



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, 2010**

**Release Date: January 20, 2011**

**Summary of Findings:**

<b>Total this audit:</b>	<b>0</b>
<b>Total last audit:</b>	<b>1</b>
<b>Repeated from last audit:</b>	<b>0</b>

**INTRODUCTION**

This digest covers our financial audit of Office of the Treasurer - The Illinois Funds for the year ended June 30, 2010.

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 was 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, 2010, and for the year then ended, are fairly stated in all material respects.

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WILLIAM G. HOLLAND  
Auditor General

WGH:RPU:pp

**SPECIAL ASSISTANT AUDITORS**

Our special assistant auditors for this audit were Crowe Horwath 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, 2010**

<b>STATEMENTS OF FIDUCIARY NET ASSETS</b>	<b>June 30, 2010</b>	<b>June 30, 2009</b>
<b>ASSETS:</b>		
Repurchase Agreements.....	\$ 2,375,001,167	\$ 2,320,002,128
Commercial Paper .....	1,724,816,062	199,995,722
Certificates of Deposit.....	44,236,504	132,133,869
Money Market Mutual Funds.....	562,002,301	545,495,021
U.S. Agency Obligations:		
- Federal Home Loan Bank Debentures.....	324,998,427	74,961,452
- Federal Home Loan Mortgage Corporation Discount Notes.....	74,990,243	294,189,301
- Federal Home Loan Bank Discount Notes.....	-	2,382,634,923
- Federal Home Loan Mortgage Corporation Callable Notes.....	-	35,000,000
- Federal National Mortgage Association Discount Notes.....	149,991,722	24,876,250
- 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	25,000,000
Accrued Interest Receivable.....	475,515	449,414
Total Assets.....	<u>\$ 5,366,476,941</u>	<u>\$ 6,034,738,080</u>
<b>LIABILITIES AND NET ASSETS:</b>		
Bank Custodial Fees Payable.....	\$ 143,064	\$ 162,209
State Management Fees Payable.....	260,345	292,464
Total Liabilities .....	<u>\$ 403,409</u>	<u>\$ 454,673</u>
Net Assets Available to Participants.....	<u>\$ 5,366,073,532</u>	<u>\$ 6,034,283,407</u>
<b>STATEMENTS OF CHANGES IN FIDUCIARY NET ASSETS</b>	<b>FY 2010</b>	<b>FY 2009</b>
REVENUE: Investment Earnings.....	\$ 11,840,855	\$ 66,418,655
EXPENSES: Bank Custodial Fees.....	\$ 1,752,116	\$ 2,050,236
State Management Fees.....	3,196,903	3,793,530
Total Expenses.....	<u>\$ 4,949,019</u>	<u>\$ 5,843,766</u>
Net Investment Earnings / Dividends to Shareholders.....	<u>\$ 6,891,836</u>	<u>\$ 60,574,889</u>
Share Transactions: Subscriptions.....	\$ 18,352,916,349	\$ 18,920,893,296
Reinvestments.....	6,902,854	61,206,843
Redemptions.....	<u>(19,028,029,078)</u>	<u>(20,078,680,789)</u>
Decrease in Net Assets Available to Participants.....	\$ (668,209,875)	\$ (1,096,580,650)
Net Assets Available to Participants, Beginning of Year.....	6,034,283,407	7,130,864,057
Net Assets Available to Participants, End of Year.....	<u>\$ 5,366,073,532</u>	<u>\$ 6,034,283,407</u>
<b>SELECTED ACTIVITY MEASURES</b>	<b>FY 2010</b>	<b>FY 2009</b>
Total Number of Participants.....	2,280	2,291
Number of State of Illinois Participants.....	29	30
Balance of State of Illinois Investments, end of year.....	\$ 1,414,512,872	\$ 1,412,068,363
Number of Employees, full time equivalents.....	27	27
<b>TREASURER</b>		
During Engagement Period: Honorable Alexi Giannoulis		
Currently: Honorable Dan Rutherford		