Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying statements of plan net assets of the Judges' Retirement System of Illinois (the System), as of June 30, 2005 and 2004 and the related statements of changes in plan net assets for the years then ended, as listed in the table of contents. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets of the Judges' Retirement System of Illinois as of June 30, 2005 and 2004, and the changes in plan net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 3, 2005 on our consideration of the System's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.

The management's discussion and analysis on pages 3 and 4 and the schedules of funding progress and employer contributions on page 19 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the System for the years ended June 30, 2005 and 2004. The supplementary financial information on pages 20 and 21 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary financial information on pages 20 and 21 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

McGladrey & Pullen, LLP

Schaumburg, Illinois
November 3, 2005

MANAGEMENT'S DISCUSSION & ANALYSIS

This financial report is designed to provide a general overview of the Judges' Retirement System's finances for all those with an interest in the System's finances.

This section presents management's discussion and analysis of the financial position and performance of the Judges' Retirement System of Illinois (System) for the years ended June 30, 2005 and 2004. It is presented as a narrative overview and analysis.

The System is a defined benefit, single-employer public employee retirement system. It provides services to 928 active judges and 900 benefit recipients. Throughout this discussion and analysis units of measure (i.e. billions, millions, thousands) are approximate, being rounded up or down to the nearest tenth of the respective unit value.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the System's financial reporting which is comprised of the following components:

1. Basic Financial Statements. For the fiscal years ended June 30, 2005 and 2004, basic financial statements are presented for the System. This information presents the net assets held in trust for pension benefits for the System as of June 30, 2005 and 2004. This financial information also summarizes the changes in net assets held in trust for pension benefits for the years then ended.

2. Notes to the Financial Statements. The notes to the Financial Statements provide additional information that is essential to achieve a full understanding of the data provided in the basic financial statements.

3. Required Supplementary Information. The required supplementary information consists of two schedules and related notes concerning actuarial information, funded status and required contributions for the System.

4. Other Supplementary Schedules. Other schedules include more detailed information pertaining to the System, including schedules of revenues by source, cash receipts and disbursements, and payments to consultants.

FINANCIAL HIGHLIGHTS

- The System's net assets increased by \$30.4 million, or 5.7% during fiscal year 2005. The increase was primarily due to a \$29.0 million, or 5.6%, increase in the System's investments, at fair value.
- The System was actuarially funded at 45.7% as of June 30, 2005 a slight decrease from 46.2% as of June 30, 2004.
- The overall rate of return for the Illinois State Board of Investment (ISBI) Commingled Fund was 10.1% for fiscal year 2005 compared to 16.4% for fiscal year 2004.

ADDITIONS TO PLAN NET ASSETS

Additions to Plan Net Assets include employer and participant contributions and net income from investment activities. Participant contributions were \$13.3 million and \$13.7 million for the years ended June 30, 2005 and 2004, respectively. Participant contribution rates are set by statute as a percentage of gross salary. Employer contributions decreased to \$32.0 million in 2005 from \$178.6 million

The condensed Statements of Plan Net Assets reflect the resources available to pay benefits to members, including retirees and beneficiaries, at the end of the years reported. A summary of the System's Plan Net Assets is presented below.

*Condensed Statements of Plan Net Assets
(in thousands)*

	2005	2004	2003	<i>Increase/(Decrease) from 2004 to 2005</i>	<i>Dollar Change</i>	<i>Percent Change</i>
Cash	\$ 11,788.7	\$ 13,326.8	\$ 7,324.2	\$ (1,538.1)		(11.5)%
Receivables	2,945.3	536.4	5,362.6	2,408.9		449.1
Investments, at fair value	550,350.1	521,373.0	317,541.1	28,977.1		5.6
Equipment, net	<u>3.3</u>	<u>1.7</u>	<u>2.3</u>	<u>1.6</u>		<u>94.1</u>
Total assets	565,087.4	535,237.9	330,230.2	29,849.5		5.6
Liabilities	<u>88.0</u>	<u>658.1</u>	<u>176.6</u>	<u>(570.1)</u>		<u>(86.6)</u>
Total plan net assets	<u>\$564,999.4</u>	<u>\$534,579.8</u>	<u>\$330,053.6</u>	<u>\$ 30,419.6</u>		<u>5.7%</u>

MANAGEMENT'S DISCUSSION & ANALYSIS

in 2004. This decrease was primarily due to additional employer contributions of \$142 million received from the sale of General Obligation bonds by the State of Illinois during fiscal year 2004.

DEDUCTIONS FROM PLAN NET ASSETS

Deductions from Plan Net Assets are primarily benefit payments. During 2005 and 2004, the System paid out \$65.3 million and \$61.4 million, respectively, in benefits and refunds, an increase of approximately 6.4% from 2004. Those higher payments were mainly due to an increase in the number of annuitants as well as a 3% automatic annuity increase paid each year to offset the effects of inflation. The administrative costs of the System represented less than 1% of total deductions in both 2005 and 2004.

FUNDED RATIO

The funded ratio of the plan measures the ratio of net assets against actuarially determined liabilities and is one indicator of the fiscal strength of a pension fund's ability to meet obligations to its members. An annual actuarial valuation is required by statute. The most recent available valuation showed the funded status of the System on June 30, 2005 slightly decreased to 45.7% from 46.2% on June 30, 2004.

The amount by which actuarially determined liabilities exceeded net assets was \$671.5 million on June 30, 2005 compared to \$621.5 million on June 30, 2004.

INVESTMENTS

Investments of the System are combined in a commingled investment pool with the State Employees' Retirement System and the General Assembly Retirement System. Each system owns an equity position in the pool and receives proportionate investment

income from the pool in accordance with respective ownership percentage. Investment gains or losses are reported in the Statement of Changes in Plan Net Assets of each retirement system.

