



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

William G. Holland, Auditor General

**SUMMARY REPORT DIGEST**

**OFFICE OF THE TREASURER**  
**CHANGE OVER AUDIT**

**Financial Audits and Agreed-Upon Procedures  
For the Period July 1, 2014 through the  
Opening of Business January 12, 2015**

**Release Date: May 21, 2015**

<b>FINDINGS THIS AUDIT:</b>	<b>0</b>
<b>FINDINGS LAST AUDIT:</b>	<b>0</b>

**INTRODUCTION**

The Illinois State Auditing Act (30 ILCS 5/3-2.1) requires the Office of the Auditor General to “conduct a change over audit of the State Treasurer’s accounts at the conclusion of each term of office of the State Treasurer or, in the case of successive terms by a State Treasurer, at the conclusion of that State Treasurer’s time in office.”

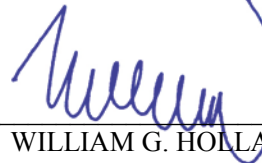
This digest presents our financial audits of the Office of the Treasurer Fiscal Officer Responsibilities, Illinois Funds, and College Savings Program for the period July 1, 2014 through the opening of business January 12, 2015.

In addition, Agreed-Upon Procedures covering insurance in force, fixed assets, unclaimed property, locally held funds, and unexpended appropriations were performed for the period July 1, 2014 through the opening of business January 12, 2015.

There were no *Government Auditing Standards* findings disclosed during our financial audit. Four exceptions were disclosed in our agreed-upon procedures testing of unclaimed property.

**AUDITORS' OPINIONS**

Our auditors stated the financial statements of the Office of the Treasurer Fiscal Officer Responsibilities, the Illinois Funds and College Savings Program as of January 12, 2015, and for the period July 1, 2014 through the opening of business January 12, 2015, are fairly stated in all material respects.

  
\_\_\_\_\_  
WILLIAM G. HOLLAND  
Auditor General

WGH:JAF

**SPECIAL ASSISTANT AUDITORS**

Our Special Assistant Auditors for this engagement were McGladrey LLP.

{Financial information is summarized on the following pages.}

**OFFICE OF THE TREASURER - STATE OF ILLINOIS**  
**FISCAL OFFICER RESPONSIBILITIES**  
**FINANCIAL AUDIT**

**For the Period July 1, 2014 through the Opening of Business January 12, 2015**

<b>ASSETS, LIABILITIES AND ACCOUNTABILITIES</b>	<b>JANUARY 12, 2015</b>
<b>Assets and Other Debits</b>	
Cash and Cash Equivalents.....	\$ 5,717,915,793
Deposits and Investments, short-term.....	5,154,705,047
Deposits and Investments, long-term.....	2,298,853,063
Securities Lending Collateral.....	5,166,219,477
Other Assets.....	13,899,072
Amount of Future General Revenue Obligated for Debt Service.....	41,313,058,429
<b>Total Assets and Other Debits.....</b>	<b>\$ 59,664,650,881</b>
<b>Liabilities and Accountabilities</b>	
Liabilities for Balances on Deposit.....	\$ 12,199,736,440
Obligations Under Securities Lending.....	5,166,219,477
General Obligation Indebtedness.....	42,286,706,191
Accountabilities.....	11,988,773
<b>Total Liabilities and Accountabilities.....</b>	<b>\$ 59,664,650,881</b>
<b>FINANCIAL HIGHLIGHTS</b>	<b>July 1, 2014 through the Opening of Business January 12, 2015</b>
Investment income earned.....	\$ 22,353,332
Average yield on investments (unaudited).....	0.34%
Increase in investment base from prior year (unaudited).....	\$ 898,105,298
Total amount of estate tax collections (unaudited).....	\$ 175,679,169
Total amount of estate tax refunds (unaudited).....	\$ 10,691,408
Number of warrants issued, countersigned and recorded (unaudited).....	1,319,577
Number of warrants canceled, paid and recorded (unaudited).....	1,354,137
Amount of warrants issued, countersigned and recorded (unaudited).....	\$ 42,487,009,035
<b>STATE TREASURER</b>	
During Engagement Period: Honorable Dan Rutherford (July 1, 2014 - January 12, 2015); Honorable Michael Frerichs (effective January 12, 2015)	
Currently: Honorable Michael Frerichs	

**OFFICE OF THE TREASURER - STATE OF ILLINOIS**  
**THE ILLINOIS FUNDS**  
**FINANCIAL AUDIT**  
For the Period July 1, 2014 through the Opening of Business January 12, 2015

