

**State of Illinois  
Office of the Treasurer  
Fiscal Officer Responsibilities**

Securities Lending Examination  
As of and for the Year Ended June 30, 2018

Performed as Special Assistant Auditors  
For the Auditor General, State of Illinois

**State of Illinois  
Office of the Treasurer**

**Fiscal Officer Responsibilities  
Securities Lending Examination  
For the Year Ended June 30, 2018**

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**State of Illinois  
Office of the Treasurer**

**Fiscal Officer Responsibilities  
Securities Lending Examination  
For the Year Ended June 30, 2018**

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**Treasurer's Office Officials**

Treasurer	Honorable Michael W. Frerichs
Chief of Staff	Mr. Justin Cajindos (through January 5, 2018)
Chief of Staff	Vacant (January 6, 2018 – June 6, 2018)
Chief of Staff	Mr. Allen Mayer (June 7, 2018 – Present)
Deputy Treasurer	Mr. Jay Rowell (through June 30, 2018)
Deputy Treasurer & Chief Investment Officer	Mr. Rodrigo Garcia (March 18, 2018 – Present)
Chief Investment Officer – Chief Financial Officer*	Mr. Rodrigo Garcia (through March 17, 2018)
General Counsel & Ethics Officer	Mr. Keith Horton (through December 8, 2017)
General Counsel & Ethics Officer	Mr. Allen Mayer (December 1, 2017 – June 6, 2018)
Interim General Counsel & Ethics Officer	Mr. Allen Mayer (June 7, 2018 – June 30, 2018)
General Counsel & Ethics Officer	Ms. Gwendolyn Drake (July 1, 2018 – Present)
Executive Inspector General of the Illinois State Treasurer	Mr. Raymond Watson
Chief Internal Auditor	Ms. Leighann Manning
Director of State Investment and Banking	Ms. Elizabeth Turner
Director of Fiscal Operations	Ms. Deborah Miller

\*Chief Financial Officer title merged in to Chief Investment Officer title on March 18, 2018

The Office of the Treasurer had the following office locations during the year:

Executive Office  
State Capitol  
219 State House  
Springfield, Illinois 62706

Chicago Office Legal/Programmatic  
James R. Thompson Center  
100 West Randolph Street, Suite 15-600  
Chicago, Illinois 60601

Operational Divisions  
Illinois Business Center  
400 West Monroe, Suite 401  
Springfield, Illinois 62704

Unclaimed Property Division  
Myers Building  
1 W. Old State Capitol Plaza, 1<sup>st</sup> & 4<sup>th</sup> Floors  
Springfield, Illinois 62701



OFFICE OF THE ILLINOIS STATE TREASURER  
**MICHAEL W. FRERICHS**

October 23, 2018

Crowe LLP  
 3601 Wabash Avenue, Suite 201  
 Springfield, IL 62711

Ladies and Gentlemen:

We are responsible for determining and reporting securities lending amounts (securities lending collateral and obligations under securities lending) and securities lending activities pertaining to individual departments/agencies, and funds of the State who have equity in the State Treasurer's internal investment pool. We are responsible for ensuring that allocations made to individual funds and departments/agencies are determined in accordance with GASB Codification Section 160: *Investments - Securities Lending*, paragraph .107. We are responsible for and we have established and maintained an effective system of internal controls over these requirements. We assert the following as of and for the year ended June 30, 2018:

- A. The Office of the Treasurer has allocated securities lending amounts to individual agencies and funds based on each fund's proportionate share of equity in the State Treasurer's investment pool on June 30, 2018.
- B. The Office of the Treasurer has determined and accurately recorded the total of all securities lending balances and activities within its general ledger.
- C. The Office of the Treasurer has determined and reported beginning July 1, 2017 and ending June 30, 2018 balances for agency fund types, along with increases and decreases during fiscal year 2018 within those fund types.
- D. The Office of the Treasurer has determined that the methodology for allocating June 2018 interest to individual funds is also appropriate for allocating securities lending balances to individual funds at June 30, 2018.
- E. The Office of the Treasurer has accurately allocated June 2018 interest income to individual funds and this allocation is based on each fund's proportionate share of equity in the State Treasurer's investment pool on June 30, 2018.
- F. The Office of the Treasurer has accurately maintained records of all securities lending additions and deletions (new loans, returns and other changes) for fiscal year 2018.

Sincerely,

State of Illinois, Office of the Treasurer

**Signed Original on File**

The Honorable Michael W. Frerichs, State Treasurer

**Signed Original on File**

Allen Mayer, Chief of Staff

**Signed Original on File**

Rodrigo Garcia, Deputy Treasurer & Chief Investment Officer

State Capitol  
 Room 219  
 Springfield, IL 62706  
 Phone: (217) 782-2211  
 Fax: (217) 785-2777  
 TTY: (866) 877-6013

James R. Thompson Center  
 100 West Randolph Street  
 Suite 15-600  
 Chicago, IL 60601  
 Phone: (312) 814-1700  
 Fax: (312) 814-5930  
 TTY: (866) 877-6013

Illinois Business Center  
 400 West Monroe Street  
 Suite 401  
 Springfield, IL 62704  
 Phone: (217) 782-6540  
 Fax: (217) 524-3822  
 TTY: (866) 877-6013

Myers Building  
 One West Old State Capitol Plaza  
 Suite 400  
 Springfield, IL 62701  
 Phone: (217) 785-6998  
 Fax: (217) 557-9365  
 TTY: (866) 877-6013

**State of Illinois  
Office of the Treasurer**

**Fiscal Officer Responsibilities  
Securities Lending Examination  
For the Year Ended June 30, 2018**

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**Securities Lending Report**

**Summary**

The attestation examination of the accompanying securities lending schedules of the Office of the Treasurer, Fiscal Officer Responsibilities was performed by Crowe LLP.

Based on their examination, the accountants expressed an unmodified opinion on the Office of the Treasurer, Fiscal Officer Responsibilities' securities lending schedules in accordance with the criteria contained in Note 2 to the securities lending schedules.

## Independent Accountant's Report

Honorable Frank J. Mautino  
Auditor General, State of Illinois  
Springfield, Illinois

As Special Assistant Auditors for the Auditor General, we have examined the accompanying Schedule 1 – Securities Lending Entries, Schedule 2 – Securities Lending Collateral, SCO-576 Agency Fund Activity, Schedule 3 – Allocation of Securities Lending Collateral Based on Distribution of Interest Income Earned During the Month of June 2018, Schedule 4 – Securities Lending Activity of State Treasurer, Agency Fund Activity, and the related Notes to the Schedules, which collectively comprise the “Securities Lending Schedules,” as of and for the year ended June 30, 2018. Management of the State of Illinois (State), Office of the Treasurer, Fiscal Officer Responsibilities (the Treasurer) is responsible for presenting the Securities Lending Schedules in accordance with the criteria contained in Note 2 to the Securities Lending Schedules. Our responsibility is to express an opinion on the Securities Lending Schedules based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Securities Lending Schedules are in accordance with the criteria contained in Note 2 to the Securities Lending Schedules, in all material respects. An examination involves performing procedures to obtain evidence about the Securities Lending Schedules. The nature, timing and extent of the procedures depend on our judgment, including an assessment of the risks of material misstatement of the Securities Lending Schedules, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Securities Lending Schedules, as of and for the year ended June 30, 2018, are presented in accordance with the criteria contained in Note 2 to the Securities Lending Schedules, in all material respects.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, the Comptroller, the State Treasurer and Treasurer management, management of Illinois State agencies in the securities lending pool and their auditors, and is not intended to be and should not be used by anyone other than these specified parties.