Net investment income less expenses of the total ISBI Commingled Fund was approximately \$1.0 billion during fiscal year 2005, versus net investment income of \$1.5 billion during fiscal year 2004, resulting in returns of 10.1% and 16.4%, respectively.

For the three, five, and ten year period ended June 30, 2005, the ISBI Commingled Fund earned a compounded rate of return of 8.7%, 2.1%, and 8.7%, respectively.

NEW LEGISLATION

On June 1, 2005, Public Act 94-0004 was enacted into law. This legislation includes employer contribution funding reductions of approximately \$8.8 million and \$9.3 million for fiscal years 2006 and 2007, respectively. This will result in increased transfers from the ISBI Commingled Fund in fiscal years 2006 and 2007 to funding requirements for benefit obligations.

Questions concerning any of the information provided in this report or requests for additional financial information should be sent to the Judges' Retirement System of Illinois, Accounting Division, 2101 S. Veterans Parkway, P. O. Box 19255, Springfield, Illinois 62794

The condensed Statements of Changes in Plan Net Assets reflect the changes in the resources available to pay benefits to members, including retirees and beneficiaries.

Condensed Statements of Changes in Plan Net Assets (in thousands)

	<i>2005</i>	<i>2004</i>	<i>2003</i>	<i>Increase/(Decrease) from 2004 to 2005</i>	
				<i>Dollar Change</i>	<i>Percent Change</i>
Additions					
Participant contributions	\$ 13,268.5	\$ 13,720.9	\$ 12,905.0	\$ (452.4)	(3.3)%
Employer contributions	32,043.0	178,593.1	31,440.1	(146,550.1)	(82.1)
Net investment income/(loss)	<u>50,849.0</u>	<u>74,012.8</u>	<u>(226.1)</u>	<u>(23,163.8)</u>	<u>(31.3)</u>
Total additions	<u>96,160.5</u>	<u>266,326.8</u>	<u>44,119.0</u>	<u>(170,166.3)</u>	<u>(63.9)</u>
Deductions					
Benefits	64,539.6	60,912.9	56,714.5	3,626.7	6.0
Refunds	740.5	439.6	582.5	300.9	68.4
Administrative expenses	<u>460.8</u>	<u>448.1</u>	<u>427.7</u>	<u>12.7</u>	<u>2.8</u>
Total deductions	<u>65,740.9</u>	<u>61,800.6</u>	<u>57,724.7</u>	<u>3,940.3</u>	<u>6.4</u>
Net increase/(decrease) in plan net assets	<u>\$ 30,419.6</u>	<u>\$ 204,526.2</u>	<u>\$ (13,605.7)</u>	<u>\$ (174,106.6)</u>	<u>(85.1)%</u>

FINANCIAL STATEMENTS

JUDGES' RETIREMENT SYSTEM OF ILLINOIS

Statements of Plan Net Assets
June 30, 2005 and 2004

	<i>2005</i>	<i>2004</i>
Assets		
Cash	\$ 11,788,710	\$ 13,326,833
Receivables:		
Employer contributions	2,515,000	-
Participants' contributions	266,114	430,677
Refundable annuities	68,421	21,635
Interest on cash balances	32,589	10,100
Due from General Assembly Retirement System	63,202	73,994
Total receivables	<u>2,945,326</u>	<u>536,406</u>
Investments - held in the Illinois State Board of Investment Commingled Fund at fair value	<u>550,350,071</u>	<u>521,372,992</u>
Equipment, net of accumulated depreciation	<u>3,278</u>	<u>1,704</u>
Total Assets	<u>\$ 565,087,385</u>	<u>\$ 535,237,935</u>
Liabilities		
Benefits payable	-	405,508
Refunds payable	23,617	189,164
Participants' deferred service credit accounts	14,250	12,000
Administrative expenses payable	<u>50,071</u>	<u>51,440</u>
Total Liabilities	<u>87,938</u>	<u>658,112</u>
Net assets held in trust for pension benefits	<u>\$ 564,999,447</u>	<u>\$ 534,579,823</u>

(A schedule of funding progress is presented on page 19.)

See accompanying notes to financial statements.

FINANCIAL STATEMENTS

JUDGES' RETIREMENT SYSTEM OF ILLINOIS

Statements of Changes in Plan Net Assets
Years Ended June 30, 2005 and 2004

	<i>2005</i>	<i>2004</i>
Additions:		
Contributions:		
Participants	\$ 13,268,530	\$ 13,720,911
Employer	32,043,009	178,593,095
Total contributions	<u>45,311,539</u>	<u>192,314,006</u>
Investments:		
Net investment income	12,111,036	8,350,649
Interest earned on cash balances	271,889	136,396
Net appreciation in fair value of investments	<u>38,466,043</u>	<u>65,525,769</u>
Total net investment income	<u>50,848,968</u>	<u>74,012,814</u>
Total Additions	<u>96,160,507</u>	<u>266,326,820</u>
 Deductions:		
Benefits:		
Retirement annuities	50,718,643	47,965,512
Survivors' annuities	<u>13,820,917</u>	<u>12,947,383</u>
Total benefits	64,539,560	60,912,895
Refunds of contributions	740,497	439,575
Administrative expenses	<u>460,826</u>	<u>448,087</u>
Total Deductions	<u>65,740,883</u>	<u>61,800,557</u>
Net Increase	<u>30,419,624</u>	<u>204,526,263</u>
 Net assets held in trust for pension benefits:		
Beginning of year	<u>534,579,823</u>	<u>330,053,560</u>
End of year	<u>\$ 564,999,447</u>	<u>\$ 534,579,823</u>

See accompanying notes to financial statements.

JUDGES' RETIREMENT SYSTEM OF ILLINOIS

Notes to Financial Statements June 30, 2005 and 2004

1. Reporting Entity

Generally accepted accounting principles require that the financial reporting entity include (1) the primary government (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Judges' Retirement System of Illinois (System) is administered by a Board of Trustees consisting of five persons, which include the State Treasurer, the Chief of the Supreme Court, ex officio, and three participating judges appointed by the Supreme Court.

