



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

JUDGES' RETIREMENT SYSTEM

**Compliance Examination
For the Year Ended June 30, 2018**

Release Date: April 18, 2019

FINDINGS THIS AUDIT:	0
FINDINGS LAST AUDIT:	2

INTRODUCTION

This digest covers our Compliance Examination of the Judges' Retirement System for the year ended June 30, 2018. A separate Financial Audit as of and for the year ending June 30, 2018, was previously released on January 23, 2019. There were no material findings of noncompliance disclosed during our examination.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the Judges' Retirement System for the year ended June 30, 2018, as required by the Illinois State Auditing Act. The accountants stated the Judge's Retirement System complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by RSM US LLP.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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{Expenditures and Activity Measures are summarized on next page.}

JUDGES' RETIREMENT SYSTEM OF ILLINOIS
COMPLIANCE EXAMINATION
For the Year Ended June 30, 2018

EXPENSE AND RECEIPT STATISTICS	FY 2018	FY 2017
Total Expenditures	\$ 297,347,173	\$ 290,926,545
General Revenue Fund - 001:		
Appropriation for State's contribution.....	135,962,000	
Continuing appropriation for pension contributions.....	-	131,334,000
Judges' Retirement System Fund - 477:		
Pensions, annuities and benefits.....	146,423,161	138,808,919
Purchase of investments.....	11,600,000	17,000,000
Refunds.....	521,424	973,609
Personal services.....	520,356	514,392
Other payroll costs.....	390,427	382,045
Contractual services.....	149,470	144,614
Electronic data processing.....	68,632	68,720
All other expenses.....	11,191	11,958
Judges' Retirement Excess Benefit Fund - 787:		
Pensions, annuities and benefits.....	1,700,512	1,688,288
Total Receipts	\$ 164,746,527	\$ 135,850,315
CHANGES IN INVESTMENT BALANCES	June 30, 2018	June 30, 2017
Balance at beginning of year, at fair value.....	\$ 899,652,118	\$ 785,176,162
Net cash transferred to (from) investments, net.....	9,100,000	17,000,000
Net investments.....	908,752,118	802,176,162
Investment income - interest, dividends and other.....	21,050,900	21,440,508
Investment expenses.....	(1,421,235)	(1,558,942)
Net investment income.....	19,629,665	19,881,566
Net unrealized gain (loss) on investments.....	1,149,030	54,117,000
Net realized gain on sales of investments.....	48,666,023	23,477,390
Net appreciation (depreciation) in fair value of investments.....	49,815,053	77,594,390
Total net investment income (loss).....	69,444,718	97,475,956
Balance at end of year, at fair value.....	\$ 978,196,836	\$ 899,652,118
CONTRIBUTIONS/DEDUCTIONS AND EFFECT ON INVESTMENTS (UNAUDITED)	FY 2018	FY 2017
CONTRIBUTIONS:		
Participant.....	\$ 14,295,562	\$ 14,770,467
Employer.....	135,962,000	131,334,000
Total Contributions.....	150,257,562	146,104,467
DEDUCTIONS:		
Benefits.....	148,146,938	140,497,204
Refunds.....	481,716	974,665
Administration.....	897,285	914,405
Total Deductions.....	149,525,939	142,386,274
Contributions in Excess of Deductions (Investments used to pay Benefits and Expenses).....	\$ 731,623	\$ 3,718,193
SUPPLEMENTARY INFORMATION (UNAUDITED)	June 30, 2018	June 30, 2017
Number of System employees.....	5	5
Retirees and beneficiaries receiving benefits.....	1,193	1,175
Total members.....	945	964
Total active members.....	936	953
Money-weighted rate of return.....	7.5%	12.4%
EXECUTIVE SECRETARY		
During Engagement Period: Timothy Blair		
Currently: Timothy Blair		