



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

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

**OFFICE OF THE TREASURER –
THE ILLINOIS FUNDS**

**Financial Audit
For the Year Ended: June 30, 2011**

Release Date: March 6, 2012

Summary of Findings:

Total this audit:	0
Total last audit:	0
Repeated from last audit:	0

SYNOPSIS

This digest covers the financial statement audit of the Office of the Treasurer - The Illinois Funds for the year ended June 30, 2011.

The Illinois Funds was established under the name Illinois Public Treasurers' Investment Pool (IPTIP) in 1976 to supplement and enhance the investment opportunities available to custodians of public agency funds throughout the State of Illinois. The management, custodianship and operation of The Illinois Funds are under the supervision of the Office of the Treasurer – State of Illinois.

To administer the Illinois Funds, the Treasurer has established a division entitled “The Illinois Funds Administrative Office”. The revenues and expenditures of the Division were recorded in a fund maintained by the Treasurer entitled “The Illinois Funds Administrative Trust Fund”.

An investment trust fund is used to account for assets held by The Illinois Funds in a trustee capacity for public treasurers throughout the State of Illinois. The custodian for this fund is U.S. Bank of Illinois.

AUDITORS' OPINION

The auditors stated the financial statements of the Office of the Treasurer - The Illinois Funds as of June 30, 2011, and for the year then ended, are fairly stated in all material respects.

WILLIAM G. HOLLAND, Auditor General

WGH:RPU:rt

SPECIAL ASSISTANT AUDITORS

Our special assistant auditors for this audit were McGladrey & Pullen LLP.

{Financial data and activity measures are summarized on the next page.}

**OFFICE OF THE TREASURER - THE ILLINOIS FUNDS
FINANCIAL AUDIT
For The Year Ended June 30, 2011**

STATEMENTS OF FIDUCIARY NET ASSETS	June 30, 2011	June 30, 2010
ASSETS:		
Repurchase Agreements.....	\$ 2,275,016,285	\$ 2,375,001,167
Commercial Paper	1,574,636,980	1,724,816,062
Certificates of Deposit.....	14,198,301	44,236,504
Money Market Mutual Funds.....	557,065,102	562,002,301
U.S. Treasury Bills	499,869,508	-
U.S. Treasury Notes	226,651,069	-
U.S. Agency Obligations:		
- Federal Home Loan Bank Debentures.....	50,000,000	324,998,427
- Federal Home Loan Mortgage Corporation Discount Notes.....	51,368,188	74,990,243
- Federal Home Loan Bank Discount Notes.....	49,999,889	-
- Federal National Mortgage Association Discount Notes.....	274,873,417	149,991,722
- Federal Agriculture Mortgage Corporation Notes.....	-	60,000,000
- Federal Agriculture Mortgage Corporation Discount Notes.....	-	24,965,000
- Federal Deposit Insurance Corporation Guaranteed Floating Rate Notes.....	-	25,000,000
Accrued Interest Receivable.....	799,406	475,515
Total Assets.....	<u>\$ 5,574,478,145</u>	<u>\$ 5,366,476,941</u>
LIABILITIES AND NET ASSETS:		
Bank Custodial Fees Payable.....	\$ 151,078	\$ 143,064
State Management Fees Payable.....	234,004	260,345
Total Liabilities	<u>\$ 385,082</u>	<u>\$ 403,409</u>
Net Assets Available to Participants.....	<u>\$ 5,574,093,063</u>	<u>\$ 5,366,073,532</u>
STATEMENTS OF CHANGES IN FUDICIARY NET ASSETS	FY 2011	FY 2010
REVENUE: Investment Earnings.....	\$ 11,374,999	\$ 11,840,855
EXPENSES: Bank Custodial Fees.....	\$ 1,793,867	\$ 1,752,116
State Management Fees.....	3,226,341	3,196,903
Total Expenses.....	<u>\$ 5,020,208</u>	<u>\$ 4,949,019</u>
Net Investment Earnings / Dividends to Shareholders.....	<u>\$ 6,354,791</u>	<u>\$ 6,891,836</u>
Share Transactions: Subscriptions.....	\$ 20,171,505,496	\$ 18,352,916,349
Reinvestments.....	6,354,492	6,902,854
Redemptions.....	<u>(19,969,840,457)</u>	<u>(19,028,029,078)</u>
Increase / (Decrease) in Net Assets Available to Participants.....	\$ 208,019,531	\$ (668,209,875)
Net Assets Available to Participants, Beginning of Year.....	<u>5,366,073,532</u>	<u>6,034,283,407</u>
Net Assets Available to Participants, End of Year.....	<u>\$ 5,574,093,063</u>	<u>\$ 5,366,073,532</u>
SELECTED ACTIVITY MEASURES	FY 2011	FY 2010
Total Number of Participants.....	2,303	2,280
Number of State of Illinois Participants.....	30	29
Balance of State of Illinois Investments, end of year.....	\$ 1,314,336,467	\$ 1,414,512,872
Number of Employees, full time equivalents.....	25	27
TREASURER		
During Engagement Period: Honorable Alexi Giannoulis (ending 1-10-11), Honorable Dan Rutherford (beginning 1-10-11)		
Currently: Honorable Dan Rutherford		