

REPORT DIGEST

JUDGES' RETIREMENT SYSTEM OF ILLINOIS

COMPLIANCE EXAMINATION

For the Year Ended:
June 30, 2009

Summary of Findings:

Total this report	0
Total last report	2
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 Judges' Retirement System 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.}

JUDGES' RETIREMENT SYSTEM OF ILLINOIS
COMPLIANCE EXAMINATION
YEAR ENDED JUNE 30, 2009

OPERATING STATEMENT ANALYSIS	FY 2009	FY 2008
ADDITIONS: Contributions – Participants	\$ 15,763,410	\$ 15,443,114
Contributions – Appropriations & other	<u>59,983,000</u>	<u>46,977,961</u>
Total Contributions	\$ 75,746,410	\$ 62,421,075
Net investment income	12,235,805	15,181,515
Net appreciation (depreciation) in fair value of investments	(135,286,901)	(53,819,542)
Interest earned on cash balances	<u>334,625</u>	<u>661,567</u>
Total Additions	\$ (46,970,061)	\$ 24,444,615
DEDUCTIONS: Benefits -Temporary disability	\$ 81,674	\$ 47,643
Benefits - Retirement annuities	68,876,522	64,863,585
Benefits - Survivors' annuities	<u>16,861,343</u>	<u>15,601,364</u>
Total Benefits	\$ 85,819,539	\$ 80,512,592
Refunds	449,309	842,003
Administration	<u>565,588</u>	<u>500,396</u>
Total Deductions	\$ 86,834,436	\$ 81,854,991
Net Decrease	\$(133,804,497)	\$(57,410,376)
ANALYSIS OF PLAN INVESTMENTS	FY 2009	FY 2008
Balance at beginning of year, at fair value	\$ 589,155,697	\$ 658,193,724
Net cash transferred from investments	<u>(30,500,000)</u>	<u>(30,400,000)</u>
Net investments (1)	\$ 558,655,697	\$ 627,793,724
Investment income – interest, dividends and other	14,354,450	17,361,610
Investment expenses	<u>(2,118,645)</u>	<u>(2,180,095)</u>
Net Investment income (2)	\$ 12,235,805	\$ 15,181,515
Net realized gain (loss) on sale of investments	(67,405,800)	31,044,723
Net unrealized gain (loss) on investments	<u>(67,881,101)</u>	<u>(84,864,265)</u>
Net appreciation (depreciation) in fair value of investments (3)	\$(135,286,901)	\$(53,819,542)
Total net investment income (loss) (4), (2) + (3)	\$(123,051,096)	\$(38,638,027)
Balance at end of year, at fair value (1) + (4)	\$ 435,604,601	\$ 589,155,697
INVESTMENTS USED FOR BENEFITS AND EXPENSES	FY 2009	FY 2008
CONTRIBUTIONS: Participants	\$ 15,763,410	\$ 15,443,114
Appropriations & other	<u>59,983,000</u>	<u>46,977,961</u>
Total Contributions (5)	\$ 75,746,410	\$ 62,421,075
DEDUCTIONS: Benefits	\$ 85,819,539	\$ 80,512,592
Refunds	449,309	842,003
Administration	<u>565,588</u>	<u>500,396</u>
Total Deductions (6)	\$ 86,834,436	\$ 81,854,991
Investments used to Pay Benefits and Expenses (5)-(6)	\$(11,088,026)	\$(19,433,916)
SUPPLEMENTARY INFORMATION	FY 2009	FY 2008
Number of System employees	6	6
Retirees and beneficiaries receiving benefits (unaudited)	983	957
Total members (unaudited)	991	982
Total active members (unaudited)	968	957
Total return on investments (unaudited)	(20.1)%	(6.2)%
EXECUTIVE SECRETARY		
During Audit Period: Timothy B. Blair, Acting		
Currently: Timothy B. Blair, Acting		