



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

William G. Holland, Auditor General

**SUMMARY REPORT DIGEST**

**OFFICE OF THE TREASURER**  
**FISCAL OFFICER RESPONSIBILITIES**

Financial Audit and Compliance Examination  
For the Year Ended June 30, 2014

Release Date: January 8, 2015

**FINDINGS THIS AUDIT: 1**

	<u>New</u>	<u>Repeat</u>	<u>Total</u>
<b>Category 1:</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Category 2:</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b>Category 3:</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>1</b>	<b>0</b>	<b>1</b>

**FINDINGS LAST AUDIT: 0**

**SYNOPSIS**

- (14-1) The Illinois Office of the Treasurer's required annual report was not submitted to the Governor on a timely basis.

**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.

{Financial information is summarized on next page.}

**OFFICE OF THE TREASURER - STATE OF ILLINOIS**  
**FISCAL OFFICER RESPONSIBILITIES**  
**FINANCIAL AUDIT AND COMPLIANCE EXAMINATION**  
**For the Years Ended June 30, 2014 and 2013**

<b>ASSETS, LIABILITIES AND ACCOUNTABILITIES</b>	<b>JUNE 30, 2014</b>	<b>JUNE 30, 2013</b>
<b>Assets and Other Debits</b>		
Cash and Cash Equivalents.....	\$ 4,870,308,907	\$ 4,301,127,469
Deposits and Investments, short-term.....	6,906,576,718	6,867,992,624
Deposits and Investments, long -term.....	2,305,519,611	1,402,562,725
Securities Lending Collateral.....	5,758,768,923	6,763,623,576
Other Assets.....	13,310,902	6,248,771
Amount of Future General Revenue Obligated for Debt Service.....	42,962,514,885	40,121,803,906
<b>TOTAL ASSETS AND OTHER DEBITS.....</b>	<b>\$ 62,816,999,946</b>	<b>\$ 59,463,359,071</b>
<b>Liabilities and Accountabilities</b>		
Liabilities for Balances on Deposit.....	\$ 12,519,029,368	\$ 11,152,440,237
Obligations Under Securities Lending.....	5,758,768,923	6,763,623,576
General Obligation Indebtedness.....	44,531,236,884	41,541,714,856
Accountabilities.....	7,964,771	5,580,402
<b>TOTAL LIABILITIES AND ACCOUNTABILITIES.....</b>	<b>\$ 62,816,999,946</b>	<b>\$ 59,463,359,071</b>
<b>FINANCIAL HIGHLIGHTS</b>	<b>2014</b>	<b>2013</b>
Investment income earned.....	\$ 39,812,457	\$ 37,288,376
Average yield on investments (unaudited).....	0.36%	0.36%
Increase in investment base from prior year (unaudited).....	\$ 1,276,875,845	\$ 974,790,962
Total amount of estate tax collections (unaudited).....	\$ 294,313,486	\$ 312,965,204
Total amount of estate tax distributions (unaudited).....	\$ -	\$ 2,612,908
Total amount of estate tax refunds (unaudited).....	\$ 17,395,864	\$ 13,440,082
Number of warrants issued, countersigned and recorded (unaudited).....	3,782,687	4,789,267
Number of warrants canceled, paid and recorded (unaudited).....	3,672,793	4,709,864
Amount of warrants issued, countersigned and recorded (unaudited).....	\$ 82,290,584,459	\$ 78,785,607,667
<b>STATE TREASURER</b>		
During Engagement Period: Honorable Dan Rutherford		
Currently: Honorable Dan Rutherford		

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**ANNUAL REPORT TO GOVERNOR NOT FILED  
TIMELY**

The Illinois Office of the Treasurer (Treasurer) did not present the required annual report to the Governor on a timely basis.

**Report due to Governor annually**

**Report includes all money received  
and all moneys paid out**

The State Treasurer Act (15 ILCS 505/15) states (with regards to the Treasurer), “He shall also make out and present to the Governor, at least ten days before each regular session of the General Assembly, a full report of all moneys by him received and paid out, and also a general account of all the business of his office.”

The annual reports for the 2012 and 2013 calendar years were late as follows.

**2012 and 2013 calendar year reports  
were late**

- The annual report for calendar year 2012 was submitted to the Governor on July 28<sup>th</sup>, 2014, which was approximately 574 days late.
- The annual report for calendar year 2013 was submitted to the Governor on August 18<sup>th</sup>, 2014, which was approximately 217 days late.

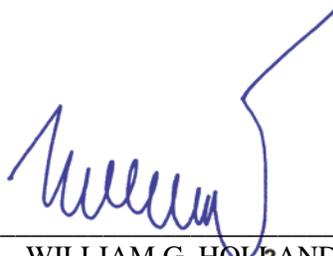
Officials of the Treasurer’s Office stated they were delayed in providing the report within ten days before regular session due to turnover within the Office. (Finding 1, page 9)

**Treasurer officials agree with  
auditors**

Treasurer officials agreed with our recommendation to comply with the Act and file its annual report to the Governor within the designated timeframe.

**AUDITOR’S OPINION**

The auditors stated the Office of the Treasurer, Fiscal Officer Responsibilities financial statements as of June 30, 2014 and for the year then ended were presented fairly in all material respects. The auditors noted the financial statements have been prepared by the Treasurer on the basis of the financial reporting provisions determined by the Office of the State Comptroller, which is a basis of accounting other than accounting principles general accepted in the United States of America, to meet the requirements of the State of Illinois. The auditor’s opinion was not modified with respect to this matter.



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WILLIAM G. HOLLAND  
Auditor General

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**SPECIAL ASSISTANT AUDITORS**

Our Special Assistant Auditors for this financial audit and State compliance examination were McGladrey LLP.