**Signed Original on File**

Crowe LLP

Springfield, Illinois  
October 23, 2018

**State of Illinois  
Office of the Treasurer**

**Securities Lending Entries  
June 30, 2018**

**Schedule 1**

Agency Name	Agency	Fund	Account #	Debit Account Name	Debit Amount (In Thousands)	Account #	Credit Account Name	Credit Amount (In Thousands)
General Assembly	131	481	107	Securities Lending Collateral Equity with State Treasurer	\$ 1,927	224	Obligations under Securities Lending of State Treasurer	\$ 1,927
Retirement System	131	786	107	Securities Lending Collateral Equity with State Treasurer	22	224	Obligations under Securities Lending of State Treasurer	22
Suprem Ct. Hist. Pres.	210	428	107	Securities Lending Collateral Equity with State Treasurer	72	224	Obligations under Securities Lending of State Treasurer	72
Judges Retirement System	275	477	107	Securities Lending Collateral Equity with State Treasurer	12,049	224	Obligations under Securities Lending of State Treasurer	12,049
	275	787	107	Securities Lending Collateral Equity with State Treasurer	390	224	Obligations under Securities Lending of State Treasurer	390
Attorney General	340	929	107	Securities Lending Collateral Equity with State Treasurer	1,797	224	Obligations under Securities Lending of State Treasurer	1,797
Secretary of State	350	156	107	Securities Lending Collateral Equity with State Treasurer	6,615	224	Obligations under Securities Lending of State Treasurer	6,615
	350	362	107	Securities Lending Collateral Equity with State Treasurer	7,087	224	Obligations under Securities Lending of State Treasurer	7,087
	350	899	107	Securities Lending Collateral Equity with State Treasurer	1	224	Obligations under Securities Lending of State Treasurer	1
Comptroller	360	096	107	Securities Lending Collateral Equity with State Treasurer	15	224	Obligations under Securities Lending of State Treasurer	15
	360	441	107	Securities Lending Collateral Equity with State Treasurer	93	224	Obligations under Securities Lending of State Treasurer	93
Treasurer	370	101	107	Securities Lending Collateral Equity with State Treasurer	519,852	224	Obligations under Securities Lending of State Treasurer	519,852
	370	103	107	Securities Lending Collateral Equity with State Treasurer	14	224	Obligations under Securities Lending of State Treasurer	14
	370	932	107	Securities Lending Collateral Equity with State Treasurer	235	224	Obligations under Securities Lending of State Treasurer	235
Aging	402	698	107	Securities Lending Collateral Equity with State Treasurer	932	224	Obligations under Securities Lending of State Treasurer	932
Central Management	416	193	107	Securities Lending Collateral Equity with State Treasurer	905	224	Obligations under Securities Lending of State Treasurer	905
	416	203	107	Securities Lending Collateral Equity with State Treasurer	18,757	224	Obligations under Securities Lending of State Treasurer	18,757
	416	314	107	Securities Lending Collateral Equity with State Treasurer	4,744	224	Obligations under Securities Lending of State Treasurer	4,744
	416	317	107	Securities Lending Collateral Equity with State Treasurer	2,650	224	Obligations under Securities Lending of State Treasurer	2,650
	416	332	107	Securities Lending Collateral Equity with State Treasurer	4,595	224	Obligations under Securities Lending of State Treasurer	4,595
	416	457	107	Securities Lending Collateral Equity with State Treasurer	3,975	224	Obligations under Securities Lending of State Treasurer	3,975
	416	577	107	Securities Lending Collateral Equity with State Treasurer	906	224	Obligations under Securities Lending of State Treasurer	906
	416	755	107	Securities Lending Collateral Equity with State Treasurer	961	224	Obligations under Securities Lending of State Treasurer	961
	416	907	107	Securities Lending Collateral Equity with State Treasurer	30,099	224	Obligations under Securities Lending of State Treasurer	30,099
Children and Family Services	418	934	107	Securities Lending Collateral Equity with State Treasurer	1	224	Obligations under Securities Lending of State Treasurer	1
Commerce and Economic Opportunity	420	435	107	Securities Lending Collateral Equity with State Treasurer	1,217	224	Obligations under Securities Lending of State Treasurer	1,217
	420	506	107	Securities Lending Collateral Equity with State Treasurer	14,733	224	Obligations under Securities Lending of State Treasurer	14,733
	420	913	107	Securities Lending Collateral Equity with State Treasurer	15	224	Obligations under Securities Lending of State Treasurer	15
	420	973	107	Securities Lending Collateral Equity with State Treasurer	884	224	Obligations under Securities Lending of State Treasurer	884
	420	974	107	Securities Lending Collateral Equity with State Treasurer	140	224	Obligations under Securities Lending of State Treasurer	140
	420	975	107	Securities Lending Collateral Equity with State Treasurer	142	224	Obligations under Securities Lending of State Treasurer	142
	420	993	107	Securities Lending Collateral Equity with State Treasurer	353	224	Obligations under Securities Lending of State Treasurer	353

(See accompanying Notes to Schedules)

