



State of Illinois  
Office of the Comptroller

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2009



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**STATE OF ILLINOIS**

# Comprehensive Annual Financial Report

~ 2009 ~

*For Fiscal Year Ended June 30, 2009*

**Comptroller Daniel W. Hynes**

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# **Introductory Section**

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June 30, 2010

To the Citizens of the State of Illinois,  
Honorable Pat Quinn, Governor and  
Honorable Members of the General Assembly:

I am pleased to present to you the *State of Illinois Comprehensive Annual Financial Report (CAFR)* for the year ended June 30, 2009. The CAFR is the State's official annual report which provides the readers with the financial position of the State as of June 30, 2009, and results of operations during the fiscal year. The report is intended to provide the State's taxpayers, managers, investors, creditors, lawmakers, and other users with information in accordance with generally accepted accounting principles (GAAP). Responsibility for the accuracy of the data as well as the completeness and fairness of presentation of this report rests with my Office and other State agency management.

The Management's Discussion and Analysis (MD&A), which begins on page 3 of this report, provides a narrative introduction, overview, and analysis to the accompanying basic financial statements. This letter is intended to complement the MD&A and should be read in conjunction with the MD&A. The accompanying basic financial statements are prepared in conformity with GAAP applicable to State governments as prescribed by the Governmental Accounting Standards Board (GASB). This office supports the GASB, contributed to its formation, and participates in the development of pronouncements by providing testimony at public hearings and submitting comments and recommendations as proposed standards are distributed for exposure.

The CAFR includes information on all funds, elected offices, departments, and agencies of the State, as well as all boards, commissions, authorities, and universities for which the State's executive, legislative, and judicial branches are financially accountable. The financial statements distinguish between primary government organizations and component units. The primary government is the nucleus of the financial reporting entity and is the focal point for the users of the financial statements. The primary government of the State consists of all the organizations that make up its legal entity. All funds, departments, agencies, offices, and other organizations that are not legally separate are, for financial reporting purposes, part of the primary government. Component units are legally separate organizations for which the State is financially accountable.

The financial activities of the State are organized on the basis of individual funds, each of which is a separate accounting entity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with specific regulations, restrictions, and limitations. Major funds are the focus of the State's financial statements and include the General Fund (including the General Revenue Account, the Education Assistance Account, the Common School Account, and the Medicaid Provider Assessment Accounts), the Road Fund, the State Construction Account, the Unemployment Compensation Trust Fund, the Water Revolving Fund, the Prepaid Tuition Fund, and the Designated Account Purchase Program Fund. The reporting entity, major funds, and fund types are described in detail in Note 1 to the financial statements.

To ensure readability of the financial statements, generally only funds with total assets, liabilities, fund balances/net assets, revenues, or expenditures/expenses greater than 2% of the total for that fund type are presented separately in the individual fund financial statements, except component units where all component units are presented, and special revenue funds where funds with greater than .5% of the total are presented. Combination of funds is necessary due to the existence of more than 750 funds in the State's reporting entity. Funds used by more than one agency are classified with what is determined to be the primary administering agency.

### ***Internal Controls***

Each State agency's management is responsible for establishing and maintaining internal controls designed to ensure that the assets of the State are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The State's internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

On October 31, 1989, the Fiscal Control and Internal Auditing Act (FCIAA) became law, requiring all State agency chief executive officers to annually certify the adequacy of internal controls in place within their agencies and that selected agencies employ a chief internal auditor with a specified minimum level of professional competency.

### ***Independent Audit***

The Illinois Auditor General has performed an audit of the accompanying basic financial statements in accordance with generally accepted auditing standards in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. His unqualified opinion appears at the beginning of the financial section of this report. In addition, the Illinois Auditor General conducts an annual audit pursuant to the requirements set forth in the Federal Single Audit Act Amendments of 1996 and the related U.S. Office of Management Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. This report is issued separately.

## **PROFILE OF THE STATE**

Illinois, located in the Midwest, became the twenty-first state in 1818. The State has 56,400 square miles and is the 24th largest state in size. However, per the 2000 census, Illinois is the 5<sup>th</sup> largest state in population with approximately 12.4 million residents.

