



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS STATE BOARD OF INVESTMENT

**Financial Audit
For the Year Ended June 30, 2014**

Release Date: December 18, 2014

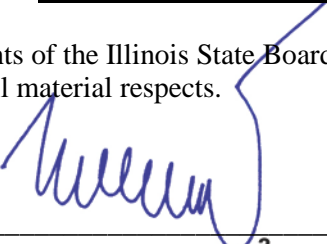
FINDINGS THIS AUDIT:	0
FINDINGS LAST AUDIT:	0

INTRODUCTION

This digest covers the Illinois State Board of Investment Financial Audit as of and for the year ended June 30, 2014. The Illinois State Board of Investment's Compliance Examination covering the year ended June 30, 2014 will be issued in a separate report at a later date.

AUDITOR'S OPINION

Our auditors stated the financial statements of the Illinois State Board of Investment as of June 30, 2014, and for the year then ended, are fairly stated in all material respects.



WILLIAM G. HOLLAND
Auditor General

WGH:TLK

SPECIAL ASSISTANT AUDITORS

Our Special Assistant Auditors for this audit were McGladrey LLP.

{Financial information is summarized on next page.}

ILLINOIS STATE BOARD OF INVESTMENT

FINANCIAL AUDIT

For the Year Ended June 30, 2014

STATEMENT OF CHANGES IN NET POSITION	FY 2014	FY 2013
Additions:		
Investment Income - Increase in Fair Value.....	\$ 1,908,636,433	\$ 1,250,868,283
Investment Income - Interest & Dividends.....	417,760,774	366,195,045
Investment Income - Securities Lending.....	3,235,139	4,740,147
Total Investment Income.....	2,329,632,346	1,621,803,475
Member Systems' Contributions.....	16,000,000	-
Total Additions.....	2,345,632,346	1,621,803,475
Deductions:		
Salaries and Benefits.....	1,893,527	1,967,838
Operating Expenses.....	603,830	538,171
External Support (consulting and investment fees).....	40,188,622	35,319,613
Member Systems' Withdrawals.....	64,407,580	29,700,000
Total Deductions.....	107,093,559	67,525,622
Increase in Net Position.....	2,238,538,787	1,554,277,853
Net Position Beginning of the Year.....	12,838,214,538	11,283,936,685
Net Position End of the Year.....	\$ 15,076,753,325	\$ 12,838,214,538
EXTERNAL SUPPORT EXPENSES		
Custody.....	\$ 219,517	\$ 219,516
Consulting and Professional.....	1,209,191	1,059,070
Investment Advisors / Managers.....	38,474,339	33,797,654
Investment Services and Research.....	285,575	243,373
Total External Support Expenses.....	\$ 40,188,622	\$ 35,319,613
MEMBER SYSTEMS' NET CONTRIBUTIONS (WITHDRAWALS)		
State Employees' Retirement System.....	\$ (58,607,580)	\$ -
Judges' Retirement System.....	16,000,000	(23,200,000)
General Assembly Retirement System.....	(5,800,000)	(6,500,000)
Total Member Systems' Withdrawals.....	\$ (48,407,580)	\$ (29,700,000)
INVESTMENT PORTFOLIO ANALYSIS - Fair Value		
Government and Agency Obligations.....	\$ 782,781,918	\$ 885,452,173
Foreign Obligations.....	830,485,454	414,158,908
Corporate Obligations.....	797,788,043	672,674,316
Common Stock and Equity Funds.....	4,543,452,501	3,907,881,384
Commingled Funds.....	731,428,365	316,711,664
Foreign Preferred Stock	72,750	480,436
Foreign Equity Securities.....	2,341,436,888	2,324,274,475
Hedge Funds.....	1,481,938,543	1,164,041,715
Real Estate Funds.....	1,480,243,122	1,291,759,244
Private Equity.....	666,288,596	642,362,400
Money Market Instruments.....	217,266,893	237,128,125
Real Assets.....	523,152,831	549,530,135
Bank Loans.....	687,768,412	415,734,675
Foreign Currency Forward Contracts.....	(636,223)	(411,919)
Total Investment Portfolio.....	\$ 15,083,468,093	\$ 12,821,777,731
SELECTED ACCOUNT BALANCES		
Cash.....	\$ 9,376,958	\$ 21,341,438
Illinois Power Agency Trust Fund - Cash.....	\$ 20,289	\$ 46,949
Illinois Power Agency Trust Fund - Investments.....	\$ 32,636,579	\$ 28,206,539
Total Accounts Receivable	\$ 400,431,686	\$ 418,009,493
Prepaid Expenses.....	\$ 14,534	\$ 27,885
Capital Assets.....	\$ 42,422	\$ 43,979
Administrative Expenses Payable.....	\$ 8,378,940	\$ 7,051,522
Investments Purchased Payable.....	\$ 406,924,166	\$ 412,911,779
BOARD CHIEF EXECUTIVES		
During Engagement Period and Current: Executive Director: William R. Atwood Chairman: Devon Bruce		