**State of Illinois  
Office of the Treasurer**

**Securities Lending Entries  
June 30, 2018**

**Schedule 1 (Continued)**

Agency Name	Agency	Fund	Account #	Debit Account Name	Debit Amount (In Thousands)	Account #	Credit Account Name	Credit Amount (In Thousands)
Natural Resources	422	041	107	Securities Lending Collateral Equity with State Treasurer	\$ 8,853	224	Obligations under Securities Lending of State Treasurer	\$ 8,853
	422	042	107	Securities Lending Collateral Equity with State Treasurer	81	224	Obligations under Securities Lending of State Treasurer	81
	422	137	107	Securities Lending Collateral Equity with State Treasurer	767	224	Obligations under Securities Lending of State Treasurer	767
	422	145	107	Securities Lending Collateral Equity with State Treasurer	113	224	Obligations under Securities Lending of State Treasurer	113
	422	146	107	Securities Lending Collateral Equity with State Treasurer	124	224	Obligations under Securities Lending of State Treasurer	124
	422	147	107	Securities Lending Collateral Equity with State Treasurer	88	224	Obligations under Securities Lending of State Treasurer	88
	422	257	107	Securities Lending Collateral Equity with State Treasurer	19,765	224	Obligations under Securities Lending of State Treasurer	19,765
	422	260	107	Securities Lending Collateral Equity with State Treasurer	975	224	Obligations under Securities Lending of State Treasurer	975
	422	261	107	Securities Lending Collateral Equity with State Treasurer	845	224	Obligations under Securities Lending of State Treasurer	845
	422	293	107	Securities Lending Collateral Equity with State Treasurer	154	224	Obligations under Securities Lending of State Treasurer	154
	422	353	107	Securities Lending Collateral Equity with State Treasurer	1,307	224	Obligations under Securities Lending of State Treasurer	1,307
	422	391	107	Securities Lending Collateral Equity with State Treasurer	3,240	224	Obligations under Securities Lending of State Treasurer	3,240
	422	504	107	Securities Lending Collateral Equity with State Treasurer	22	224	Obligations under Securities Lending of State Treasurer	22
	422	547	107	Securities Lending Collateral Equity with State Treasurer	231	224	Obligations under Securities Lending of State Treasurer	231
	422	953	107	Securities Lending Collateral Equity with State Treasurer	2,413	224	Obligations under Securities Lending of State Treasurer	2,413
	422	982	107	Securities Lending Collateral Equity with State Treasurer	37	224	Obligations under Securities Lending of State Treasurer	37
	Financial and Professional Regulation	440	022	107	Securities Lending Collateral Equity with State Treasurer	6,490	224	Obligations under Securities Lending of State Treasurer
440		057	107	Securities Lending Collateral Equity with State Treasurer	1,834	224	Obligations under Securities Lending of State Treasurer	1,834
440		093	107	Securities Lending Collateral Equity with State Treasurer	15,448	224	Obligations under Securities Lending of State Treasurer	15,448
440		151	107	Securities Lending Collateral Equity with State Treasurer	693	224	Obligations under Securities Lending of State Treasurer	693
440		218	107	Securities Lending Collateral Equity with State Treasurer	2,043	224	Obligations under Securities Lending of State Treasurer	2,043
440		241	107	Securities Lending Collateral Equity with State Treasurer	49	224	Obligations under Securities Lending of State Treasurer	49
440		243	107	Securities Lending Collateral Equity with State Treasurer	931	224	Obligations under Securities Lending of State Treasurer	931
440		244	107	Securities Lending Collateral Equity with State Treasurer	2,631	224	Obligations under Securities Lending of State Treasurer	2,631
440		259	107	Securities Lending Collateral Equity with State Treasurer	500	224	Obligations under Securities Lending of State Treasurer	500
440		386	107	Securities Lending Collateral Equity with State Treasurer	580	224	Obligations under Securities Lending of State Treasurer	580
440		579	107	Securities Lending Collateral Equity with State Treasurer	377	224	Obligations under Securities Lending of State Treasurer	377
440		615	107	Securities Lending Collateral Equity with State Treasurer	149	224	Obligations under Securities Lending of State Treasurer	149
440		746	107	Securities Lending Collateral Equity with State Treasurer	239	224	Obligations under Securities Lending of State Treasurer	239
440		750	107	Securities Lending Collateral Equity with State Treasurer	83	224	Obligations under Securities Lending of State Treasurer	83
440		795	107	Securities Lending Collateral Equity with State Treasurer	7,229	224	Obligations under Securities Lending of State Treasurer	7,229
440		823	107	Securities Lending Collateral Equity with State Treasurer	384	224	Obligations under Securities Lending of State Treasurer	384
440		833	107	Securities Lending Collateral Equity with State Treasurer	114	224	Obligations under Securities Lending of State Treasurer	114
440		849	107	Securities Lending Collateral Equity with State Treasurer	198	224	Obligations under Securities Lending of State Treasurer	198
440		850	107	Securities Lending Collateral Equity with State Treasurer	2,676	224	Obligations under Securities Lending of State Treasurer	2,676
440		850	107	Securities Lending Collateral Equity with State Treasurer	618	224	Obligations under Securities Lending of State Treasurer	618
440	888	107	Securities Lending Collateral Equity with State Treasurer	580	224	Obligations under Securities Lending of State Treasurer	580	
Human Services	444	025	107	Securities Lending Collateral Equity with State Treasurer	19	224	Obligations under Securities Lending of State Treasurer	19
	444	073	107	Securities Lending Collateral Equity with State Treasurer	108	224	Obligations under Securities Lending of State Treasurer	108
	444	120	107	Securities Lending Collateral Equity with State Treasurer	16,571	224	Obligations under Securities Lending of State Treasurer	16,571
	444	123	107	Securities Lending Collateral Equity with State Treasurer	427	224	Obligations under Securities Lending of State Treasurer	427
	444	142	107	Securities Lending Collateral Equity with State Treasurer	20,175	224	Obligations under Securities Lending of State Treasurer	20,175

(See accompanying Notes to Schedules)

**State of Illinois  
Office of the Treasurer**

**Securities Lending Entries  
June 30, 2018**

**Schedule 1 (Continued)**

Agency Name	Agency	Fund	Account #	Debit Account Name	Debit Amount (In Thousands)	Account #	Credit Account Name	Credit Amount (In Thousands)	
Human Services	444	148	107	Securities Lending Collateral Equity with State Treasurer	\$ 2,049	224	Obligations under Securities Lending of State Treasurer	\$ 2,049	
	444	158	107	Securities Lending Collateral Equity with State Treasurer	97	224	Obligations under Securities Lending of State Treasurer	97	
	444	211	107	Securities Lending Collateral Equity with State Treasurer	3,050	224	Obligations under Securities Lending of State Treasurer	3,050	
	444	228	107	Securities Lending Collateral Equity with State Treasurer	2	224	Obligations under Securities Lending of State Treasurer	2	
	444	365	107	Securities Lending Collateral Equity with State Treasurer	5,318	224	Obligations under Securities Lending of State Treasurer	5,318	
	444	394	107	Securities Lending Collateral Equity with State Treasurer	1,291	224	Obligations under Securities Lending of State Treasurer	1,291	
	444	502	107	Securities Lending Collateral Equity with State Treasurer	2,808	224	Obligations under Securities Lending of State Treasurer	2,808	
	444	509	107	Securities Lending Collateral Equity with State Treasurer	4,848	224	Obligations under Securities Lending of State Treasurer	4,848	
	444	581	107	Securities Lending Collateral Equity with State Treasurer	27	224	Obligations under Securities Lending of State Treasurer	27	
	444	718	107	Securities Lending Collateral Equity with State Treasurer	17,892	224	Obligations under Securities Lending of State Treasurer	17,892	
Insurance	446	546	107	Securities Lending Collateral Equity with State Treasurer	1,428	224	Obligations under Securities Lending of State Treasurer	1,428	
	446	739	107	Securities Lending Collateral Equity with State Treasurer	767	224	Obligations under Securities Lending of State Treasurer	767	
Healthcare and Family Services	478	136	107	Securities Lending Collateral Equity with State Treasurer	3,909	224	Obligations under Securities Lending of State Treasurer	3,909	
	478	329	107	Securities Lending Collateral Equity with State Treasurer	10,334	224	Obligations under Securities Lending of State Treasurer	10,334	
	478	345	107	Securities Lending Collateral Equity with State Treasurer	7,712	224	Obligations under Securities Lending of State Treasurer	7,712	
	478	346	107	Securities Lending Collateral Equity with State Treasurer	57,274	224	Obligations under Securities Lending of State Treasurer	57,274	
	478	522	107	Securities Lending Collateral Equity with State Treasurer	2,374	224	Obligations under Securities Lending of State Treasurer	2,374	
	478	720	107	Securities Lending Collateral Equity with State Treasurer	266	224	Obligations under Securities Lending of State Treasurer	266	
	478	728	107	Securities Lending Collateral Equity with State Treasurer	51,928	224	Obligations under Securities Lending of State Treasurer	51,928	
	478	740	107	Securities Lending Collateral Equity with State Treasurer	418	224	Obligations under Securities Lending of State Treasurer	418	
Public Health	482	014	107	Securities Lending Collateral Equity with State Treasurer	74	224	Obligations under Securities Lending of State Treasurer	74	
	482	068	107	Securities Lending Collateral Equity with State Treasurer	1,633	224	Obligations under Securities Lending of State Treasurer	1,633	
	482	198	107	Securities Lending Collateral Equity with State Treasurer	69	224	Obligations under Securities Lending of State Treasurer	69	
	482	208	107	Securities Lending Collateral Equity with State Treasurer	832	224	Obligations under Securities Lending of State Treasurer	832	
	482	340	107	Securities Lending Collateral Equity with State Treasurer	2,070	224	Obligations under Securities Lending of State Treasurer	2,070	
	482	371	107	Securities Lending Collateral Equity with State Treasurer	1,375	224	Obligations under Securities Lending of State Treasurer	1,375	
	482	429	107	Securities Lending Collateral Equity with State Treasurer	100	224	Obligations under Securities Lending of State Treasurer	100	
	482	437	107	Securities Lending Collateral Equity with State Treasurer	407	224	Obligations under Securities Lending of State Treasurer	407	
	482	469	107	Securities Lending Collateral Equity with State Treasurer	19	224	Obligations under Securities Lending of State Treasurer	19	
	482	702	107	Securities Lending Collateral Equity with State Treasurer	698	224	Obligations under Securities Lending of State Treasurer	698	
	482	790	107	Securities Lending Collateral Equity with State Treasurer	95	224	Obligations under Securities Lending of State Treasurer	95	
	482	938	107	Securities Lending Collateral Equity with State Treasurer	8	224	Obligations under Securities Lending of State Treasurer	8	
	Revenue	492	084	107	Securities Lending Collateral Equity with State Treasurer	72	224	Obligations under Securities Lending of State Treasurer	72
		492	088	107	Securities Lending Collateral Equity with State Treasurer	8,993	224	Obligations under Securities Lending of State Treasurer	8,993
		492	138	107	Securities Lending Collateral Equity with State Treasurer	47,174	224	Obligations under Securities Lending of State Treasurer	47,174
492		139	107	Securities Lending Collateral Equity with State Treasurer	50,850	224	Obligations under Securities Lending of State Treasurer	50,850	
492		190	107	Securities Lending Collateral Equity with State Treasurer	1,707	224	Obligations under Securities Lending of State Treasurer	1,707	
492		286	107	Securities Lending Collateral Equity with State Treasurer	27,202	224	Obligations under Securities Lending of State Treasurer	27,202	
492		337	107	Securities Lending Collateral Equity with State Treasurer	27,315	224	Obligations under Securities Lending of State Treasurer	27,315	
492		384	107	Securities Lending Collateral Equity with State Treasurer	9,892	224	Obligations under Securities Lending of State Treasurer	9,892	

