



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, 2012**

Release Date: January 10, 2013

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, 2012.

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, 2012, 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 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, 2012**

STATEMENTS OF FIDUCIARY NET ASSETS	June 30, 2012	June 30, 2011
ASSETS:		
Repurchase Agreements.....	\$ 3,150,026,292	\$ 2,275,016,285
Commercial Paper	1,759,785,612	1,574,636,980
Certificates of Deposit.....	-	14,198,301
Money Market Mutual Funds.....	243,950,787	557,065,102
U.S. Treasury Bills	124,979,420	499,869,508
U.S. Treasury Notes	225,791,490	226,651,069
U.S. Agency Obligations:		
- Federal Home Loan Bank Debentures.....	150,000,000	50,000,000
- Federal Home Loan Mortgage Corporation Discount Notes.....	49,981,722	51,368,188
- Federal Home Loan Bank Discount Notes.....	49,993,913	49,999,889
- Federal National Mortgage Association Discount Notes.....	-	274,873,417
- Federal Agriculture Mortgage Corporation Discount Notes.....	67,659,598	-
Accrued Interest Receivable.....	714,930	799,406
Total Assets.....	<u>\$ 5,822,883,764</u>	<u>\$ 5,574,478,145</u>
LIABILITIES AND NET ASSETS:		
Bank Custodial Fees Payable.....	\$ 149,882	\$ 151,078
State Management Fees Payable.....	231,700	234,004
Total Liabilities	<u>\$ 381,582</u>	<u>\$ 385,082</u>
Net Assets Available to Participants.....	<u>\$ 5,822,502,182</u>	<u>\$ 5,574,093,063</u>
STATEMENTS OF CHANGES IN FIDUCIARY NET ASSETS	FY 2012	FY 2011
REVENUE:		
Investment Earnings.....	\$ 8,828,652	\$ 11,374,999
EXPENSES:		
Bank Custodial Fees.....	\$ 1,854,023	\$ 1,793,867
State Management Fees.....	2,882,591	3,226,341
Total Expenses.....	<u>\$ 4,736,614</u>	<u>\$ 5,020,208</u>
Net Investment Earnings / Dividends to Shareholders.....	<u>\$ 4,092,038</u>	<u>\$ 6,354,791</u>
SHARE TRANSACTIONS:		
Subscriptions.....	\$ 18,922,359,929	\$ 20,171,505,496
Reinvestments.....	4,091,739	6,354,492
Redemptions.....	<u>(18,678,042,549)</u>	<u>(19,969,840,457)</u>
Increase in Net Assets Available to Participants.....	\$ 248,409,119	\$ 208,019,531
Net Assets Available to Participants, Beginning of Year.....	<u>5,574,093,063</u>	<u>5,366,073,532</u>
Net Assets Available to Participants, End of Year.....	<u>\$ 5,822,502,182</u>	<u>\$ 5,574,093,063</u>
SELECTED ACTIVITY MEASURES	FY 2012	FY 2011
Total Number of Participants.....	2,285	2,303
Number of State of Illinois Participants.....	31	30
Balance of State of Illinois Investments, end of year.....	\$ 1,722,887,260	\$ 1,314,336,467
Number of Employees, full time equivalents.....	23	25
TREASURER		
During Engagement Period: Honorable Dan Rutherford		
Currently: Honorable Dan Rutherford		