Illinois' government is divided into three branches: executive, legislative, and judicial. An organizational chart, showing the relationships between the Citizens of the State of Illinois, the three branches of Illinois State government, and those of the various agencies, boards, commissions, and universities which provide a full range of State government services, is presented on page XIII.

The State provides a full range of services including: the construction and maintenance of highways and infrastructure, education, social and health services, public safety, conservation of natural resources, economic development, and recreation facilities and development. The State of

Illinois is also financially accountable for 3 separate entities which have been included as a part of the State's financial statements. In addition, the State of Illinois is financially accountable for 26 legally separate entities which have been reported separately within the State's financial statements. Additional information on all of these legally separate entities can be found in the notes to the financial statements.

The Comptroller's Statewide Accounting Management System (**SAMS**) provides the basis for receipt, expenditure, and encumbrance reporting of all State treasury held funds with specific budgetary controls maintained on line-item expenditures for all appropriated funds. Appropriations (budget) and actual expenditure analysis for significant individual funds is provided in the Budgetary Schedules section of this report.

The State of Illinois has a two-month "lapse period." During this time, July 1 to August 31, State agencies can expend funds appropriated in the prior fiscal year if encumbered by June 30. For all fund types, goods or services received prior to June 30 are recorded as liabilities and expenditures or expenses, whichever is appropriate. For governmental fund types, lapse period expenditures for goods encumbered as of June 30 and received prior to August 31 are reported with other encumbrances as reservations of June 30 fund balances and not as liabilities or expenditures.

Many State programs are accounted for in the General Fund. As analyzed in the MD&A, the GAAP basis financial position of the General Fund at June 30, 2009, decreased from June 30, 2008. The fund balance in the State's General Fund decreased by \$3.647 billion on a GAAP basis (from a deficit of \$4.035 billion, as restated, to a deficit of \$7.682 billion). On the *budgetary basis*, there was a \$3.673 billion fund deficit at June 30, 2009, compared to a \$834 million fund deficit at June 30, 2008, resulting in a \$2.839 billion increase in the budgetary deficit.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### ***Economy***

Illinois has a broadly diversified economy with an employment base that closely mirrors the national economy. The State continues to have a vigorous service sector with strength in professional and business services, education and healthcare services, and leisure and hospitality services. While retaining a sizeable manufacturing sector, its relative significance has decreased over the last decade, consistent with national trends. The largest private employers in Illinois include major retailers, large healthcare providers, equipment manufacturers, and nationwide financial service providers.

According to the U.S. Bureau of Labor Statistics, Illinois averaged 5.829 million nonfarm payroll jobs and an unemployment rate of 8.1% in fiscal year 2009.

## **MAJOR INITIATIVES**

The following initiatives were among those instituted in Illinois state government in recent years to address issues affecting the State's revenues, cash management, and expenditures.

### ***American Recovery and Reinvestment Act***

On February 17, 2009, the American Recovery and Reinvestment Act (“ARRA”) was signed into law by President Obama. ARRA’s objective was to create and preserve jobs, to promote economic activity and invest in long-term growth, and to foster unprecedented levels of accountability and transparency in government spending by providing tax cuts and benefits for working families and businesses; increasing federal funding for education, health care, and entitlement programs; providing funding for federal contracts, grants, and loans; and requiring recipients of ARRA funding to report quarterly on the use of funds received. The State received \$2.036 billion of ARRA monies in fiscal year 2009 into funds in the State Treasury. \$1.566 billion of the ARRA funding was received by the General Revenue Account, a subaccount of the General Fund. In addition, \$447.286 million was received by the Unemployment Compensation Trust Fund, a fund held outside of the State Treasury. ARRA is expected to continue to be a significant source of receipts by the State into the first half of fiscal year 2011.

### ***Short-term Borrowing***

In fiscal year 2009, the State took several actions to help alleviate the ongoing financial problems. \$275.704 million was transferred from the Budget Stabilization Fund to the General Revenue Fund which was repaid by the end of the fiscal year. Also, in December 2008 (\$1.4 billion) and May 2009 (\$1 billion), the State issued short-term notes and deposited the proceeds into the General Revenue Fund in order to attempt to alleviate cash flow deficits. The December 2008 issue was repaid prior to June 30, 2009, while the May 2009 issue was repaid in fiscal year 2010.