(See accompanying Notes to Schedules)

**State of Illinois  
Office of the Treasurer**

**Securities Lending Entries  
June 30, 2018**

**Schedule 1 (Continued)**

Agency Name	Agency	Fund	Account #	Debit Account Name	Debit Amount (In Thousands)	Account #	Credit Account Name	Credit Amount (In Thousands)
Revenue	492	802	107	Securities Lending Collateral Equity with State Treasurer	\$ 43,656	224	Obligations under Securities Lending of State Treasurer	\$ 43,656
	492	812	107	Securities Lending Collateral Equity with State Treasurer	63,727	224	Obligations under Securities Lending of State Treasurer	63,727
	492	841	107	Securities Lending Collateral Equity with State Treasurer	2,141	224	Obligations under Securities Lending of State Treasurer	2,141
	492	868	107	Securities Lending Collateral Equity with State Treasurer	438	224	Obligations under Securities Lending of State Treasurer	438
	492	869	107	Securities Lending Collateral Equity with State Treasurer	11	224	Obligations under Securities Lending of State Treasurer	11
State Police	493	209	107	Securities Lending Collateral Equity with State Treasurer	1,727	224	Obligations under Securities Lending of State Treasurer	1,727
	493	514	107	Securities Lending Collateral Equity with State Treasurer	953	224	Obligations under Securities Lending of State Treasurer	953
	493	520	107	Securities Lending Collateral Equity with State Treasurer	44	224	Obligations under Securities Lending of State Treasurer	44
	493	817	107	Securities Lending Collateral Equity with State Treasurer	5,019	224	Obligations under Securities Lending of State Treasurer	5,019
	493	904	107	Securities Lending Collateral Equity with State Treasurer	98	224	Obligations under Securities Lending of State Treasurer	98
Transportation	494	233	107	Securities Lending Collateral Equity with State Treasurer	17	224	Obligations under Securities Lending of State Treasurer	17
	494	265	107	Securities Lending Collateral Equity with State Treasurer	3,320	224	Obligations under Securities Lending of State Treasurer	3,320
	494	307	107	Securities Lending Collateral Equity with State Treasurer	189	224	Obligations under Securities Lending of State Treasurer	189
	494	669	107	Securities Lending Collateral Equity with State Treasurer	39	224	Obligations under Securities Lending of State Treasurer	39
	494	936	107	Securities Lending Collateral Equity with State Treasurer	672	224	Obligations under Securities Lending of State Treasurer	672
Veteran's Affairs	497	236	107	Securities Lending Collateral Equity with State Treasurer	437	224	Obligations under Securities Lending of State Treasurer	437
Management and Budget	507	407	107	Securities Lending Collateral Equity with State Treasurer	833	224	Obligations under Securities Lending of State Treasurer	833
	507	970	107	Securities Lending Collateral Equity with State Treasurer	4,460	224	Obligations under Securities Lending of State Treasurer	4,460
Deaf & HH Comm.	526	449	107	Securities Lending Collateral Equity with State Treasurer	236	224	Obligations under Securities Lending of State Treasurer	236
Environmental Protection Agency	532	091	107	Securities Lending Collateral Equity with State Treasurer	2,347	224	Obligations under Securities Lending of State Treasurer	2,347
	532	154	107	Securities Lending Collateral Equity with State Treasurer	2	224	Obligations under Securities Lending of State Treasurer	2
	532	214	107	Securities Lending Collateral Equity with State Treasurer	770	224	Obligations under Securities Lending of State Treasurer	770
	532	270	107	Securities Lending Collateral Equity with State Treasurer	52,399	224	Obligations under Securities Lending of State Treasurer	52,399
	532	288	107	Securities Lending Collateral Equity with State Treasurer	466	224	Obligations under Securities Lending of State Treasurer	466
	532	336	107	Securities Lending Collateral Equity with State Treasurer	65	224	Obligations under Securities Lending of State Treasurer	65
	532	675	107	Securities Lending Collateral Equity with State Treasurer	160	224	Obligations under Securities Lending of State Treasurer	160
	532	731	107	Securities Lending Collateral Equity with State Treasurer	2,742	224	Obligations under Securities Lending of State Treasurer	2,742
	532	738	107	Securities Lending Collateral Equity with State Treasurer	99	224	Obligations under Securities Lending of State Treasurer	99
	532	774	107	Securities Lending Collateral Equity with State Treasurer	35	224	Obligations under Securities Lending of State Treasurer	35
Health Info. Exc. Auth.	534	606	107	Securities Lending Collateral Equity with State Treasurer	124	224	Obligations under Securities Lending of State Treasurer	124
Criminal Justice Information Authority	546	488	107	Securities Lending Collateral Equity with State Treasurer	4,337	224	Obligations under Securities Lending of State Treasurer	4,337
	546	665	107	Securities Lending Collateral Equity with State Treasurer	124	224	Obligations under Securities Lending of State Treasurer	124
Ed. Labor Relations Bd.	548	996	107	Securities Lending Collateral Equity with State Treasurer	45	224	Obligations under Securities Lending of State Treasurer	45
Housing Development	551	338	107	Securities Lending Collateral Equity with State Treasurer	19	224	Obligations under Securities Lending of State Treasurer	19

(See accompanying Notes to Schedules)

