



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, 2016**

Release Date: January 24, 2017

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.

AUDITORS' OPINION

Our auditors stated that the June 30, 2016 financial statements of the Office of the Treasurer - The Illinois Funds are presented fairly in all material respects.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:sjs

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, 2016

STATEMENTS OF FIDUCIARY NET POSITION	2016	2015
Assets		
Repurchase Agreements.....	\$ 1,600,014,917	\$ 2,050,004,153
Commercial Paper	1,320,921,052	1,411,187,182
Money Market Mutual Funds.....	519,365,194	667,278,692
U.S. Treasury Bills	-	49,962,952
U.S. Treasury Notes	189,912,753	100,063,488
U.S. Agency Obligations		
Federal Home Loan Bank Debentures.....	150,000,000	324,997,454
Federal Home Loan Mortgage Corporation Notes.....	65,991,576	-
Federal Home Loan Mortgage Corporation Discount Notes.....	11,975,350	182,458,965
Federal Home Loan Bank Discount Notes.....	232,237,552	239,926,606
Federal National Mortgage Association Discount Notes.....	74,931,416	24,995,448
Federal Farm Credit Banks Discount Notes.....	149,713,233	49,928,944
Federal Farm Credit Bureau Debentures.....	25,000,000	49,996,608
Federal Agriculture Mortgage Corporation Discount Notes.....	-	49,963,615
Supranational Notes.....	100,911,289	-
Accrued Interest Receivable.....	705,334	424,672
Total Assets.....	<u>4,441,679,666</u>	<u>5,201,188,779</u>
Liabilities		
Bank Custodial Fees Payable.....	294,845	143,198
State Management Fees Payable.....	179,367	217,253
Total Liabilities	<u>474,212</u>	<u>360,451</u>
Net Position Held in Trust for Pool Participants.....	<u>\$ 4,441,205,454</u>	<u>\$ 5,200,828,328</u>
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION	2016	2015
Revenues		
Investment Earnings.....	\$ 11,440,716	\$ 5,288,742
Expenses		
Bank Custodial Fees.....	1,734,169	1,767,163
State Management Fees.....	2,415,223	2,647,655
Total Expenses.....	<u>4,149,392</u>	<u>4,414,818</u>
Net Investment Earnings / Dividends to Participants.....	7,291,324	873,924
Share Transactions		
Subscriptions.....	17,802,821,508	19,081,201,240
Reinvestments.....	7,332,497	843,518
Redemptions.....	<u>(18,569,776,879)</u>	<u>(19,190,701,697)</u>
Change in Net Position.....	(759,622,874)	(108,656,939)
Net Position, Beginning of Year.....	5,200,828,328	5,309,485,267
Net Position, End of Year.....	<u>\$ 4,441,205,454</u>	<u>\$ 5,200,828,328</u>
SELECTED ACTIVITY MEASURES	2016	2015
Total Number of Participants.....	1,670	2,205
Number of State of Illinois Participants.....	21	31
Balance of State of Illinois Investments, end of year.....	\$ 1,604,650,530	\$ 1,542,063,924
Number of Employees, full time equivalents.....	16	17
TREASURER		
During Engagement Period: Honorable Michael Frerichs		
Currently: Honorable Michael Frerichs		