

REPORT DIGEST

ILLINOIS STATE BOARD OF INVESTMENT FINANCIAL AND COMPLIANCE AUDIT FOR THE YEAR ENDED JUNE 30, 1993

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

Our compliance audit report contains one finding concerning the Board's monitoring of fees charged and income earned under agreements with their investment custodian and fund managers. We noted specific instances where independent computations for reasonableness were not performed on a regular basis. Board officials agreed with our recommendation to enhance their policies and procedures to include additional verifications.

AUDITORS' OPINION

Our auditors state that the June 30, 1993 financial statements of the Board are fairly presented.

WILLIAM G. HOLLAND, Auditor General

WGH:KMA:pp

{Financial Information is summarized on the reverse page.}

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	10	
Repeated findings	00	
Prior recommendations implemented or not repeated	00	

SPECIAL ASSISTANT AUDITORS

Grant Thornton were our special assistant auditors for this audit.

ILLINOIS STATE BOARD OF INVESTMENT
FINANCIAL AND COMPLIANCE AUDIT
For The Year Ended June 30, 1993

NET ASSETS	June 30, 1993	June 30, 1992
Investments, at Market Value		
U.S. Government and Agency Obligations	\$ 636,019,444	\$ 571,466,100
Foreign Obligations	65,101,916	28,117,356
Corporate Obligations	937,681,220	786,650,074
Convertible Bonds	36,309,026	71,920,483
Common Stock & Equity Funds	1,487,719,100	1,404,854,602
Convertible Preferred Stock	17,043,075	18,796,336
Preferred Stock	9,578,611	5,527,737
Foreign Equity Securities	284,093,447	221,817,510
Real Estate Funds	301,829,401	325,963,498
Non-marketable Securities	170,390,328	178,844,300
Money Market Instruments	271,335,332	231,800,370
Forward Foreign Exchange Contracts	<u>(111,282)</u>	<u>(711,434)</u>
	4,216,989,618	3,845,046,932
Other Assets, Less Liabilities	<u>15,046,683</u>	<u>20,886,434</u>
Net Assets, at Market Value	<u>\$4,232,036,301</u>	<u>\$3,865,933,366</u>
Net Assets, at Cost	<u>\$3,708,781,886</u>	<u>\$3,477,187,528</u>

FINANCIAL HIGHLIGHTS	YEAR ENDED JUNE 30, 1993	YEAR ENDED JUNE 30, 1992
Net Investment Income	\$190,296,087	\$203,852,344
Net Realized Gain on Investments	\$140,498,271	\$163,189,567
Net Unrealized Gain on Investments	\$134,508,577	\$ 39,627,369
Management Expenses	\$12,767,218	\$12,525,388
Annual Total Return	12.1%	11.6%

AGENCY DIRECTOR

Ms. Jane R. Patterson
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