**State of Illinois  
Office of the Treasurer**

**Securities Lending Entries  
June 30, 2018**

**Schedule 1 (Continued)**

Agency Name	Agency	Fund	Account #	Debit Account Name	Debit Amount (In Thousands)	Account #	Credit Account Name	Credit Amount (In Thousands)
Finance Authority	560	205	107	Securities Lending Collateral Equity with State Treasurer	\$ 3,259	224	Obligations under Securities Lending of State Treasurer	\$ 3,259
	560	994	107	Securities Lending Collateral Equity with State Treasurer	4,156	224	Obligations under Securities Lending of State Treasurer	4,156
Workers' Compensation Commission	563	179	107	Securities Lending Collateral Equity with State Treasurer	1,237	224	Obligations under Securities Lending of State Treasurer	1,237
	563	274	107	Securities Lending Collateral Equity with State Treasurer	81	224	Obligations under Securities Lending of State Treasurer	81
	563	431	107	Securities Lending Collateral Equity with State Treasurer	258	224	Obligations under Securities Lending of State Treasurer	258
	563	685	107	Securities Lending Collateral Equity with State Treasurer	2,907	224	Obligations under Securities Lending of State Treasurer	2,907
State Board of Ed.	563	940	107	Securities Lending Collateral Equity with State Treasurer	7,690	224	Obligations under Securities Lending of State Treasurer	7,690
	586	569	107	Securities Lending Collateral Equity with State Treasurer	341	224	Obligations under Securities Lending of State Treasurer	341
State Board of Elections	587	206	107	Securities Lending Collateral Equity with State Treasurer	3,930	224	Obligations under Securities Lending of State Treasurer	3,930
Emergency Management	588	067	107	Securities Lending Collateral Equity with State Treasurer	1,639	224	Obligations under Securities Lending of State Treasurer	1,639
	588	796	107	Securities Lending Collateral Equity with State Treasurer	3,346	224	Obligations under Securities Lending of State Treasurer	3,346
	588	882	107	Securities Lending Collateral Equity with State Treasurer	1,113	224	Obligations under Securities Lending of State Treasurer	1,113
	588	942	107	Securities Lending Collateral Equity with State Treasurer	188	224	Obligations under Securities Lending of State Treasurer	188
State Employees' Retirement System	589	479	107	Securities Lending Collateral Equity with State Treasurer	66,058	224	Obligations under Securities Lending of State Treasurer	66,058
	589	788	107	Securities Lending Collateral Equity with State Treasurer	146	224	Obligations under Securities Lending of State Treasurer	146
State Police Merit Bd.	591	166	107	Securities Lending Collateral Equity with State Treasurer	1,417	224	Obligations under Securities Lending of State Treasurer	1,417
State Fire Marshal	592	572	107	Securities Lending Collateral Equity with State Treasurer	74	224	Obligations under Securities Lending of State Treasurer	74
Teachers' Retirement System	593	473	107	Securities Lending Collateral Equity with State Treasurer	60,285	224	Obligations under Securities Lending of State Treasurer	60,285
	593	789	107	Securities Lending Collateral Equity with State Treasurer	14,979	224	Obligations under Securities Lending of State Treasurer	14,979
Chicago State Univ.	608	223	107	Securities Lending Collateral Equity with State Treasurer	502	224	Obligations under Securities Lending of State Treasurer	502
Student Assistance Commission	691	663	107	Securities Lending Collateral Equity with State Treasurer	16,495	224	Obligations under Securities Lending of State Treasurer	16,495
	691	664	107	Securities Lending Collateral Equity with State Treasurer	23,599	224	Obligations under Securities Lending of State Treasurer	23,599
Nonshared funds					1,543,952			
GRF					2,287,774			
Subtotal					3,831,726			
Shared funds under Treasurer's authority, GAAP adjustment made in-house by Comptroller					689,365			
Grand Total					<u>\$ 4,521,091</u>			

(See accompanying Notes to Schedules)

**State of Illinois  
Office of the Treasurer**

**Securities Lending Collateral  
SCO-576 Agency Fund Activity  
For the Year Ended June 30, 2018**

**Schedule 2**

Agency Name	Agency	Fund	Account #	Account Name	Amounts in Thousands			
					Beginning Balance at July 1, 2017	Additions	Deletions	Ending Balance At June 30, 2018
Treasurer	370	932	107	Securities Lending Collateral Equity with State Treasurer	\$ 184	\$ 4,538	\$ 4,487	\$ 235
			224	Obligations under Securities Lending of State Treasurer	184	4,538	4,487	235
Central Management	416	457	107	Securities Lending Collateral Equity with State Treasurer	1,938	132,676	130,639	3,975
			224	Obligations under Securities Lending of State Treasurer	1,938	132,676	130,639	3,975
Revenue	492	084	107	Securities Lending Collateral Equity with State Treasurer	103	2,370	2,401	72
			224	Obligations under Securities Lending of State Treasurer	103	2,370	2,401	72
	492	088	107	Securities Lending Collateral Equity with State Treasurer	5,604	156,199	152,810	8,993
			224	Obligations under Securities Lending of State Treasurer	5,604	156,199	152,810	8,993
	492	138	107	Securities Lending Collateral Equity with State Treasurer	23,016	762,630	738,472	47,174
			224	Obligations under Securities Lending of State Treasurer	23,016	762,630	738,472	47,174
	492	139	107	Securities Lending Collateral Equity with State Treasurer	22,462	769,332	740,944	50,850
			224	Obligations under Securities Lending of State Treasurer	22,462	769,332	740,944	50,850
	492	190	107	Securities Lending Collateral Equity with State Treasurer	1,381	34,418	34,092	1,707
			224	Obligations under Securities Lending of State Treasurer	1,381	34,418	34,092	1,707
	492	337	107	Securities Lending Collateral Equity with State Treasurer	8,193	241,331	222,209	27,315
			224	Obligations under Securities Lending of State Treasurer	8,193	241,331	222,209	27,315
	492	812	107	Securities Lending Collateral Equity with State Treasurer	29,818	1,013,772	979,863	63,727
			224	Obligations under Securities Lending of State Treasurer	29,818	1,013,772	979,863	63,727
	492	841	107	Securities Lending Collateral Equity with State Treasurer	1,160	37,965	36,984	2,141
			224	Obligations under Securities Lending of State Treasurer	1,160	37,965	36,984	2,141
	492	868	107	Securities Lending Collateral Equity with State Treasurer	241	6,850	6,653	438
			224	Obligations under Securities Lending of State Treasurer	241	6,850	6,653	438
	492	869	107	Securities Lending Collateral Equity with State Treasurer	9	235	233	11
			224	Obligations under Securities Lending of State Treasurer	9	235	233	11
Ed. Labor Relations Bd.	548	996	107	Securities Lending Collateral Equity with State Treasurer	40	967	962	45
			224	Obligations under Securities Lending of State Treasurer	40	967	962	45

(See accompanying Notes to Schedules)

**State of Illinois  
Office of the Treasurer**

**Allocation of Securities Lending Collateral  
Based on Distribution of Interest Income Earned During the Month of June 2018  
For the Year Ended June 30, 2018**