### ***Capital Program***

Illinois Jobs Now!, the State’s first capital bill in over 10 years, is a \$31 billion multi-year program that emphasizes job creation and retention, economic stimulus, and accessing federal American Recovery and Reinvestment Act dollars while making investments in the State’s schools, roads, bridges, airports, and transit system. Funding for Illinois Jobs Now! is comprised of monies from Federal, State, and local sources with the State’s share of approximately \$13.5 billion to be funded through the issuance of general obligation bonds and Build Illinois Bonds (special obligation bonds) over the length of the program. Increases in motor vehicle title fees, license plate fees, and wine and spirit taxes; new sales taxes on candy, sweet tea, coffee, and grooming and hygiene products; a new licensing and taxation program for video gaming terminals; and existing revenues in the Road Fund are anticipated to support the debt service.

### ***Spending Initiatives***

In an effort to address perceived duplicate functions within state agencies, effective June 1, 2006, divisions of shared services were created to perform administrative functions, including human resources, personnel, payroll, timekeeping, procurement, and accounting for agencies providing similar governmental functions. A division of shared services was created within the Department of Revenue to provide administrative functions for executive and regulatory agencies including the Departments of Central Management Services and Financial and Professional Regulation. A division of shared services was also created within the Department of Corrections to provide administrative functions for public safety agencies including the Departments of State Police, Juvenile Justice, Military Affairs, the Prisoner Review Board, the Law Enforcement Training and Standards Board, the Criminal Justice Information Authority, the Emergency Management Agency, and the State Fire Marshal.

### *Pensions*

Certain changes in the pension systems occurred in fiscal year 2006 with reduced benefits for certain new employees and a shift in the payment of the employers' share of the cost of certain late career benefits from the State to the employees' local government. Required State contributions to the pension systems were reduced to \$938 million in fiscal year 2006 and to \$1.375 billion in fiscal year 2007. However, this reduction in required contributions is required to be added to the contributions required for fiscal years 2008 through 2010. In addition, every new benefit increase is required to provide additional funding at least sufficient to cover the resulting annual increase in costs to the pension system and all benefit increases are to expire no more than 5 years after the effective date of the increase.

## **LONG-TERM FINANCIAL PLANNING AND RELEVANT FINANCIAL POLICIES**

The fiscal year 2009 CAFR reveals continuing underlying financial weaknesses which significantly impact the State's overall fiscal health in regards to deferred liabilities, ongoing operational concerns related to cash management and long-term concerns related to pension and other postemployment obligations.

### *Deferred Liabilities*

Section 25 of the State Finance Act permits the payment of selected prior year expenses, primarily Medicaid, in the current fiscal year. The section was originally created to address billing and adjudication issues connected with such expenditures. Over the past two decades, however, it has become a common practice to defer liabilities utilizing Section 25 effectively reducing the appropriation levels needed to fund certain programs within any given fiscal year and pushing expenditures into the next fiscal year. The State ended fiscal year 2009 with \$2.016 billion in such costs.

### *Cash Management*

Cash flow continues to be an issue as Illinois has had a running General Revenue Fund deficit defined as bills on hand exceeding available cash, with few exceptions, since November of 2000. Fiscal year 2009 marked the seventh consecutive year that Illinois has had to engage in short-term borrowing to address various cash flow needs.

Cash management practices are greatly affected by the aforementioned budgetary practices in relation to deferred liabilities which place additional pressure in the first and second quarters of the year to pay those expenses. Additionally, the majority of the State's tax collections are received in the second half of the fiscal year with large income tax collections arriving in the spring of each year which further contributes to the payment delays seen within the fiscal year.

In 2000, legislation was enacted to create the State's Budget Stabilization Fund in order to assist the State in meeting cash flow deficits as needed. The statutory goal for funding this reserve was set at five percent of General Funds revenues in any given year. As of June 30, 2009, the balance in the Budget Stabilization Fund was \$275.704 million, an amount insufficient in practical terms to address the State's annual cash management needs and timing variations between spending and revenues, both recent and historical, and significantly less than envisioned when the Act was created.

