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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

5-94-53500-10

REPORT DIGEST

**ILLINOIS STATE BOARD OF INVESTMENT
COMPLIANCE AUDIT
FOR THE YEAR ENDED JUNE 30, 1994**

INTRODUCTION

This digest covers our compliance audit of the Board for the year ended June 30, 1994. A financial audit covering the year ending June 30, 1994 was previously issued.

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

There were no material findings of noncompliance disclosed during our audit tests. The one recommendation from our prior audit was implemented. We commend the Board for maintaining effective fiscal controls.

A handwritten signature in black ink, appearing to read 'WGH', written over a horizontal line.

WILLIAM G. HOLLAND, Auditor General

WGH:KMA:pp
March 28, 1995

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	0	1
Repeated findings	0	0
Prior recommendations implemented or not repeated	1	0

SPECIAL ASSISTANT AUDITORS

Grant Thornton were our special assistant auditors for this audit.

{Financial Information is summarized on the reverse page.}

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ILLINOIS STATE BOARD OF INVESTMENT
INFORMATION FROM FINANCIAL AND COMPLIANCE AUDITS
For The Year Ended June 30, 1994

NET ASSETS	June 30, 1994	June 30, 1993
Investments, at Market Value		
U.S. Government and Agency Obligations	\$ 653,122,784	\$ 636,019,444
Foreign Obligations	40,726,130	65,101,916
Corporate Obligations	866,691,876	937,681,220
Convertible Bonds	29,143,894	36,309,026
Common Stock & Equity Funds	1,585,926,478	1,487,719,100
Convertible Preferred Stock	21,088,797	17,043,075
Preferred Stock	5,900,323	9,578,611
Foreign Equity Securities	359,170,019	284,093,447
Real Estate Funds	281,508,859	301,829,401
Non-marketable Securities	190,016,100	170,390,328
Money Market Instruments	263,051,162	271,335,332
Forward Foreign Exchange Contracts	<u>(1,736,655)</u>	<u>(111,282)</u>
	4,294,609,767	4,216,989,618
Other Assets, Less Liabilities	<u>10,745,005</u>	<u>15,046,683</u>
Net Assets, at Market Value	<u>\$4,305,354,772</u>	<u>\$4,232,036,301</u>
Net Assets, at Cost	<u>\$3,945,247,494</u>	<u>\$3,708,781,886</u>

FINANCIAL HIGHLIGHTS	YEAR ENDED JUNE 30, 1994	YEAR ENDED JUNE 30, 1993
Net Investment Income	\$193,687,708	\$190,296,087
Net Realized Gain on Investments	\$138,477,900	\$140,498,271
Net Unrealized Gain (Loss) on Investments	\$(163,147,137)	\$134,508,577
Management Expenses	\$12,167,419	\$12,767,218
Annual Total Return	4.0%	12.1%

AGENCY DIRECTOR
During Audit Period: Jane R. Patterson Currently: Jane R. Patterson