**Schedule 3**

Fund	Fund Name	June 2018 Interest Income	Allocations of Securities Lending Collateral	Allocations of Securities Lending Collateral for GAAP (In Thousands)
011	ROAD FUND	\$ 1,033,796	\$ 258,448,314	\$ 258,448 *
011	ROAD FUND	1,807	451,749	452 *
014	FOOD & DRUG SAFETY FUND	295	73,750	74
022	GENERAL PROFESSIONS DEDICATED FUND	25,961	6,490,233	6,490
025	GROUP HOME LOAN REV FUND	75	18,750	19
041	WILDLIFE & FISH FUND	35,411	8,852,727	8,853
042	SALMON FUND	322	80,500	81
057	IL. STATE PHARMACY DISC. FUND	7,338	1,834,495	1,834
067	RADIATION PROTECTION FUND	6,556	1,638,996	1,639
068	HOSPITAL LICENSURE FUND	6,532	1,632,996	1,633
072	UNDERGROUND STORAGE TANK FUND	160,635	40,158,643	40,159
073	SPECIAL OLYMPICS IL AND SPEC CHILD CHAR FUND	433	108,250	108
075	COMPASSIONATE USE OF MEDICAL CANNABIS FUND	19,798	4,949,487	4,949
084	COUNTY WATER COMM TAX FUND	288	72,000	72
088	NON- HOME RULE MUNICIPAL R.O.T. FUND	35,972	8,992,976	8,993
091	CLEAN AIR ACT PERMIT FUND	9,387	2,346,744	2,347
093	IL. STATE MEDICAL DISCP. FUND	61,792	15,447,959	15,448
096	CEMETARY CONS. PROTECTION FUND	58	14,500	15
101	G.O. BOND RETIREMENT & INT FUND	2,079,414	519,852,120	519,852
103	STATE TREASURER'S ADMIN FUND	57	14,250	14
120	HOME SERVICES MEDICAID TRUST FUND	66,284	16,570,956	16,571
123	HANSEN-THERKELSEN MEMORIAL FUND	1,706	426,499	427
136	UNIVERSITY OF IL HOSPITAL SERVICES FUND	15,636	3,908,990	3,909
137	PLUGGING & RESTR. FUND	3,068	766,998	767
138	HOME RULE MUNI R.O.T. FUND	188,698	47,174,375	47,174
139	HOME RULE COUNTY R.O.T. FUND	203,402	50,850,365	50,850
142	COMMUNITY DEVEL DISABL FUND	80,701	20,175,196	20,175
145	EXPLOSIVES REGULATORY FUND	453	113,250	113
146	AGGREGATE OPER. REG. FUND.	495	123,750	124
147	COAL MINING REG. FUND	353	88,250	88
148	MENTAL HEALTH REPORTING FUND	8,195	2,048,745	2,049
151	REGIST. C.P.A. ADMIN. & DISCP. FUND	2,771	692,748	693
154	E.P.A. COURT ORDERED TR FUND	10	2,500	2
156	MOTOR VEHICLE THEFT PREV. FUND	26,462	6,615,482	6,615
158	SEXUAL ASSAULT SERVICES & PREVENTION FUND	387	96,750	97
166	STATE POLICE MERIT BOARD PUBLIC SAFETY FUND	5,667	1,416,746	1,417
179	INJURED WORKERS BENEFIT FUND	4,946	1,236,497	1,237
190	COUNTY OPTION MOTOR FUEL FUND	6,829	1,707,245	1,707
193	LOCAL GOV'T HEALTH INS RESV FUND	3,622	905,498	905
198	DIABETES RESCH CHECKOFF FUND	275	68,750	69
203	TEACHER HEALTH INS. SEC. FUND	75,030	18,757,450	18,757
205	IL FARMERS & AGRIBUSINESS LOAN FUND	13,037	3,259,241	3,259
206	HELP ILLINOIS VOTE FUND	15,721	3,930,240	3,930
208	TICKET FOR THE CURE FUND	3,330	832,498	832
209	STATE POLICE FIREARM SERVICES FUND	6,906	1,726,495	1,727
211	DHS TECHNOLOGY INITIATIVE FUND	12,201	3,050,242	3,050
214	BROWNSFIELD REDEVELOPMENT FUND	3,081	770,248	770
218	PROFESSIONS INDIRECT COST FUND	8,174	2,043,495	2,043
223	CHICAGO STATE UNIV ED IMP FUND	2,009	502,249	502
228	AUTISM RESCH CKECKOFF FUND	7	1,750	2
233	INTERCITY PSGR RAIL FUND	66	16,500	17
236	IL VETERANS ASSISTANCE FUND	1,746	436,499	437
241	TOMA CONSUMER PROTECTION FUND	195	48,750	49
243	CREDIT UNION FUND	3,725	931,248	931

(See accompanying Notes to Schedules)

**State of Illinois  
Office of the Treasurer**

**Allocation of Securities Lending Collateral  
Based on Distribution of Interest Income Earned During the Month of June 2018  
For the Year Ended June 30, 2018**

**Schedule 3 (Continued)**

Fund	Fund Name	June 2018 Interest Income	Allocations of	
			Securities Lending Collateral	Securities Lending Collateral for GAAP (In Thousands)
244	SAV & RESID. FINANCE REG FUND	\$ 10,524	\$ 2,630,993	\$ 2,631
257	AML RECLAMATION SET ASIDE FUND	79,061	19,765,198	19,765
258	NURSING DEDICATED AND PROF. FUND	26,360	6,589,983	6,590
259	OPTOMETRIC LICSN. & DISC COMM FUND	2,000	499,999	500
260	FISH & WILDLIFE ENDWMNT FUND	3,901	975,247	975
261	UNDRGRND RESOURCE CONS ENF FUND	3,381	845,248	845
265	ST RAIL FREIGHT LOAN REPYMNT FUND	13,281	3,320,241	3,320
270	WATER POLLTN CONT REVL FUND	209,598	52,399,361	52,399
274	SELF-INSURERS ADMIN FUND	322	80,500	81
286	IL. AFF HOUSING TRUST FUND	108,808	27,201,928	27,202
288	COMM WATER SUPPLY FUND	1,862	465,499	466
293	STATE FURBEARER FUND	616	154,000	154
307	WORKING CAPITAL REVOLVING LOAN FUND	754	188,499	189
314	FACILITIES MANAGEMENT REVOLVING FUND	18,978	4,744,487	4,744
317	PROFESSIONAL SERVICES FUND	10,601	2,650,243	2,650
329	CNTY HOSP SERV FUND	41,335	10,333,723	10,334
332	WORKERS COMP REVOLVING FUND	18,381	4,595,238	4,595
334	AMBULANCE REVOLVING LOAN FUND	1	250	-
336	ENVIR. LAB. CERTF. FUND	260	65,000	65
337	METRO PIER AND EXPOSITION FUND	109,261	27,315,177	27,315
338	FEDERAL HOME INVESTMENT FUND	75	18,750	19
340	P.HEALTH SERV REV FUND	8,279	2,069,745	2,070
344	DEV DISAB. HLTH CARE PROV FUND	4,676	1,168,997	1,169
345	LONG TERM CARE PROV FUND	30,848	7,711,980	7,712
346	HOSPITAL PROVIDER FUND	229,098	57,274,348	57,274
353	STATE PHEASANT FUND	5,229	1,307,247	1,307
356	LAW ENFORCEMENT CAMERA GRANT FUND	6,125	1,531,246	1,531
362	SEC AUDIT & ENF FUND	28,347	7,086,731	7,087
365	HEALTH & HUMAN SVCS MED TRUST FUND	21,272	5,317,986	5,318
371	INNOV. LONGTERM CARE QLTY DEV FUND	5,501	1,375,246	1,375
384	TAX COMPLIANCE & ADMIN FUND	39,570	9,892,474	9,892
386	APPRAISAL ADMINSITRATIVE FUND	2,320	579,998	580
391	ILLINOIS HABITAT FUND	12,961	3,240,241	3,240
394	GAINING EARLY AWARENESS FUND	5,164	1,290,997	1,291
407	GRANT ACCOUNTABILITY & TRANSPARENCY FUND	3,332	832,998	833
412	COMMON SCHOOL FUND	153,687	38,421,648	38,422
428	SUPREME COURT HISTORIC PRESER FUND	288	72,000	72
429	MULTIPLE SCLEROSIS RESEARCH FUND	398	99,500	100
431	SECOND INJURY FUND	1,033	258,249	258
435	CHARITABLE TRUST STABILIZATION FUND	4,869	1,217,247	1,217
437	QUALITY OF LIFE ENDOWMENT FUND	1,629	407,249	407
441	KASKASKIA COMMONS PERMANENT FUND	373	93,250	93
449	INTERPRETERS FOR THE DEAF FUND	943	235,749	236
457	GROUP INSURANCE PREMIUM FUND	15,902	3,975,489	3,975
469	AUTOIMMUNE DISEASE RESEARCH FUND	75	18,750	19
473	TEACHERS RETIREMENT SYSTEM FUND	241,139	60,284,590	60,285
474	HUMAN SVCS PRIORITY CAP PROG FUND	3	750	1
477	JUDGES RETIREMENT SYSTEM FUND	48,196	12,048,968	12,049
479	STATE EMPL RETIREMENT FUND	264,233	66,058,075	66,058
481	GENERAL ASSEMBLY RETIREMENT FUND	7,708	1,926,995	1,927
488	CRIMINAL JUSTICE FUND	17,347	4,336,738	4,337
502	EARLY INTERVENTION SERVICES REV FUND	11,231	2,807,743	2,808
504	WILDLIFE PRAIRIE PARK FUND	90	22,500	22
506	STATE SMALL BUSINESS CREDIT INITIATIVE FUND	58,931	14,732,711	14,733