### ***Pension Obligations***

Legislation enacted in 1995 set a long-term funded ratio (assets to actuarial accrued liabilities) target for the State's five retirement systems at 90% and established a plan for contributions in order for the State to reach this target by fiscal year 2045. After fiscal year 2045, the State shall maintain annual contributions sufficient to keep the systems at a 90% funded ratio. In fiscal year 2004, the systems enjoyed an additional \$7.3 billion in contributions from a \$10.0 billion general obligation pension bond sale.

As of June 30, 2009, the five State-funded retirement systems were at a 50.6% funded ratio using a five year "smoothing" valuation of assets with \$62.439 billion in unfunded liability. Using the fair market value of assets instead of a five year "smoothing" of assets, however, results in a 38.4% funded ratio and \$77.893 billion in unfunded liability.

For fiscal year 2006 through fiscal year 2007, the relevant State statutes were amended to allow for significantly lower State contribution levels to the retirement systems with levels increasing in fiscal years 2008, 2009, and 2010 before returning to the mandated levels of the 1995 law for fiscal year 2011.

### ***Other Postemployment Obligations***

For fiscal year 2009, the State performed an actuarial valuation of the health, dental, vision, and life insurance benefits promised to retirees. The valuation reported a \$27.124 billion actuarial liability with no assets currently set aside to fund the liability as the State uses a "pay-as-you go" method to make payments to retirees.

### ***Debt Management***

Public Act 93-0839 known as the Debt Responsibility Act, effective July 30, 2004, placed new restrictions on the issuance of general obligation bonds. At least 25% of general obligation bonds issued within a year must be sold pursuant to notice of sale and public bid. General obligation bonds must be issued with equal principal or mandatory redemption amounts in each fiscal year following the year of issuance for a term not to exceed 25 years. General obligation bonds may not be issued if, in the next fiscal year after issuance, the amount of debt service on all then outstanding general obligation bonds exceeds 7% of the General and Road Fund appropriations for the fiscal year immediately preceding the issuance unless the Comptroller and Treasurer waive this requirement. No general obligation refunding bonds can be issued unless the refunding produces a net present value savings of at least 3% of the bonds being refunded and the maturities of the refunding bonds do not extend beyond the maturities of the bonds being refunded.

## **CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting ("Certificate") to the State of Illinois for its comprehensive annual financial report ("CAFR") for the fiscal year ended June 30, 2008, which was the twenty-fifth consecutive year that the State has received this prestigious award in governmental financial reporting. In order to be awarded a Certificate, the State of Illinois published an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate is valid for a period of one year only. As this current comprehensive annual financial report is expected to meet the Certificate of Achievement Program's requirements, it is being submitted to the GFOA to determine its eligibility for another certificate.

## **ACKNOWLEDGMENTS**

The preparation of the State's Comprehensive Annual Financial Report was made possible by the due diligence of my staff, the Auditor General's Office, and all State agencies who submitted timely information during this year's GAAP financial statement process. Their hard work and dedication has resulted in an excellent financial report of which we can be proud. I express my gratitude to all of those involved for this tremendous cooperative effort.