Based on the criteria of the Governmental Accounting Standards Board Statement No. 14, there are no other state agencies, boards or commissions, or other organizations required to be combined with the System, however, the System is considered to be part of the State of Illinois financial reporting entity, and is to be combined and included in the State of Illinois' comprehensive annual financial report.

At June 30, 2005 and 2004, the System membership consisted of:

	<i>2005</i>	<i>2004</i>
Retirees and beneficiaries		
currently receiving benefits:		
Retirement annuities	562	535
Survivors' annuities	338	338
	900	873
Inactive participants entitled to benefits		
but not yet receiving them	34	35
Total	934	908
Current participants:		
Vested	657	663
Nonvested	271	243
Total	928	906

Operation of the System and the direction of its policies are the responsibility of the Board of Trustees.

Pursuant to federal tax law and regulations governing the administration of public employee pension plans, the System has established a separate fund for the sole purpose of paying benefits in accordance with Section 415 of the Internal Revenue Code. The receipts and disbursements from the fund for fiscal years 2005 and 2004 were each less than \$225,000. Due to the immaterial nature of the separate fund, these receipts and disbursements have been included in the System's financial statements.

2. Plan Description

The System is the administrator of a single-employer defined benefit public employee retirement system (PERS) established and administered by the State of Illinois to provide pension benefits for its participants.

a. Eligibility and Membership

The Judges' Retirement System covers Judges, Associate Judges and, under certain conditions, the Administrative Director of the Illinois courts. Participation by Judges, either appointed or elected, is mandatory unless the Judge files an election not to participate within 30 days of receipt of notice of this option.

b. Contributions

In accordance with Chapter 40, Section 5/18-133 of the Illinois Compiled Statutes, participants contribute specified percentages of their salaries for retirement annuities, survivors' annuities and automatic annual increases. Contributions are excluded from gross income for Federal and State income tax purposes.

The statutes governing the Judges' Retirement System provide for optional contributions by participants, with interest at prescribed rates, to retroactively establish service credits for periods of prior creditable service.

The Board of Trustees has adopted the policy that interest payments by a participant, included

in optional contributions to retroactively establish service credits, shall be considered an integral part of the participant's investment in annuity expectancies and, as such, shall be included as a part of any refund payable.

The payment of (1) the required State contributions, (2) all benefits granted under the System and (3) all expenses in connection with the administration and operation thereof are the obligations of the State to the extent specified in Chapter 40, Article 5/18 of the Illinois Compiled Statutes.

c. Benefits

After 10 years of credited service, participants have vested rights to full retirement benefits beginning at age 60, or reduced retirement benefits beginning at age 55. Participants also have vested rights to full retirement benefits at age 62 upon completing 6 years of credited service or at age 55 upon completing 26 years of credited service.

The Judges' Retirement System also provides annual automatic annuity increases for retirees and survivors, survivors' annuity benefits, temporary and/or total disability benefits and, under specified conditions, lump-sum death benefits.

The retirement annuity provided under the system is 3-1/2% for each of the first 10 years of service, plus 5% for each year of service in excess of 10, based upon the applicable final salary. The maximum retirement annuity is 85% of the applicable final salary. Annual automatic increases of 3% of the current amount of retirement annuity are provided.

Participants who terminate service and are not eligible for an immediate annuity may receive, upon application, a refund of their total contributions. Participants or annuitants who are not married are entitled to refunds of their contributions for survivors.

Participants who are eligible to receive the maximum rate of annuity may irrevocably elect to discontinue contributions and have their

benefits "frozen" based upon the applicable salary in effect immediately prior to the effective date of such election.

The total contribution rate is 11% if the participants elect to contribute for their spouse and dependents as shown below:

7.5%	Retirement annuity
2.5%	Survivors' annuity
1.0%	Automatic annual increases
11.0%	

Participants who have attained age 60 and are eligible to receive the maximum rate of annuity and have not elected to discontinue contributing to the System may irrevocably elect to have their contributions based only on the salary increases received on or after the effective date of such election rather than on the total salary received.

3. Summary of Significant Accounting Policies and Plan Asset Matters

a. Basis of Accounting

The financial transactions of the System are maintained and these financial statements have been prepared using the accrual basis of accounting in conformity with generally accepted accounting principles.

Participant and employer contributions are recognized as revenues when due pursuant to statutory requirements. Benefits and refunds are recognized as expenses when due and payable in accordance with the terms of the plan.

b. Cash

The System retains all of its available cash in a commingled investment pool managed by the Treasurer of the State of Illinois (Treasurer). All deposits are fully collateralized by the Treasurer.

"Available cash" is determined to be that amount which is required for the current operating expenditures of the System. The excess of available cash is transferred to the Illinois State Board of Investment (ISBI) for purposes of long-term investment for the System.

c. Implementation of New Accounting Standard

On July 1, 2004, the System implemented the provisions required by the Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures, an amendment of GASB Statement No. 3*. This pronouncement requires additional disclosures presented in these notes, but has no impact on the net assets of the ISBI or the System. These disclosures address common deposits and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Data related to these disclosures for the year ended June 30, 2004 were unavailable.

d. Investments

The System transfers money to the ISBI for investment in the ISBI Commingled Fund. This money is then allocated among various investment managers to pursue a specific investment strategy. All investment transactions are initiated by the investment managers. The transaction settlement information is then forwarded to the agent bank's trust department under a master custodial agreement.

Custody of a majority of the actual physical securities is maintained at an agent of the agent bank's trust department using a book-entry system. The ISBI's master custodian is The State Street Bank & Trust Company. The agent of the master custodian is the Depository Trust Company.

Investments are managed by the ISBI pursuant to Chapter 40, Article 5/22A of the Illinois Compiled Statutes (ILCS) and are maintained in the ISBI Commingled Fund.

