



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS STATE BOARD OF INVESTMENT

**Financial Audit
For the Year Ended June 30, 2019**

Release Date: December 19, 2019

FINDINGS THIS AUDIT:	0
FINDINGS LAST AUDIT:	1

INTRODUCTION

This digest covers the Illinois State Board of Investment's (Board or ISBI) financial audit as of and for the year ended June 30, 2019. The Board's compliance examination covering the year ended June 30, 2019 will be issued at a later date.

AUDITOR'S OPINION

The auditors stated the financial statements of the Board as of and for the year ended June 30, 2019 are fairly stated in all material respects.

This financial audit was conducted by KPMG LLP.

SIGNED ORIGINAL ON FILE

JANE CLARK
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

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{Financial information is summarized on next page.}

ILLINOIS STATE BOARD OF INVESTMENT
FINANCIAL AUDIT
For the Year Ended June 30, 2019

STATEMENT OF CHANGES IN NET POSITION	FY 2019	FY 2018
Additions:		
Investment Income -Increase in Fair Value.....	\$ 897,360,790	\$ 955,091,039
Investment Income - Interest and Dividends.....	310,360,229	398,862,807
Investment Income - Securities Lending.....	102	1,813,501
Total Investment Income.....	1,207,721,121	1,355,767,347
Member Systems' Contributions.....	-	12,300,000
Total Additions.....	1,207,721,121	1,368,067,347
Deductions:		
Salaries and Benefits.....	2,420,766	2,254,901
Operating Expenses.....	992,735	1,106,868
External Support (consulting and investment fees).....	22,743,248	23,788,885
Member Systems' Withdrawals.....	359,610,000	312,500,000
Total Deductions.....	385,766,749	339,650,654
Increase in Net Position.....	821,954,372	1,028,416,693
Net Position Beginning of the Year.....	18,297,822,252	17,269,405,559
Net Position End of the Year.....	\$ 19,119,776,624	\$ 18,297,822,252
EXTERNAL SUPPORT EXPENSES		
Custody.....	\$ 548,866	\$ 548,819
Consulting and Professional.....	889,980	1,344,519
Investment Advisors / Managers.....	21,073,180	21,569,739
Investment Services and Research.....	231,222	325,808
Total External Support Expenses.....	\$ 22,743,248	\$ 23,788,885
MEMBER SYSTEMS' NET CONTRIBUTIONS (WITHDRAWALS)		
State Employees' Retirement System.....	\$ (357,000,000)	\$ (310,000,000)
Judges' Retirement System.....	(2,350,000)	9,100,000
General Assembly Retirement System.....	(260,000)	700,000
Total Member Systems' Withdrawals.....	\$ (359,610,000)	\$ (300,200,000)
INVESTMENT PORTFOLIO ANALYSIS - Fair Value		
	June 30, 2019	June 30, 2018
Government and Agency Obligations.....	\$ 248,697,539	\$ 3,765,051,555
Foreign Obligations.....	145,535,870	316,403,682
Corporate Obligations and Municipal Bonds.....	688,180,345	984,988,473
Common Stock and Equity Funds.....	2,955,605,394	5,216,211,086
Commingled Funds.....	10,769,397,596	1,718,213,289
Foreign Preferred Stock	50,367	8,745,516
Foreign Equity Securities.....	232,693,004	2,296,434,921
Hedge Funds.....	141,423,708	359,984,365
Opportunistic Debt.....	505,107,594	224,579,428
Real Estate Funds.....	1,733,849,636	1,591,416,371
Private Equity.....	777,868,540	705,279,991
Money Market Instruments.....	156,392,534	231,255,816
Infrastructure.....	315,612,411	408,124,365
Bank Loans.....	391,212,755	463,338,185
Foreign Currency Forward Contracts.....	-	(7,830,538)
Total Investment Portfolio.....	\$ 19,061,627,293	\$ 18,282,196,505
SELECTED ACCOUNT BALANCES		
	June 30, 2019	June 30, 2018
Cash.....	\$ 10,592,860	\$ 14,256,203
Illinois Power Agency Trust Fund - Cash.....	\$ 21,878	\$ 30,084
Illinois Power Agency Trust Fund - Investments.....	\$ 39,368,288	\$ 38,579,223
Total Receivables	\$ 158,428,030	\$ 96,731,705
Prepaid Expenses.....	\$ 80,935	\$ 76,552
Capital Assets.....	\$ 55,702	\$ 55,856
Administrative Expenses Payable.....	\$ 7,419,295	\$ 7,736,427
Investments Purchased Payable.....	\$ 103,588,901	\$ 87,758,142
BOARD CHIEF EXECUTIVES		
During Engagement Period: Executive Director: Johara Farhadieh; Chairwoman: Justice Mary Seminara-Schostok		
Current: Executive Director: Johara Farhadieh; Chairwoman: Justice Mary Seminara-Schostok		