Sincerely,

Daniel W. Hynes  
Comptroller

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## State of Illinois

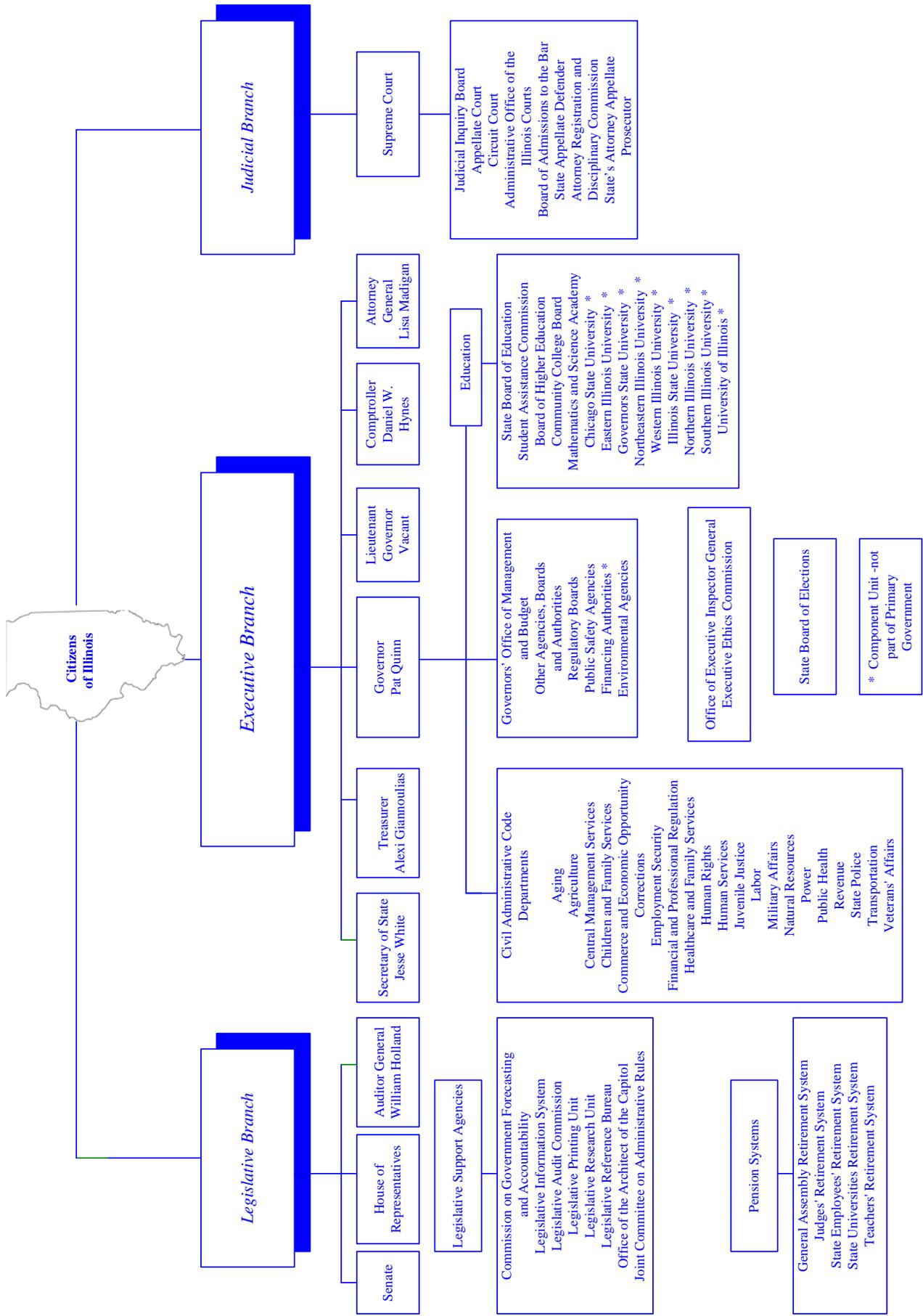
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



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# **Financial Section**

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OFFICE OF THE AUDITOR GENERAL  
WILLIAM G. HOLLAND

**Independent Auditors' Report**

Honorable Michael J. Madigan, Speaker of the House  
Honorable John J. Cullerton, President of the Senate  
Members of the General Assembly  
Honorable Patrick Quinn, Governor  
Honorable Daniel W. Hynes, Comptroller

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Illinois, as of and for the year ended June 30, 2009, which collectively comprise the State of Illinois' basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State of Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain university related organizations, which represent 8%, 17%, and 4%, respectively, of the total assets, total net assets, and total expenses of the aggregate discretely presented component unit amounts. Those financial statements were audited by other auditors whose reports thereon have been provided to us, and our opinion, insofar as it relates to the amounts included for these university related organizations, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit, and the reports of the other auditors, provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Illinois, as of June 30, 2009, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

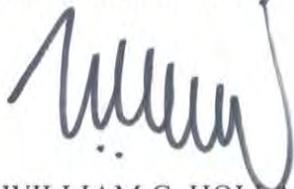
As discussed in Note 2, the financial statements have been restated as of July 1, 2008 for prior year reporting errors.

The deficit for net assets of governmental activities in fiscal year 2009 continued to increase by \$5,397,943,000 from \$24,546,623,000 at June 30, 2008 to \$29,944,566,000 at June 30, 2009. This deficit, which is presented on an accrual basis, is the excess of total liabilities over total assets and represents a deferral of current and prior year costs to future periods.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 30, 2010 on our consideration of the State of Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and required supplementary information, listed in the accompanying table of contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Illinois' basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of the other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion on them.