Investments owned are reported at fair value as follows: (1) U.S. Government and Agency, Foreign and Corporate Obligations, Convertible Bonds – prices quoted by a major dealer in such securities; (2) Common Stock and Equity Funds,

Convertible Preferred Stock, Preferred Stock, Foreign Equity Securities, Forward Foreign Currency Contracts and Options: (a) Listed – closing prices as reported on the composite summary of national securities exchanges; (b) Over-the-counter – bid prices; (3) Money Market Instruments – average cost which approximates fair values; (4) Real Estate Funds – fair values as determined by the ISBI and its investment managers; and (5) Alternative (Private Equity) Investments – fair values as determined by the ISBI and its investment managers.

Units of the ISBI Commingled Fund are issued to the member systems on the last day of the month based on the unit net asset value calculated as of that date. Net investment income of the ISBI Commingled Fund is allocated to each of the member systems on the last day of the month on the basis of percentage of accumulated units owned by the respective systems. Management expenses are deducted monthly from income before distribution.

The investment authority of the ISBI is provided in Chapter 40, Section 5/22A-112 of the ILCS. The ISBI investment authority includes investments in obligations of the U.S. Treasury and other agencies, notes secured by mortgages which are insured by the Federal Housing Commission, real estate, common and preferred stocks, convertible debt securities, deposits or certificates of deposit of federally insured institutions and options.

Such investment authority requires that all opportunities be undertaken with care, skill, prudence and diligence given prevailing circumstances that a prudent person acting in like capacity and experience would undertake.

FINANCIAL STATEMENTS

Investment Summary

Summary of the ISBI Fund's investments at fair value by type June 30, 2005

Government and agency obligations	\$ 1,112,360,428
Foreign obligations	198,858,369
Corporate obligations	1,551,766,590
Convertible bonds	1,404,244
Common stock & equity funds	5,579,812,196
Preferred stock	487,946
Foreign equity securities	986,200,950
Real estate investments	778,951,123
Alternative investments	466,871,030
Money market instruments	283,461,008
Forward foreign exchange contracts	(497,874)
Total investments	<u>\$10,959,676,010</u>

Custodial Credit Risk for Investments

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the ISBI will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. As of June 30, 2005, the investments listed in the table to the right were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the ISBI's name.

Common stock	\$ 2,283,261
Government and agency obligations	16,885,000
Corporate obligations	<u>4,725,000</u>
Total	<u>\$ 23,893,261</u>

Deposits

Custodial credit risk for deposits is the risk that in the event of a financial institution failure, the ISBI's deposits may not be returned. All non-investment related bank balances at year end are insured or collateralized with securities held by the Illinois State Treasurer or agents in the name of the State Treasurer. Cash held in the investment related bank account is neither insured nor collateralized for amounts in excess of \$100,000. There is no related deposit policy for custodial risk. These assets are under the custody of State Street Bank and Trust. State Street Bank and Trust has a AA Long-term Deposit/Debt rating by Standards & Poor and an Aa2 rating by Moody.

	<i>June 30, 2005</i>
Carrying amount of cash	<u>\$13,722,061</u>
Bank balance total	<u>\$13,729,252</u>
Amount exposed to custodial credit risk	<u>\$13,501,974</u>

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	<i>Moody's Quality Rating</i>	<i>Fair Value</i>
Foreign obligations	AAA	\$ 33,511,439
	AA	39,246,537
	A	25,030,605
	BAA	32,380,713
	BA	40,288,397
	B	12,747,269
	Not rated	<u>15,653,409</u>
Total foreign obligations		<u>\$ 198,858,369</u>
Corporate obligations	AAA	\$ 458,629,951
	AA	151,320,801
	A	191,083,432
	BAA	161,122,804
	BA	217,555,371
	B	300,234,513
	CAA	12,093,496
	CA	660,671
	Not rated	<u>59,065,551</u>
Total corporate obligations		<u>\$1,551,766,590</u>
Convertible bonds	AAA	\$ 1,111,744
	BAA	<u>292,500</u>
Total convertible bonds		<u>\$ 1,404,244</u>
Agency obligations	AAA	\$ 556,191,256
U.S. Government obligations		<u>556,169,172</u>
Total Government and agency obligations		<u>\$1,112,360,428</u>
Total credit risk debt securities		<u><u>\$2,864,389,631</u></u>

Concentration of Credit Risk and Credit Risk for Investments

The portfolio is managed by professional investment management firms. These investment management firms are required to maintain diversified portfolios. Each investment manager must comply with risk management guidelines individually assigned to them as part of their Investment Management Agreement. The ISBI did not have any single issuer investment that exceeded 5% of the total net assets of the fund as of June 30, 2005 and 2004. The table at left presents the quality ratings of debt securities held by the ISBI as of June 30, 2005.

Interest Rate Risk

The ISBI manages its exposure to fair value losses arising from interest rate risk by diversifying the debt securities portfolio and maintaining the debt securities portfolio to an effective weighted average rate between 80 and 120 percent of the benchmark index.

Duration is a measure of a debt investment's exposure to fair value changes arising from changing interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price. The effective duration measures the sensitivity of market price to parallel shifts in the yield curve. The ISBI benchmarks its debt security portfolio to Lehman Brothers Aggregate. At June 30, 2005 the effective duration of the Lehman Brothers Aggregate was 4.2. At the same point in time, the effective duration of the ISBI debt security portfolio was 4.0.

