



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, 2020

Release Date: May 19, 2021

|                             |          |
|-----------------------------|----------|
| <b>FINDINGS THIS AUDIT:</b> | <b>0</b> |
| <b>FINDINGS LAST AUDIT:</b> | <b>1</b> |

**INTRODUCTION**

This digest covers our Compliance Examination of the Judges' Retirement System for the year ended June 30, 2020. A separate Financial Audit as of and for the year ended June 30, 2020 was previously released on January 27, 2021. The financial report contained no findings.

**ACCOUNTANT'S OPINION**

The accountants conducted a compliance examination of the Judges' Retirement System for the year ended June 30, 2020, as required by the Illinois State Auditing Act. The accountants stated the Judges' Retirement System complied, in all material respects, with the requirements described in the report.

This 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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**JUDGES' RETIREMENT SYSTEM OF ILLINOIS**  
**COMPLIANCE EXAMINATION**  
**For the Year Ended June 30, 2020**

| <b>EXPENSE AND RECEIPT STATISTICS</b>   | <b>FY 2020</b>          | <b>FY 2019</b>          |
|---|-------------------------|-------------------------|
| <b>Total Expenditures</b> .....   | <b>\$ 311,388,580</b>   | <b>\$ 299,911,277</b>   |
| General Revenue Fund - 001:   |                         |                         |
| Appropriation for State's contribution.....   | 144,160,000             | 140,469,000             |
| Judges' Retirement System Fund - 477:   |                         |                         |
| Pensions, annuities and benefits.....   | 163,587,623             | 155,565,148             |
| Personal services.....  | 564,989                 | 467,784                 |
| Other payroll costs.....  | 470,684                 | 398,546                 |
| Refunds.....  | 422,415                 | 956,045                 |
| Contractual services.....   | 149,103                 | 168,905                 |
| Electronic data processing.....   | 66,748                  | 74,037                  |
| All other expenses.....   | 9,922                   | 13,892                  |
| Judges' Retirement Excess Benefit Fund - 787:   |                         |                         |
| Pensions, annuities and benefits.....   | 1,957,096               | 1,797,920               |
| <b>Total Receipts</b> .....   | <b>\$ 176,232,701</b>   | <b>\$ 157,606,692</b>   |
| <b>CHANGES IN INVESTMENT BALANCES</b>   | <b>June 30, 2020</b>    | <b>June 30, 2019</b>    |
| Balance at beginning of year, at fair value.....  | \$ 1,040,123,694        | \$ 978,196,836          |
| Net cash transferred to (from) investments, net.....  | (11,000,000)            | (2,350,000)             |
| Net investments.....  | 1,029,123,694           | 975,846,836             |
| Investment income - interest, dividends and other.....  | 11,938,509              | 16,747,914              |
| Investment expenses.....  | (1,444,664)             | (1,413,265)             |
| Net investment income.....  | 10,493,845              | 15,334,649              |
| Net unrealized gain (loss) on investments.....  | 9,246,190               | (10,208,198)            |
| Net realized gain on sales of investments.....  | 28,027,429              | 59,150,407              |
| Net appreciation (depreciation) in fair value of investments.....                             | 37,273,619              | 48,942,209              |
| Total net investment income (loss).....   | 47,767,464              | 64,276,858              |
| Balance at end of year, at fair value.....  | <u>\$ 1,076,891,158</u> | <u>\$ 1,040,123,694</u> |
| <b>SCHEDULE OF CONTRIBUTIONS/DEDUCTIONS AND EFFECT ON INVESTMENTS<br/>(UNAUDITED)</b>         | <b>FY 2020</b>          | <b>FY 2019</b>          |
| <b>CONTRIBUTIONS:</b>   |                         |                         |
| Participant.....  | \$ 14,508,095           | \$ 14,610,446           |
| Employer.....   | 144,160,000             | 140,518,962             |
| Total Contributions.....  | <u>158,668,095</u>      | <u>155,129,408</u>      |
| <b>DEDUCTIONS:</b>  |                         |                         |
| Benefits.....   | 165,544,383             | 157,349,969             |
| Refunds.....  | 437,766                 | 990,688                 |
| Administration.....   | 1,031,845               | 910,537                 |
| Total Deductions.....   | <u>167,013,994</u>      | <u>159,251,194</u>      |
| Contributions in Excess of Deductions (Investments used to pay<br>Benefits and Expenses)..... | <u>\$ (8,345,899)</u>   | <u>\$ (4,121,786)</u>   |
| <b>SUPPLEMENTARY INFORMATION (UNAUDITED)</b>  | <b>June 30, 2020</b>    | <b>June 30, 2019</b>    |
| Number of System employees.....   | 5                       | 5                       |
| Money-weighted rate of return.....  | 4.7%                    | 7.2%                    |
| <b>EXECUTIVE SECRETARY</b>  |                         |                         |
| During Engagement Period: Timothy Blair   |                         |                         |
| Currently: Timothy Blair  |                         |                         |