



STATE OF ILLINOIS
**OFFICE OF THE
AUDITOR GENERAL**

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

**OFFICE OF THE STATE TREASURER –
THE ILLINOIS FUNDS**

**Financial Audit
For the Year Ended June 30, 2015**

Release Date: January 21, 2016

FINDINGS THIS AUDIT:	0
FINDINGS LAST AUDIT:	0

INTRODUCTION

The Illinois Funds was established under the name Illinois Public Treasurers' Investment Pool (IPTIP) in 1976 to supplement and enhance the investment opportunities available to custodians of public agency funds throughout the State of Illinois. The management, custodianship and operation of The Illinois Funds are under the supervision of the State of Illinois – Office of the Treasurer.

To administer the Illinois Funds, the Treasurer has established a division entitled "The Illinois Funds Administrative Office." The revenues and expenditures of the Division were recorded in a fund maintained by the Treasurer entitled "The Illinois Funds Administrative Trust Fund."

An investment trust fund is used to account for assets held by The Illinois Funds in a trustee capacity for public treasurers throughout the State of Illinois. The custodian for this fund is US Bank.

AUDITOR'S OPINION

Our auditors stated that the June 30, 2015 financial statements of the Office of the State Treasurer – The Illinois Funds are presented fairly in all material respects.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:jsc

SPECIAL ASSISTANT AUDITORS

Our Special Assistant Auditors for this audit were RSM US LLP.

{Financial information is summarized on next page.}

OFFICE OF THE TREASURER - THE ILLINOIS FUNDS
FINANCIAL AUDIT
For the Year Ended June 30, 2015

STATEMENTS OF FIDUCIARY NET POSITION	2015	2014
Assets		
Repurchase Agreements.....	\$ 2,050,004,153	\$ 2,000,003,222
Commercial Paper	1,411,187,182	1,720,726,777
Money Market Mutual Funds.....	667,278,692	414,527,692
U.S. Treasury Bills	49,962,952	-
U.S. Treasury Notes	100,063,488	325,494,902
U.S. Agency Obligations		
Federal Home Loan Bank Debentures.....	324,997,454	100,000,000
Federal Home Loan Mortgage Corporation Discount Notes.....	182,458,965	90,216,541
Federal Home Loan Bank Discount Notes.....	239,926,606	508,215,546
Federal National Mortgage Association Discount Notes.....	24,995,448	99,999,778
Federal Farm Credit Banks Discount Notes.....	49,928,944	-
Federal Farm Credit Bureau Debentures.....	49,996,608	-
Federal Agriculture Mortgage Corporation Discount Notes.....	49,963,615	49,969,267
Accrued Interest Receivable.....	424,672	691,318
Total Assets.....	5,201,188,779	5,309,845,043
Liabilities		
Bank Custodial Fees Payable.....	143,198	142,985
State Management Fees Payable.....	217,253	216,791
Total Liabilities	360,451	359,776
Net Position Held in Trust for Pool Participants.....	\$ 5,200,828,328	\$ 5,309,485,267

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION	2015	2014
Revenues		
Investment Earnings.....	\$ 5,288,742	\$ 5,381,639
Expenses		
Bank Custodial Fees.....	1,767,163	1,818,312
State Management Fees.....	2,647,655	2,612,954
Total Expenses.....	4,414,818	4,431,266
Net Investment Earnings / Dividends to Participants.....	873,924	950,373
Share Transactions		
Subscriptions.....	19,081,201,240	19,673,536,873
Reinvestments.....	843,518	950,074
Redemptions.....	(19,190,701,697)	(20,211,343,359)
Change in Net Position.....	(108,656,939)	(536,856,412)
Net Position, Beginning of Year.....	5,309,485,267	5,846,341,679
Net Position, End of Year.....	\$ 5,200,828,328	\$ 5,309,485,267

SELECTED ACTIVITY MEASURES	2015	2014
Total Number of Participants.....	2,205	2,250
Number of State of Illinois Participants.....	31	31
Balance of State of Illinois Investments, end of year.....	\$ 1,542,063,924	\$ 1,704,602,148
Number of Employees, full time equivalents.....	17	17

TREASURER
During Engagement Period: Honorable Dan Rutherford (through 1-11-15); Honorable Michael Frerichs (effective 1-12-15)
Currently: Honorable Michael Frerichs