<i>Investment Type</i>	<i>Fair Value</i>	<i>Effective Weighted Duration</i>
Government & agency obligations		
U.S. Treasury	\$ 556,169,172	4.5
Federal agency	544,212,466	2.8
Municipal	11,978,790	4.8
Foreign obligations	198,858,369	4.5
Corporate obligations		
Bank and finance	392,252,843	2.9
Collateralized mortgage obligations	68,338,116	3.3
Industrials	798,619,662	4.9
Other	292,555,969	4.2
Convertible bonds	<u>1,404,244</u>	30.5
	<u><u>\$2,864,389,631</u></u>	

FINANCIAL STATEMENTS

Foreign Currency Risk

The international portfolio is constructed on the principles of diversification, quality growth and value. Risk of loss arises from changes in currency exchange rates. International managers may also engage in transactions to hedge currency at their discretion. The table at right presents the foreign currency risk by type of investment as of June 30, 2005.

	<i>Foreign Equity Securities</i>	<i>Foreign Obligations</i>
Australian Dollar	\$ 47,593,913	\$ (228,293)
Brazilian Real	1,278,605	0
Canadian Dollar	30,812,582	1,851,713
Cayman Islands Dollar	31,956	0
Chinese Yuan	194,278	0
Danish Krone	11,599,786	0
English Pound Sterling	202,514,123	798,051
Euro Currency	282,661,685	3,056,801
Finnish Markka	0	54,634
Hong Kong Dollar	45,015,304	0
Indian Rupee	2,251,086	0
Indonesian Rupian	691,050	0
Israeli New Shekel	518,923	0
Japanese Yen	228,925,684	7,558,941
Malaysian Ringgit	103,494	0
Mexican Peso	0	2,573,969
New Zealand Dollar	519,315	2,741,363
Norwegian Krone	5,641,689	0
Philippine Peso	110,031	0
Polish Zolty	0	74,147
Singapore Dollar	9,859,571	0
South African Rand	1,914,821	0
South Korean Won	21,385,395	0
Swedish Krona	28,388,258	0
Taiwan Dollar	2,786,713	0
Turkish Lira	1,069,802	0
Swiss Franc	52,437,403	0
Foreign investments denominated in U.S. Dollars	7,895,483	180,377,043
Total	<u>\$ 986,200,950</u>	<u>\$ 198,858,369</u>

Securities Lending

Effective December 1, 2004, the master custodian is State Street Bank & Trust Company. The ISBI participates in a securities lending program with State Street who acts as securities lending agent. Securities are loaned to brokers and, in return, the ISBI has rights to a portion of a collateral pool. All of the securities are eligible for the securities lending program. Collateral consists solely of cash, letters of credit, commercial paper and government securities having a market value equal to or exceeding 102% of the value of the loaned securities (105% for non-U.S. securities).

In the event of borrower default, State Street provides the ISBI with counterparty default indemnification. The ISBI had no credit risk as a result of its securities lending program as the collateral held exceeded the fair value of the securities lent. As of June 30, 2005 and 2004, there were outstanding loaned investment securities having fair values of \$1,442,715,435 and \$1,146,769,008 respectively; against which collateral was received with a value of \$1,476,263,962 and \$1,402,058,848, respectively.

Collateral received at June 30, 2005 and 2004 consisted of \$1,444,871,284 and \$1,172,847,123, respectively, in cash and \$31,392,678 and \$266,896,652, respectively, in securities for which the ISBI does not have the ability to pledge or sell.

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Derivative Securities

Some of the ISBI managers invest in derivative securities. A derivative security is an investment whose payoff depends upon the value of other assets such as bond and stock prices, a market index, or commodity prices. The ISBI's investments in derivatives are not leveraged. Obligations to purchase (long a financial future or a call option) are held in cash or cash equivalents. In the case of obligations to sell (short a financial future or a put option), the reference security is held in the portfolio. Derivatives transactions involve, to varying degrees, credit risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to terms. Market risk is the possibility that a change in interest or currency rates will cause the value of a financial instrument to decrease or become more costly to settle. The market risk associated with derivatives, the prices of which are constantly fluctuating, is regulated by imposing strict limits as to the types, amounts and degree of risk that investment managers may undertake. The ISBI Board and senior management approve these limits, and the risk

positions of the investment managers are reviewed on a regular basis to monitor compliance with the limits.

During the year, derivative investments included forward foreign currency contracts, collateralized mortgage obligations (CMO's), futures and options. The remaining derivative securities are used to improve the yields or to hedge changes in interest rates. Forward foreign currency contracts are used to hedge against the currency risk in the ISBI's foreign stock and fixed income portfolios.

Forward foreign currency contracts are agreements to buy or sell specific amounts of a foreign currency at a specified delivery or maturity date for an agreed upon price. As the fair value of the forward contracts varies, the ISBI records an unrealized gain or loss. Forward foreign currency contracts represent an off-balance sheet obligation, as there are no balance sheet assets or liabilities associated with those contracts. The fair value of forward foreign currency contracts outstanding at June 30, 2005 and 2004, were as follows:

	<i>Cost</i>	<i>Fair Value</i>	<i>Gain/(Loss)</i>
As of June 30, 2005			
Forward currency purchases	\$41,391,551	\$40,355,914	\$ (1,035,637)
Forward currency sales	47,581,929	47,044,166	537,763
Total gain/(loss)			<u>\$ (497,874)</u>
	<i>Cost</i>	<i>Fair Value</i>	<i>Gain/(Loss)</i>
As of June 30, 2004			
Forward currency purchases	\$86,354,036	\$86,816,176	\$ 462,140
Forward currency sales	86,354,036	87,241,866	(887,830)
Total gain/(loss)			<u>\$ (425,690)</u>

FINANCIAL STATEMENTS

The ISBI also invests in mortgage-backed securities to maximize yields and to hedge against a rise in interest rates. These securities are based on cash flows from principal and interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. As of June 30, 2005 and 2004, the fair value of the ISBI's CMO holdings totaled \$68,338,116 and \$57,368,826, respectively.