(See accompanying Notes to Schedules)

**State of Illinois  
Office of the Treasurer**

**Allocation of Securities Lending Collateral  
Based on Distribution of Interest Income Earned During the Month of June 2018  
For the Year Ended June 30, 2018**

**Schedule 3 (Continued)**

Fund	Fund Name	June 2018 Interest Income	Allocations of Securities Lending Collateral	Allocations of Securities Lending Collateral for GAAP (In Thousands)
509	DHS COMMUNITY SERVICES FUND	\$ 19,392	\$ 4,847,987	\$ 4,848
514	STATE ASSET FORFEITURE FUND	3,810	952,497	953
520	FEDERAL ASSET FORFEITURE FUND	177	44,250	44
522	MONEY FOLLOWS THE PERSON FUND	9,496	2,373,994	2,374
546	PUBLIC PENSION REGULATION FUND	5,713	1,428,246	1,428
547	CONSERVATION POLICE OPERATIONS ASSIST FUND	925	231,249	231
548	DRYCLEANER ENVR RESP TR FUND	3,193	798,248	798
569	SCHOOL TECH REV LOAN FUND	1,364	340,999	341
572	FIRETRUCK REVL LOAN FUND	294	73,500	74
574	OFF HIGHWAY VEHICLE TRAILS FUND	3,043	760,748	761
577	COMM COLLEGE HEALTH INS SEC FUND	3,625	906,248	906
579	SAVINGS INSTITUTION REGULATORY FUND	1,507	376,749	377
581	JUVENILE ACCT INC BLK GRANT FUND	107	26,750	27
606	HEALTH INFORMATION EXCHANGE FUND	497	124,250	124
615	DEBT SETTLEMENT CONSUMER PROTECTION FUND	594	148,500	149
663	FEDERAL STUDENT LOAN FUND	65,980	16,494,956	16,495
664	STUDENT LOAN OPERATING FUND	94,395	23,598,687	23,599
665	PRESC PILL AND DRUG DISP FUND	494	123,500	124
669	AIRPORT LANDLOAD REV FUND	155	38,750	39
675	ELECTRONICS RECYCLING FUND	640	160,000	160
685	COMP RATE ADJ FUND	11,629	2,907,242	2,907
686	BUDGET STABILIZATION FUND	759	189,749	190
694	CAPITAL PROJECT FUND	363,867	90,966,509	90,967
698	LONG TERM CARE OMBUDSMAN FUND	3,729	932,248	932
702	ASST LIVING & SHARED HOUSING FUND	2,792	697,998	698
718	COMM MENTAL HEALTH MEDICAID FUND	71,568	17,891,953	17,892
720	FAMILY CARE FUND	1,062	265,499	266
728	DRUG REBATE FUND	207,713	51,928,112	51,928
731	IL CLEAN WATER ACT FUND	10,969	2,742,243	2,742
738	ALTERNATIVE COMPLIANCE MARKET FUND	394	98,500	99
739	GROUP WORKERS COMP POOL INSOLV FUND	3,067	766,748	767
740	MEDICAID BUY-IN PROG REV FUND	1,671	417,749	418
746	HOME INSPECTOR ADMINISTRATION FUND	957	239,249	239
750	REAL ESTATE AUDIT FUND	332	83,000	83
755	STATE EMPLOYEES DEF COMP FUND	3,845	961,247	961
774	OIL SPILL RESPONSE FUND	139	34,750	35
786	GEN ASSEM RET EXCESS BENE FUND	88	22,000	22
787	JUDGES RETIRE EXCESS BENE FUND	1,559	389,749	390
788	ST EMP RETIRE EXCESS BENE FUND	585	146,250	146
789	TEACHERS RET. EXCESS BENE FUND	59,917	14,979,210	14,979
790	PRIVATE SEWAGE DISP. PROGRAM FUND	379	94,750	95
793	HEALTHCARE PROVIDER RELIEF FUND	111,140	27,784,926	27,785
795	BANK AND TRUST COMPANY FUND	28,918	7,229,481	7,229
796	NUCLEAR SAFETY EMER PREP FUND	13,383	3,345,741	3,346
802	PERS PROP TAX REPL FUND	174,623	43,655,634	43,656
812	R.T.A. SALES TAX FUND	254,909	63,727,081	63,727
817	ISP OPERATIONS FUND	20,076	5,018,987	5,019
823	IL STATE DENTAL DISCP FUND	1,536	383,999	384
833	CEMETARY RELIEF FUND	456	114,000	114
841	METRO EAST MASS TRANSIT DIST FUND	8,564	2,140,994	2,141
849	REAL ESTATE RESCH & ED FUND	791	197,749	198
850	REAL ESTATE LISC ADMIN FUND	10,702	2,675,493	2,676 *
850	REAL ESTATE LISC ADMIN FUND	2,470	617,498	618 *
868	MUNICIPAL AUTO RENTING TAX FUND	1,754	438,499	438
869	COUNTY AUTO RENTING TAX FUND	43	10,750	11
882	SHEFFIELD 2/82 AGREED ORDER FUND	4,453	1,113,247	1,113

(See accompanying Notes to Schedules)

State of Illinois  
Office of the Treasurer

**Allocation of Securities Lending Collateral  
Based on Distribution of Interest Income Earned During the Month of June 2018  
For the Year Ended June 30, 2018**

**Schedule 3 (Continued)**

Fund	Fund Name	June 2018 Interest Income	Allocations of Securities Lending Collateral	Allocations of Securities Lending Collateral for GAAP (In Thousands)
888	DESIGN PROF ADMIN & INVST FUND	\$ 2,320	\$ 579,998	\$ 580
895	SOIL AND WATER CONS DIST FUND	1	250	-
899	ST. JUDE CHILDR RESEARH FUND	5	1,250	1
902	ST. CONSTR. FUND	943,179	235,794,121	235,794
904	POLICE FEDERAL PROJECT FUND	391	97,750	98
907	HEALTH INS RESERVE FUND	120,398	30,099,420	30,099
913	FED WORKFORCE TRAINING FUND	59	14,750	15
929	VIOLENT CRIME VICTIMS ASSIST FUND	7,189	1,797,245	1,797
932	ST TREAS COURT ORDER ESCROW FUND	940	234,999	235
934	CHILD ABUSE PREVT FUND	4	1,000	1
936	RAIL FREIGHT LOAN RPYMNT FUND	2,687	671,748	672
938	HEARING AID DISP EXAM & DISC FUND	33	8,250	8
940	SELF- INSURERS SECURITY FUND	30,760	7,689,980	7,690
942	RADIOACTIVE WASTE FAC DEV FUND	752	188,000	188
953	STATE MIGR WATERFOWL STAMP FUND	9,654	2,413,494	2,413
954	IL STATE PODIATRIC DISCP FUND	771	192,749	193
960	BUILD ILLINOIS FUND	35,766	8,941,476	8,941
970	BUILD IL BR&I FUND	17,842	4,460,485	4,460
973	BUILD IL CDB REVOLVING LOAN FUND	3,537	884,248	884
974	ILLINOIS EQUITY FUND	560	140,000	140
975	LARGE BUSINESS ATTRACTION FUND	567	141,750	142
982	IL BEACH MARINA FUND	148	37,000	37
993	PUBLIC INFRASTRUCT CONST LOAN REV FUND	1,412	352,999	353
994	IL AGRI LOAN GUARANTEE FUND	16,624	4,155,985	4,156
996	ED LABOR REL BD FAIR SHARE TRUST FUND	182	45,500	45
<b>Total Funds Allocation Except GRF</b>		<b>\$ 8,933,293</b>	<b>\$ 2,233,317,322</b>	<b>\$ 2,233,317</b>
<b>General Revenue Fund</b>		<b>9,151,119</b>	<b>2,287,773,678</b>	<b>2,287,774</b>
<b>Total Income/Securities Lending Allocation</b>		<b>\$ 18,084,412</b>	<b>\$ 4,521,091,000</b>	<b>\$ 4,521,091</b>
<b>Securities Lending at 6/30/2018</b>		<b>\$ 4,521,091,000</b>		
<b>Distribution Rate</b>		<b>1.97%</b>		