<b>STATEMENT OF FIDUCIARY NET POSITION</b>	<b>January 12, 2015</b>
<b>Assets</b>	
Repurchase Agreements.....	\$ 1,700,006,083
Commercial Paper .....	1,639,895,062
Money Market Mutual Funds.....	789,504,926
U.S. Treasury Bills .....	49,915,612
U.S. Treasury Notes .....	125,211,584
U.S. Agency Obligations, net of unamortized discounts	
Federal Agriculture Mortgage Corporation Discount Notes.....	69,958,694
Federal Home Loan Bank Discount Notes.....	399,667,666
Federal Home Loan Bank Notes.....	249,998,827
Federal Home Loan Mortgage Corporation Discount Notes.....	159,354,409
Federal Farm Credit Bank Discount Notes.....	24,975,889
Federal Farm Credit Bank Notes.....	25,000,000
Federal National Mortgage Association Discount Notes.....	99,966,944
Accrued Interest Receivable.....	394,441
Total Assets.....	<u>5,333,850,137</u>
<b>Liabilities</b>	
Bank Custodial Fees Payable.....	52,308
State Management Fees Payable.....	78,288
Dividend Payable.....	2,878
Total Liabilities .....	<u>133,474</u>
Net Position Held in Trust for Pool Participants.....	<u>\$ 5,333,716,663</u>
<b>STATEMENT OF CHANGES IN FIDUCIARY NET POSITION</b>	<b>July 1, 2014 through the Opening of Business January 12, 2015</b>
<b>Investment Income</b>	
Investment Earnings.....	\$ 2,740,991
<b>Investment Expenses</b>	
Bank Custodial Fees.....	957,751
State Management Fees.....	1,427,090
Total Expenses.....	<u>2,384,841</u>
Net Investment Income/ Dividends to Participants.....	356,150
<b>Share Transactions</b>	
Subscriptions.....	9,846,210,691
Reinvestments.....	323,047
Redemptions.....	<u>(9,822,302,342)</u>
Change in Net Position.....	24,231,396
Net Position, July 1, 2014.....	<u>5,309,485,267</u>
Net Position, Opening of Business January 12, 2015.....	<u>\$ 5,333,716,663</u>
<b>SELECTED ACTIVITY MEASURES</b>	<b>January 12, 2015</b>
Total Number of Participants.....	2,225
Number of State of Illinois Participants.....	31
Balance of State of Illinois Investments, as of December 31, 2014.....	\$ 1,507,707,259
Average Number of Full Time Equivalent Employees.....	17
<b>TREASURER</b>	
During Engagement Period: Honorable Dan Rutherford (July 1, 2014 - January 12, 2015); Honorable Michael Frerichs (effective January 12, 2015) Currently: Honorable Michael Frerichs	

**OFFICE OF THE STATE TREASURER - STATE OF ILLINOIS**  
**COLLEGE SAVINGS PROGRAM**  
**FINANCIAL AUDIT**

**For the Period July 1, 2014 through the Opening of Business January 12, 2015**

<b>STATEMENT OF FIDUCIARY NET POSITION</b>	<b>January 12, 2015</b>
<b>Assets</b>	
Cash and Cash Equivalents.....	\$ 530,201,562
Capital Shares Receivable.....	9,094,867
Securities Sold and Dividends Receivable.....	2,677,412
Mutual Funds.....	6,620,316,120
Total Assets.....	<u>\$ 7,162,289,961</u>
<b>Liabilities and Net Position</b>	
Payable for Capital Shares.....	\$ 7,618,859
Payable for Securities Purchased.....	2,336,713
Other Liabilities.....	3,391,675
Total Liabilities.....	<u>13,347,247</u>
Net Position Held in Trust for Participants.....	7,148,942,714
Total Liabilities and Net Position.....	<u>\$ 7,162,289,961</u>
<b>STATEMENT OF CHANGES IN FIDUCIARY NET POSITION</b>	<b>July 1, 2014 through the Opening of Business January 12, 2015</b>
<b>Investment Income (Expense)</b>	
Investment Earnings.....	\$ 83,492,003
Net Change in Fair Value of Investments .....	(36,040,220)
Distribution Fees.....	(2,330,767)
State Administrative Fees.....	(981,285)
12b-1 Fees.....	(2,786,100)
Other Operating Expenses.....	(1,375)
Management and Bank Custodial Fees.....	(6,817,462)
Net Investment Earnings.....	<u>34,534,794</u>
Distribution to Participants - Net Investment Income.....	<u>(9,819)</u>
<b>Other Participant Transactions</b>	
Program Contributions.....	1,482,422,751
Program Distributions.....	(1,244,675,399)
Distributions Reinvested.....	8,088
Total Increase from Participant Transactions.....	<u>237,755,440</u>
Change in Net Position.....	272,280,415
Net Position, July 1, 2014.....	<u>6,876,662,299</u>
Net Position, Opening of Business January 12, 2015.....	<u>\$ 7,148,942,714</u>
<b>STATE TREASURER</b>	
During Engagement Period: Honorable Dan Rutherford (July 1, 2014 - January 12, 2015); Honorable Michael Frerichs (effective January 12, 2015)	
Currently: Honorable Michael Frerichs	