



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

OFFICE OF THE TREASURER –
THE ILLINOIS FUNDS

Financial Audit
For the Year Ended June 30, 2024

Release Date: September 16, 2025

FINDINGS THIS AUDIT: 1				AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	1	0	1	No Repeat Findings			
Category 2:	0	0	0				
Category 3:	0	0	0				
TOTAL	1	0	1				
FINDINGS LAST AUDIT: 2							

SYNOPSIS

- **(24-01)** The Office of the Treasurer (Office) had inadequate internal controls over the reconciliation of investment balances between the Office's accounting records and bank records.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

OFFICE OF THE TREASURER - THE ILLINOIS FUNDS
FINANCIAL AUDIT
For the Year Ended June 30, 2024

STATEMENTS OF FIDUCIARY NET POSITION	2024	2023
Assets		
Cash.....	\$ 79,517	\$ 4,099
Repurchase Agreements.....	1,188,615,345	806,977,577
Commercial Paper	846,055,241	1,241,113,692
Money Market Mutual Funds.....	2,145,398,789	1,642,732,433
U.S. Treasury Bills	166,468,710	390,838,544
U.S. Treasury Notes	840,969,983	413,680,959
U.S. Agency Obligations		
Federal Home Loan Bank Debentures.....	162,494,306	755,340,437
Federal National Mortgage Association Debentures.....	166,749,154	103,444,164
Federal Farm Credit Bureau Debentures.....	81,989,029	367,864,001
Federal Home Loan Bank Discount Notes.....	41,620,160	-
Federal Home Loan Mortgage Corporation Debentures.....	36,122,036	-
Certificates of Deposit.....	254,717,151	152,466,764
Supranational Notes.....	159,043,563	167,140,151
Corporate Bonds.....	2,479,884,334	1,864,467,028
Accrued Interest Receivable.....	42,543,253	35,645,186
Total Assets.....	<u>8,612,750,571</u>	<u>7,941,715,035</u>
Liabilities		
Bank Custodial Fees Payable.....	160,105	156,139
State Management Fees Payable.....	499,628	467,093
Total Liabilities	<u>659,733</u>	<u>623,232</u>
Net Position Held in Trust for Pool Participants.....	<u>\$ 8,612,090,838</u>	<u>\$ 7,941,091,803</u>
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION	2024	2023
Revenues		
Investment Earnings.....	<u>\$ 452,288,440</u>	<u>\$ 294,913,935</u>
Expenses		
Bank Custodial Fees.....	1,872,952	1,752,150
State Management Fees.....	4,013,519	3,719,601
Total Expenses.....	<u>5,886,471</u>	<u>5,471,751</u>
Net Investment Earnings / Dividends to Participants.....	446,401,969	289,442,184
Share Transactions		
Subscriptions.....	15,832,156,429	15,345,076,644
Reinvestments.....	436,817,759	284,010,750
Redemptions.....	<u>(15,597,975,153)</u>	<u>(14,554,516,374)</u>
Change in Net Position.....	670,999,035	1,074,571,020
Net Position, Beginning of Year.....	7,941,091,803	6,866,520,783
Net Position, End of Year.....	<u>\$ 8,612,090,838</u>	<u>\$ 7,941,091,803</u>
TREASURER		
During Engagement Period: Honorable Michael Frerichs		
Currently: Honorable Michael Frerichs		

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

INADEQUATE INTERNAL CONTROLS RELATED TO REVIEW OF INVESTMENTS

The Office of the Treasurer (Office) had inadequate controls over the reconciliation of investment balances between the Office's accounting records and bank records.

The Office did not have adequate controls in place to ensure the Office's internal accounting records were reconciled to the bank's investment inventory reports

The Illinois Funds' investments were maintained at a bank, a third-party service provider and program manager, which provided investment inventory reports to the Office. While the Office relied on these reports to present investment holdings in its financial statements, it did not have adequate internal controls in place to ensure the Office's internal accounting records were accurately and consistently reconciled to the investment inventory reports provided by the bank. A formal preparer and reviewer was not documented and reconciling items were not included on the inventory spreadsheet. (Finding 1, page 75)

We recommended the Office improve controls over the review of investments by completing a reconciliation between the Office's accounting records and the bank records that includes a formal sign-off of preparer and reviewer on a monthly basis.

Office accepted

The Office accepted the audit recommendation. The Office stated it has implemented a new reconciliation procedure over these funds.

AUDITOR'S OPINION

The auditors stated the financial statements of the Office as of and for the years ended June 30, 2024, and June 30, 2023, are fairly stated in all material respects.

This financial audit was conducted by Crowe LLP.

SIGNED ORIGINAL ON FILE

COURTNEY DZIERWA
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

FJM:SJS