The distribution rate is a calculated value based on investments held, earnings applied, individual investment rates, and average balances of investments maintained in the state-wide investment pool throughout any given month (e.g., June 2018 Rate of 1.97%).

\* Funds 011 and 850 received two allocations of interest income as they are also allocated the interest income for Funds 553 (Transportation Bond Series A Fund) and 629 (Real Estate Recovery Fund), respectively.

**State of Illinois  
Office of the Treasurer**

**Securities Lending Activity of State Treasurer  
Agency Fund Activity  
For the Year Ended June 30, 2018**

**Schedule 4**

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New Loans	\$ 87,028,706,846
Positive Marks	29,103,618
Total Bought (additions)	<u>\$ 87,057,810,464</u>
Returns	\$ 85,975,899,170
Negative Marks	83,742,794
Total Sold (deletions)	<u>\$ 86,059,641,964</u>
Beginning Balance 7/1/17	\$ 3,522,922,500
Additions	87,057,810,464
Deletions	<u>86,059,641,964</u>
Ending Balance 6/30/18	<u>\$ 4,521,091,000</u>

New Loans are the total dollar value of new Treasurer owned securities loaned to Deutsche Bank during FY18.

Positive Marks are the total dollar value of credit adjustments (gains) for securities related to market movements during FY18.

Returns are the total dollar value of loaned securities that were returned to the Treasurer from Deutsche Bank during FY18.

Negative Marks are the total dollar value of debit adjustments (losses) for securities related to market movements during FY18.

**State of Illinois  
Office of the Treasurer**

**Securities Lending Activity of State Treasurer  
Agency Fund Activity  
For the Year Ended June 30, 2018**

**Schedule 4 (Continued)**

Allocation of Additions		FY18 Average		Allocated Based
Agency	Fund	Investment	% of Total	on % of Total
		Balance	(Rounded)	Additions
370	932	\$ 576,302	0.0052%	\$ 4,537,757
416	457	16,850,104	0.1524%	132,676,351
492	084	300,955	0.0027%	2,369,698
492	088	19,837,479	0.1794%	156,198,694
492	138	96,855,235	0.8760%	762,630,248
492	139	97,706,349	0.8837%	769,331,853
492	190	4,371,165	0.0395%	34,418,200
492	337	30,649,473	0.2772%	241,331,460
492	812	128,750,678	1.1645%	1,013,772,378
492	841	4,821,627	0.0436%	37,965,098
492	868	869,901	0.0079%	6,849,528
492	869	29,839	0.0003%	234,947
548	996	122,801	0.0011%	966,929
Total Avg. Inv. balance for all pooled investments		\$ 11,056,478,165	100.00%	

**Statement of Changes in Assets and Liabilities**

Amounts in Thousands

Agency	Fund	Beginning			Ending	
		Balance at July 1, 2017	Additions	Deletions	Balance at June 30, 2018	
370	932	\$ 184	\$ 4,538	\$ 4,487	\$ 235	
416	457	1,938	132,676	130,639	3,975	
492	084	103	2,370	2,401	72	
492	088	5,604	156,199	152,810	8,993	
492	138	23,016	762,630	738,472	47,174	
492	139	22,462	769,332	740,944	50,850	
492	190	1,381	34,418	34,092	1,707	
492	337	8,193	241,331	222,209	27,315	
492	812	29,818	1,013,772	979,863	63,727	
492	841	1,160	37,965	36,984	2,141	
492	868	241	6,850	6,653	438	
492	869	9	235	233	11	
548	996	40	967	962	45	

(See accompanying Notes to Schedules)

**State of Illinois  
Office of the Treasurer**

**Notes to the Schedules  
For the Year Ended June 30, 2018**

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**Note 1. Background**

The State Treasurer lends securities to broker-dealers and other entities for collateral that will be returned for the same securities in the future. The State Treasurer has, through a Securities Lending Agreement, authorized Deutsche Bank AG to lend the State Treasurer's securities to broker-dealers and banks pursuant to a form of loan agreement.

During fiscal year 2018, Deutsche Bank AG lent U.S. Agency securities and U.S. Treasury securities and received as collateral U.S. dollar denominated cash. Borrowers were required to deliver collateral for each loan equal to at least 100% of the aggregate fair value of the loaned securities. Loans are marked to market daily. If the fair value of collateral falls below 100%, the borrower must provide additional collateral to raise the fair value to 100%.

The State Treasurer did not impose any restrictions during fiscal year 2018 on the amount of the loans of available, eligible securities. In the event of borrower default, Deutsche Bank AG provides the State Treasurer with counterparty default indemnification. In addition, Deutsche Bank AG is obligated to indemnify the State Treasurer if Deutsche Bank AG loses any securities, collateral or investments of the State Treasurer in Deutsche Bank AG's custody. There were no losses during fiscal year 2018 resulting from a default of the borrowers or Deutsche Bank AG.

During fiscal year 2018, the State Treasurer and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested in repurchase agreements with approved counterparties collateralized with securities approved by Deutsche Bank AG and marked to market daily at no less than 102%. Because the loans are terminable at will, their duration did not generally match the duration of the investments made with cash collateral. The State Treasurer had no credit risk as a result of its securities lending program as the collateral held exceeded the fair value of the securities lent. The securities lending collateral received that was invested in repurchase agreements and the fair value of securities on loan for the State Treasurer as of June 30, 2018 were \$4,521,091,000 and \$4,451,198,793, respectively.

**Note 2. Criteria for Allocating Securities Lending Amounts**

GASB Codification Section 160: *Investments - Securities Lending*, paragraph .107 states "If a government pools money from several funds for investment purposes and the pool, rather than the individual funds, has securities lending transactions, the government should report the assets and liabilities arising from the securities lending transactions in the balance sheets of the funds and activities that have the risk of loss on the collateral assets. In many cases, this will involve a pro rata allocation to the various funds and activities based on their equity in the pool."

Based on the guidance cited above, the Treasurer allocates securities lending related assets and liabilities to individual State agency funds using each participating agency's proportionate share of average equity within the State's investment pool, maintained by the Treasurer, for the month of June 2018. The methodology used for allocating securities lending related assets and liabilities is the same methodology used for allocating accrued securities lending income to each agency and fund. This is consistent with the methodology utilized for allocating monthly investment income for each participating agency and fund within the State's investment pool, maintained by the Treasurer, throughout the fiscal year.