WILLIAM G. HOLLAND  
Auditor General  
State of Illinois



BRUCE L. BULLARD, CPA  
Director of Financial and Compliance Audits  
Office of the Auditor General

Springfield, Illinois  
June 30, 2010

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of the State of Illinois' (the State's) financial performance providing an overview of the activities for the fiscal year ended June 30, 2009. Please read it in conjunction with the transmittal letter and with the State's financial statements which follow this section.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the State's basic financial statements which comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition, this discussion and analysis also contains information on other supplementary information included in this report.

#### **Government-wide Statements (Reporting the State as a Whole)**

The Statement of Net Assets and the Statement of Activities are two financial statements that report information about the State, as a whole, and about its activities. These statements include all non-fiduciary assets, liabilities, revenues, and expenses using the accrual basis of accounting.

The Statement of Net Assets (page 19) presents all of the State's non-fiduciary assets and liabilities with the difference between the two reported as "net assets". Over time, increases and decreases in net assets measure whether the State's financial position is improving or deteriorating.

The Statement of Activities (pages 20 and 21) presents all of the State's non-fiduciary revenues and expenses with the difference showing how the State's net assets changed during the current fiscal year. All changes in net assets are reported as soon as the underlying events giving rise to the change occur regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and unused accrued absences).

Both statements report three activities:

- *Governmental Activities* – Most of the State's basic services are reported under this category. Taxes and intergovernmental revenues generally fund these services. The Legislature, the Judiciary, Elected Officials, and the general operations of the Executive departments fall within the governmental activities.
- *Business-type Activities* – The State charges fees to customers to help it cover all or most of the cost of certain services provided by the State. Lottery tickets and the State's unemployment compensation services are examples of business-type activities.
- *Discretely Presented Component Units* – Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The State has 10 authorities, 9 universities, and 7 other organizations that are reported as discretely presented component units of the State.

Included within the basic financial statements are two schedules (pages 23 and 25) that reconcile the amounts reported on the governmental fund financial statements (modified accrual accounting) with governmental activities on the appropriate government-wide statements (accrual accounting). Modified accrual accounting focuses on the current financial resources, which are the resources available for spending in the near future (defined by the State as 60 days). Accrual

accounting reports the total economic resources similar to a private-sector business. The following summarizes some of the differences in modified accrual and accrual accounting:

- Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds statements.
- Prepaid expenses for governmental activities are current uses of financial resources of funds and therefore are not reported in the governmental funds statements.
- Deferred issuance costs are capitalized and amortized as governmental activities, but reported as expenditures in the governmental funds statements.
- Certain revenues that are earned, but not available, are reported as revenues of governmental activities, but are reported as unavailable revenue on the governmental funds statements.
- Unless due and payable, long-term liabilities, such as capital lease obligations, installment purchases agreements, compensated absences, certificates of participation, net pension obligations, net other postemployment benefit obligations, and bonds and notes payable appear as liabilities in the government-wide statements but are not reported in the governmental funds statements.
- Internal service funds are reported as governmental activities, but reported as proprietary funds in the fund financial statements.
- Capital outlay spending results in recording capital assets on the government-wide statements, but is reported as expenditures on the governmental fund statements.
- Bond and note proceeds result in liabilities on the government-wide statements, but are recorded as other financing sources on the governmental fund statements.
- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements, but are reported as expenditures on the governmental funds statements.

The Notes to the Basic Financial Statements provide additional information that is integral to understanding the data provided in the government-wide and fund financial statements. The notes can be found beginning on page 37 of this report.

### **Fund Financial Statements (Reporting the State's Major Funds)**

The fund financial statements begin on page 22 and provide more detail than the government-wide financial statements, concentrating on information about the major individual funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the State uses to keep track of specific sources of funding and spending for a particular purpose. In addition to the major funds, individual fund data for the nonmajor funds is presented beginning on page 145. The State's funds are divided into three categories – governmental, proprietary, and fiduciary – with each using a different accounting method.

