



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**OFFICE OF THE TREASURER -  
 THE ILLINOIS FUNDS**

Financial Audit  
 For the Year Ended June 30, 2025

Release Date: March 19, 2026

| FINDINGS THIS AUDIT: 2        |            |               |              | AGING SCHEDULE OF REPEATED FINDINGS |                   |                   |                   |
|-------------------------------|------------|---------------|--------------|-------------------------------------|-------------------|-------------------|-------------------|
|                               | <u>New</u> | <u>Repeat</u> | <u>Total</u> | <u>Repeated Since</u>               | <u>Category 1</u> | <u>Category 2</u> | <u>Category 3</u> |
| <b>Category 1:</b>            | <b>0</b>   | <b>1</b>      | <b>1</b>     | 2024                                | <b>25-01</b>      |                   |                   |
| Category 2:                   | 1          | 0             | 1            |                                     |                   |                   |                   |
| Category 3:                   | <u>0</u>   | <u>0</u>      | <u>0</u>     |                                     |                   |                   |                   |
| <b>TOTAL</b>                  | <b>1</b>   | <b>1</b>      | <b>2</b>     |                                     |                   |                   |                   |
| <b>FINDINGS LAST AUDIT: 1</b> |            |               |              |                                     |                   |                   |                   |

**SYNOPSIS**

- **(25-01)** The Office of the Treasurer (Office) had inadequate internal controls over the Office’s Illinois Funds Program financial statement preparation and review process.

**Category 1:** Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

**Category 2:** Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

**Category 3:** Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

**OFFICE OF THE TREASURER - THE ILLINOIS FUNDS**  
**FINANCIAL AUDIT**  
**For the Year Ended June 30, 2025**

| <b>STATEMENTS OF FIDUCIARY NET POSITION</b>              | <b>2025</b>             | <b>2024</b>             |
|----------------------------------------------------------|-------------------------|-------------------------|
| <b>Assets</b>                                            |                         |                         |
| Cash.....                                                | \$ (3,803)              | \$ 79,517               |
| Repurchase Agreements.....                               | 1,212,857,734           | 1,188,615,345           |
| Commercial Paper .....                                   | 919,325,432             | 846,055,241             |
| Money Market Mutual Funds.....                           | 2,199,484,397           | 2,145,398,789           |
| U.S. Treasury Bills .....                                | 127,010,869             | 166,468,710             |
| U.S. Treasury Notes .....                                | 926,477,405             | 840,969,983             |
| U.S. Agency Obligations                                  |                         |                         |
| Federal Home Loan Bank Debentures.....                   | 42,551,227              | 162,494,306             |
| Federal National Mortgage Association Debentures.....    | -                       | 166,749,154             |
| Federal Farm Credit Bureau Debentures.....               | 63,819,751              | 81,989,029              |
| Federal Home Loan Bank Discount Notes.....               | -                       | 41,620,160              |
| Federal Home Loan Mortgage Corporation Debentures.....   | -                       | 36,122,036              |
| Certificates of Deposit.....                             | 785,070,875             | 254,717,151             |
| Supranational Notes.....                                 | 532,852,565             | 159,043,563             |
| Corporate Bonds.....                                     | 2,331,224,892           | 2,479,884,334           |
| Accrued Interest Receivable.....                         | 40,631,254              | 42,543,253              |
| Total Assets.....                                        | <u>9,181,302,598</u>    | <u>8,612,750,571</u>    |
| <b>Liabilities</b>                                       |                         |                         |
| Bank Custodial Fees Payable.....                         | 103,081                 | 160,105                 |
| State Management Fees Payable.....                       | 472,206                 | 499,628                 |
| Total Liabilities .....                                  | <u>575,287</u>          | <u>659,733</u>          |
| Net Position Held in Trust for Pool Participants.....    | <u>\$ 9,180,727,311</u> | <u>\$ 8,612,090,838</u> |
| <b>STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION</b>   | <b>2025</b>             | <b>2024</b>             |
| <b>Investment Income</b>                                 |                         |                         |
| Investment Earnings.....                                 | <u>\$ 429,186,796</u>   | <u>\$ 452,288,440</u>   |
| <b>Investment Expenses</b>                               |                         |                         |
| Bank Custodial Fees.....                                 | 1,406,360               | 1,872,952               |
| State Management Fees.....                               | 4,395,558               | 4,013,519               |
| Total Expenses.....                                      | <u>5,801,918</u>        | <u>5,886,471</u>        |
| Net Investment Earnings / Dividends to Participants..... | 423,384,878             | 446,401,969             |
| <b>Share Transactions</b>                                |                         |                         |
| Subscriptions.....                                       | 16,677,901,235          | 15,832,156,429          |
| Reinvestments.....                                       | 416,883,921             | 436,817,759             |
| Redemptions.....                                         | <u>(16,526,148,683)</u> | <u>(15,597,975,153)</u> |
| Change in Net Position.....                              | 568,636,473             | 670,999,035             |
| Net Position, Beginning of Year.....                     | 8,612,090,838           | 7,941,091,803           |
| Net Position, End of Year.....                           | <u>\$ 9,180,727,311</u> | <u>\$ 8,612,090,838</u> |
| <b>TREASURER</b>                                         |                         |                         |
| During Engagement Period: Honorable Michael Frerichs     |                         |                         |
| Currently: Honorable Michael Frerichs                    |                         |                         |

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**INADEQUATE INTERNAL CONTROLS RELATED TO  
REVIEW OF FINANCIAL STATEMENTS**

The Office of the Treasurer (Office) had inadequate internal controls over the Office's Illinois Funds Program financial statement preparation and review process.

**Office did not have adequate controls to verify the completeness of reports obtained from the custodian**

During preparation of the financial statements, the Office did not verify completeness of the reports obtained from the custodian that were used to report the subscriptions, redemptions and reinvestments in the financial statements. This led to an understatement of subscriptions, redemptions and reinvestments on the Statement of Changes in Fiduciary Net Position of \$126,641,876. (Finding 1, page 65)

The Office elected not to make adjusting entries for the amount noted above due to the impact on the year-end financial statements and a waived entry was reported for the amount.

We recommended the Office improve controls over the financial statement preparation and review process by verifying completeness from the custodian used to report subscriptions, redemptions and reinvestments in the financial statements.

**Office accepted the recommendation**

The Office accepted the recommendation and stated it will work to implement additional internal controls in its review of custodian reporting to ensure proper financial reporting.

**OTHER FINDINGS**

The remaining finding pertains to the Office's inadequate internal controls related to review of service providers. We will review the Office's progress towards the implementation of our recommendations in our next financial audit.

**AUDITOR'S OPINION**

The auditors stated the financial statements of the Office of the Treasurer – The Illinois Funds as of and for the years ended June 30, 2025, and June 30, 2024, are fairly stated in all material respects.

This financial audit was conducted by Crowe LLP.

**SIGNED ORIGINAL ON FILE**

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COURTNEY DZIERWA  
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

**SIGNED ORIGINAL ON FILE**

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FRANK J. MAUTINO  
Auditor General

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