The ISBI investment managers utilize financial futures to replicate an underlying security they desire to hold (sell) in the portfolio. In certain instances, it may be beneficial to own a futures contract rather than the underlying security (arbitrage). Financial future contracts are also used to improve the yield or adjust the duration of the portfolio. Financial futures contracts are agreements to buy or sell a specified amount at a specified delivery or maturity date for an agreed upon price. The fair values of the futures contracts vary from the original contract price, a gain or loss is recognized and paid to or received from the clearinghouse. Financial futures represent an off-balance sheet obligation, as there are no balance sheet assets or liabilities associated with those contracts. The cash or securities to meet these obligations are held in the investment portfolio.

The ISBI's investment managers utilize options in an effort to add value to the portfolio (collect premiums) or protect (hedge) a position in the portfolio. Options are agreements that give one party the right, but not the obligation, to buy or sell a specific amount of an asset for a specific price (called the strike price) on or before a specified expiration date. As the writer of financial options, the ISBI received a premium at the outset of the agreement and bears the risk of an unfavorable change in the price of the instrument underlying the option. As the purchaser, the ISBI pays a premium at the outset of the agreement and the counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option.

Investment Commitments

Real estate and private equity investment portfolios consist of passive interests in limited partnerships. The ISBI had outstanding commitments to these limited partnerships of approximately \$524 million and \$270 million, as of June 30, 2005 and 2004, respectively. Also, at the end of fiscal year 2005, the ISBI had an outstanding commitment of \$60 million to a separate real estate account.

Futures and options positions held by the ISBI as of June 30, 2005 and 2004

	2005		2004	
	Number of Contracts	Contract Principal*	Number of Contracts	Contract Principal*
Domestic				
Equity futures purchased	0	\$ 0	808	\$ 230,360,800
Fixed income futures purchased	689	453,930,689	197	20,523,243
Fixed income futures sold	523	59,071,375	678	73,536,627
Fixed income written put options	138	14,877,875	303	385,079
Fixed income written called options	172	19,378,750	467	553,900
Fixed income purchased call options	218	133,779,531	0	0
Fixed income purchased put options	131	77,660,000	0	0

* Contract principal amounts shown represent the fair value of the underlying assets the contracts control. These are shown to present the volume of the transactions but do not reflect the extent to which positions may offset one another. These amounts do not represent the much smaller amounts potentially subject to risk. Contract principal values also do not represent recorded values.

Other Information

The System owns approximately 5.0% of the net investment assets of the ISBI Commingled Fund as of June 30, 2005. A schedule of investment expenses is included in the ISBI's annual report.

For additional information on ISBI's investments, please refer to their Annual Report as of June 30, 2005. A copy of the report can be obtained from the ISBI at 180 North LaSalle Street, Suite 2015, Chicago, Illinois 60601.

e. Actuarial Experience Review

In accordance with Illinois Compiled Statutes, an actuarial experience review is to be performed at least once every five years to determine the adequacy of actuarial assumptions regarding the mortality, retirement, disability, employment, turnover, interest and earnable compensation of the members and beneficiaries of the System. An experience review was last performed as of June 30, 2002.

f. Administrative Expenses

Expenses related to the administration of the System are financed through investment earnings and employer retirement contributions. These expenses are budgeted and approved by the System's Board of Trustees.

Administrative expenses common to the General Assembly Retirement System and the Judges' Retirement System are borne 40% by the General Assembly Retirement System and 60% by the Judges' Retirement System.

Invoices/vouchers covering common expenses incurred are paid by the Judges' Retirement System, and 40% thereof is allocated to and reimbursed by the General Assembly Retirement System. Administrative expenses allocated to and reimbursed by the General Assembly Retirement System as of June 30, 2005 and 2004, were \$265,474 and \$254,886, respectively.

g. Risk Management

The System, as part of the primary government of the State, provides for risks of loss associated with workers' compensation and general liability through the State's self-insurance program. The System obtains commercial insurance for fidelity, surety, and property. There have been no commercial insurance claims in the past three fiscal years.

4. Funding - Statutory Contributions Required and Contributions Made

For each fiscal year, the System's actuary performs an actuarial valuation and computes actuarially determined contribution requirements for the System, using the projected unit credit actuarial cost method.

For fiscal years 2005 and 2004, the required employer contributions were computed in accordance with Public Act 88-0593, as modified by Public Act 93-0002. This funding legislation provides for a systematic 50 year funding plan with an ultimate goal to fund the cost of maintaining and administering the System at an actuarial funded ratio of 90%.

In addition, the funding plan provides for a 15 year phase-in period to allow the state to adapt to the increased financial commitment. Once the 15 year phase-in period is complete, the state's contribution will then remain at a level percentage of payroll for the next 35 years until the 90% funded level is achieved.

The total amount of statutorily required employer contributions for fiscal years 2005 and 2004 was \$31,991,000 and \$36,526,000, respectively. The total amount of employer contributions received from the state during fiscal years 2005 and 2004 was \$31,991,000 and \$178,481,483, respectively. The fiscal year 2004 amount includes \$141,955,483 of additional employer contributions received from the sale of General Obligation bonds by the State of Illinois.

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In fiscal years 2006 and 2007, state contributions will be based on dollar amounts specified by Public Act 94-0004, rather than actuarial calculations. The legislation contains a two-year funding reduction of nearly 22% or \$18.0 million for the System. State contributions will be higher in future years to make up for the two-year funding reduction, as the overall goal of 90% funding in fiscal year 2045 is unchanged.

6. Equipment

Capital assets are capitalized at their cost at the time of acquisition. Depreciation is computed using the straight-line method over the estimated useful life of the asset. The estimated useful lives are as follows: (1) office furniture - 10 years, (2) equipment - 6 years, and (3) certain electronic data processing equipment - 3 years.

Summary of the changes in equipment for fiscal years 2005 and 2004

	2005			
	<i>Beginning Balance</i>	<i>Additions</i>	<i>Deletions</i>	<i>Ending Balance</i>
Equipment	\$ 39,972	\$ 2,728	\$ (5,407)	\$ 37,293
Accumulated depreciation	(38,268)	(1,154)	5,407	(34,015)
Equipment, net	<u>\$ 1,704</u>	<u>\$ 1,574</u>	<u>\$ -</u>	<u>\$ 3,278</u>
	2004			
	<i>Beginning Balance</i>	<i>Additions</i>	<i>Deletions</i>	<i>Ending Balance</i>
Equipment	\$ 43,947	\$ 327	\$ (4,302)	\$ 39,972
Accumulated depreciation	(41,641)	(929)	4,302	(38,268)
Equipment, net	<u>\$ 2,306</u>	<u>\$ (602)</u>	<u>\$ -</u>	<u>\$ 1,704</u>

5. Administrative Expenses

A summary of the administrative expenses for the Judges' Retirement System for fiscal years 2005 and 2004 are listed below.

Administrative expenses for fiscal years 2005 and 2004

	2005	2004
Personal services	\$246,258	\$247,832
Employee retirement contributions paid by employer	9,772	9,773
Employer retirement contributions	39,537	33,322
Social security contributions	16,787	16,912
Group insurance	39,643	31,168
Contractual services	82,017	83,573
Travel	7,868	9,772
Printing	3,587	3,362
Commodities	647	558
Telecommunications	2,168	2,295
Electronic data processing	10,631	11,531
Depreciation	1,154	929
Change in accrued compensated absences	757	(2,940)
Total	<u>\$460,826</u>	<u>\$448,087</u>

7. Accrued Compensated Absences

Employees of the Judges' Retirement System are entitled to receive compensation for all accrued but unused vacation time and one-half of all unused sick leave earned after December 31, 1983 and prior to January 1, 1998 upon termination of employment. These accrued compensated absences as of June 30, 2005 and 2004 total \$38,180 and \$37,423, respectively and are included in administrative expenses payable.

8. Pension Plan

Plan Description. All of the System's full-time employees who are not eligible for participation in another state-sponsored retirement plan participate in the State Employees' Retirement System (SERS), which is a pension trust fund in the State of Illinois reporting entity.

The SERS is a single-employer defined benefit public employee retirement system (PERS) in which state employees participate, except those covered by the State Universities, Teachers', General Assembly, and Judges' Retirement Systems.

The financial position and results of operations of the SERS for fiscal years 2005 and 2004 are included in the State of Illinois' Comprehensive Annual Financial Report (CAFR) for the years ended June 30, 2005 and 2004, respectively. The SERS also issues a separate CAFR that may be obtained by writing to the SERS, 2101 South Veterans Parkway, Springfield, Illinois, 62794-9255 or by calling 217-785-7202.

The State of Illinois' CAFR may be obtained by writing to the State Comptroller's Office, Financial Reporting Department, 325 West Adams St., Springfield, Illinois, 62704-1858 or by calling 217-782-2053.

A summary of SERS' benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established, are included as an integral part of the SERS' CAFR. Also included is a discussion of

employer and employee obligations to contribute, and the authority under which those obligations are established.

Funding Policy. The System pays employer retirement contributions based upon an actuarially determined percentage of its payrolls. For fiscal years 2005, 2004, and 2003 the employer contribution rates were 16.107%, 13.439%, and 10.321%, respectively. The System's contributions to SERS for fiscal years 2005, 2004, and 2003 were \$39,537, \$33,322, and \$25,277, respectively, and were equal to the required contributions for each fiscal year.

Other Post-Employment Benefits. In addition to providing pension benefits, the State Employees Group Insurance Act of 1971, as amended, requires that certain health, dental and life insurance benefits shall be provided by the state to annuitants who are former state employees. This includes annuitants of the System.

Substantially all state employees including the System's employees may become eligible for post-employment benefits if they eventually become annuitants. Health and dental benefits include basic benefits for annuitants under the state's self-insurance plan and insurance contracts currently in force. Life insurance benefits are limited to five thousand dollars per annuitant age 60 and older.

Costs incurred for health, dental and life insurance for annuitants and their dependents were not separated from benefits provided to active employees and their dependents for the years ended June 30, 2005 and 2004. However, post-employment costs for the state as a whole for all state agencies/departments for dependent health, dental and life insurance for annuitants and their dependents are disclosed in the State of Illinois' Comprehensive Annual Financial Report.

Cost information for retirees by individual state agency is not available. Payments are made on a "pay-as-you-go" basis. The System is not the administrator of any of the other post-employment benefits described above.

FINANCIAL STATEMENTS

9. Analysis of Changes in Reserve Balances

Statements of Changes in Reserve Balances Years Ended June 30, 2005 and 2004

The funded statutory reserves of the Judges' Retirement System are composed of the following:

a. Reserve for Participants' Contributions

This reserve consists of participants' accumulated contributions for retirement annuities, survivors' annuities and automatic annual increases.

b. Reserve for Future Operations

This reserve is the balance remaining in the Judges' Retirement System from State of Illinois contributions and revenue from investments after consideration of charges for payouts by the Judges' Retirement System.

	<i>Participants' Contributions</i>	<i>Future Operations</i>	<i>Total Reserve Balances</i>
Balance at June 30, 2003	\$121,873,715	\$208,179,845	\$330,053,560
Add (deduct):			
Excess of revenues over expenses	13,468,297	191,057,966	204,526,263
Reserve transfers:			
Accumulated contributions of participants who retired or died with eligible survivor during the year	<u>(4,794,652)</u>	<u>4,794,652</u>	<u>-</u>
Balance at June 30, 2004	130,547,360	404,032,463	534,579,823
Add (deduct):			
Excess of revenues over expenses	12,580,042	17,839,582	30,419,624
Reserve transfers:			
Accumulated contributions of participants who retired or died with eligible survivor during the year	<u>(7,686,847)</u>	<u>7,686,847</u>	<u>-</u>
Balance at June 30, 2005	<u>\$135,440,555</u>	<u>\$429,558,892</u>	<u>\$564,999,447</u>

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

<i>Actuarial Valuation Date</i>	<i>Actuarial Value of Assets (a)</i>	<i>Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)</i>	<i>Unfunded AAL (UAAL) (b-a)</i>	<i>Funded Ratio (a/b)</i>	<i>Covered Payroll (c)</i>	<i>UAAL as a Percentage of Covered Payroll ([b-a]/c)</i>
6/30/00	\$422,933,720	\$ 871,153,418	\$448,219,698	48.5%	\$104,000,000	431.0%
6/30/01	381,733,581	937,091,513	555,357,932	40.7	109,900,000	505.3
6/30/02	343,659,294	1,020,846,773	677,187,479	33.7	118,700,000	570.5
6/30/03	330,053,560	1,076,231,965	746,178,405	30.7	123,900,000	602.2
6/30/04	534,579,823	1,156,092,951	621,513,128	46.2	127,200,000	488.6
6/30/05	564,999,447	1,236,512,156	671,512,709	45.7	128,700,000	521.8

Schedule of Employer Contributions

<i>Year Ended June 30</i>	<i>Annual Required Contribution per GASB Statement No. 25</i>	<i>Percentage Contributed</i>	<i>Annual Required Contribution per State Statute</i>	<i>Percentage Contributed</i>
2000	\$40,205,224	53.2%	\$21,388,000	100.0%
2001	42,546,928	56.9	24,218,000	100.0
2002	47,277,311	58.2	27,532,000	100.0
2003	53,470,841	58.7	31,373,000	100.0
2004	63,261,895	57.7	36,526,000	100.0 (1)
2005	57,749,460	55.4	31,991,000	100.0

(1) This percentage excludes the additional employer contributions received from the sale of General Obligation bonds by the State of Illinois. These proceeds were not part of the current fiscal year required contributions.

Notes to Required Supplementary Information

Valuation date: June 30, 2005

Actuarial cost method: Projected Unit Credit

Amortization method:

- a. For GASB Statement No. 25 reporting purposes: Level percent of payroll
- b. Per state statute: 15-year phase-in to a level percent of payroll until a 90% funding level is achieved

Remaining amortization period:

- a. For GASB Statement No. 25 reporting purposes: 40 years, open
- b. Per state statute: 40 years, closed

Asset valuation method: Fair value

Actuarial assumptions:

- Investment rate of return: 8.0 percent per year, compounded annually
- Projected salary increases: 5.5 percent per year, compounded annually
- Assumed inflation rate: 4.0 percent
- Group size growth rate: 0.0 percent
- Post-retirement increase: 3.0 percent per year, compounded annually

SUPPLEMENTARY FINANCIAL INFORMATION

SUMMARY OF REVENUES BY SOURCE

Years Ended June 30, 2005 and 2004

	<i>2005</i>	<i>2004</i>
Contributions:		
Participants:		
Participants	\$ 13,129,477	\$ 13,552,646
Interest paid by participants	97,557	105,223
Repayment of refunds	14,545	-
Transferred from reciprocating systems	<u>26,951</u>	<u>63,042</u>
Total participant contributions	<u>13,268,530</u>	<u>13,720,911</u>
Employer:		
Pension Contribution Fund	-	151,624,713
General Revenue Fund	15,090,000	26,247,001
State Pension Fund	16,901,000	609,769
Paid by participants	52,009	111,612
Total employer contributions	<u>32,043,009</u>	<u>178,593,095</u>
Total contributions revenue	<u>45,311,539</u>	<u>192,314,006</u>
Investments:		
Net investment income	12,111,036	8,350,649
Interest earned on cash balances	271,889	136,396
Net appreciation in fair value of investments	<u>38,466,043</u>	<u>65,525,769</u>
Total net investment income	<u>50,848,968</u>	<u>74,012,814</u>
Total revenues	<u>\$ 96,160,507</u>	<u>\$ 266,326,820</u>

SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Years Ended June 30, 2005 and 2004

	<i>2005</i>	<i>2004</i>
Cash balance, beginning of year	\$ 13,326,833	\$ 7,324,152
Receipts:		
Participant contributions	13,258,866	13,609,323
Employer contributions:		
Pension Contribution Fund	-	151,624,713
General Revenue Fund	12,575,000	31,105,001
State Pension Fund	16,901,000	609,769
Paid by participants	52,009	66,041
Interest income on cash balances	249,400	133,053
Reimbursements from General Assembly Retirement System	276,266	251,961
Post-tax installment payments	2,483	3,000
Cancellation of refunds	483	-
Cancellation of annuities, net of overpayments	47,804	74,638
Cancellation of administrative expenses	3,030	-
Tax-deferred installment payments	129,522	149,972
Repayment of refunds	17,755	-
Transfers from reciprocating systems	26,951	63,042
Transfers from Illinois State Board of Investment	21,600,000	12,000,000
Miscellaneous	170	107
Total cash receipts	<u>65,140,739</u>	<u>209,690,620</u>
Disbursements:		
Benefit payments:		
Retirement annuities	51,097,430	47,641,912
Survivors' annuities	13,942,228	12,948,351
Refunds	909,236	397,240
Transfers to Illinois State Board of Investment	-	141,955,483
Administrative expenses	729,968	744,953
Total cash disbursements	<u>66,678,862</u>	<u>203,687,939</u>
Cash balance, end of year	<u>\$ 11,788,710</u>	<u>\$ 13,326,833</u>

SUPPLEMENTARY FINANCIAL INFORMATION

SCHEDULE OF PAYMENTS TO CONSULTANTS

Years Ended June 30, 2005 and 2004

	<i>2005</i>	<i>2004</i>
Actuary	\$20,500	\$21,500
Audit fees	18,957	18,110
Legal services	226	1,991
Financial planner	600	1,200
Medical services	140	280
Total	<u>\$40,423</u>	<u>\$43,081</u>