*Governmental funds* – Most of the State's basic services are reported in the governmental funds which focus on how monies flow into and out of those funds and the balances left at year-end that are available for future spending. The governmental fund financial statements provide a detailed short-term view of the State's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the State's programs. Governmental funds are reported using modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash and liabilities that are due in the current period. Governmental funds include the General Fund and special revenue, capital project, debt service, and permanent funds.

*Proprietary funds* – When the State charges customers for the services it provides, whether to outside customers or to other agencies within the State, these services are generally reported in proprietary funds. Proprietary funds (enterprise and internal service) utilize accrual accounting; the same method used by private sector businesses. Enterprise funds report activities that provide supplies and services to the general public. An example is the State Lottery Fund. Internal service funds report activities that provide supplies and services for the State’s other programs and activities such as the State’s Communications Revolving Fund. The State’s internal service funds are reported as governmental activities on the government-wide statements.

*Fiduciary funds* – The State acts as a trustee or fiduciary for its employee pension plans. The State is also responsible for other assets that, because of a trust arrangement or other contractual arrangement, can be used only for the trust beneficiaries. The State’s fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets beginning on page 30. These funds, which include pension (and other employee benefit) trust, private-purpose trust, investment trust, and agency funds, are reported using accrual accounting. The government-wide statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and do not represent discretionary assets of the State to finance its operations.

### **Additional Required Supplementary Information**

Following the basic financial statements is additional Required Supplementary Information that further explains and supports the information in the financial statements. The Required Supplementary Information includes budgetary comparison schedules reconciling the statutory and generally accepted accounting principles (GAAP) net change in fund balances at fiscal year-end and funding progress of the State’s retirement systems and other postemployment benefit plans.

### **Other Supplementary Information**

Other supplementary information includes two components: 1) combining financial schedules for nonmajor governmental, proprietary, and fiduciary funds and nonmajor discretely presented component units and 2) combining budgetary schedules using the terminology and classification of funds used by the State for budgetary purposes. The combining financial statements present by fund category, and then by fund type, the amounts presented in the nonmajor funds column in the fund financial statements.

## **FINANCIAL ANALYSIS OF THE STATE**

The State’s combined net assets decreased \$7.360 billion or 36.8% during the current fiscal year. The net assets of the State’s governmental activities decreased \$5.398 billion or 22.0% and the net assets of the State’s business-type activities decreased \$1.962 billion or 43.3%. The following condensed financial information was derived from the government-wide Statement of Net Assets and reflects the State’s financial position as of June 30, 2009 and 2008:

<b>Net Assets as of June 30</b> (in millions of dollars)						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
<b>Assets:</b>						
Current and other non-current assets	\$ 11,901	\$ 10,821	\$ 5,855	\$ 7,458	\$ 17,756	\$ 18,279
Capital assets	18,707	18,453	4	3	18,711	18,456
Total assets	<u>30,608</u>	<u>29,274</u>	<u>5,859</u>	<u>7,461</u>	<u>36,467</u>	<u>36,735</u>
<b>Liabilities:</b>						
Other liabilities	14,180	9,806	1,017	923	15,197	10,729
Long-term liabilities	46,373	44,015	2,268	2,002	48,641	46,017
Total liabilities	<u>60,553</u>	<u>53,821</u>	<u>3,285</u>	<u>2,925</u>	<u>63,838</u>	<u>56,746</u>
<b>Net assets:</b>						
Invested in capital assets, net of related debt	14,174	13,689	4	3	14,178	13,692
Restricted	998	978	2,732	4,534	3,730	5,512
Unrestricted	<u>(45,117)</u>	<u>(39,214)</u>	<u>(162)</u>	<u>(1)</u>	<u>(45,279)</u>	<u>(39,215)</u>
<b>Total net assets</b>	<u>\$ (29,945)</u>	<u>\$ (24,547)</u>	<u>\$ 2,574</u>	<u>\$ 4,536</u>	<u>\$ (27,371)</u>	<u>\$ (20,011)</u>

Note: Prior year amounts have been restated for activities as described in Note 2 to the financial statements.

The State's largest asset is its capital assets (\$18.711 billion) consisting of land, buildings, equipment, infrastructure, and other items with estimated useful lives of greater than one year. The largest portion of the State's long-term liabilities are its net pension obligation (\$20.975 billion) and bonds payable obligation (\$22.901 billion), including deferred amounts on refundings and unamortized premiums and discounts. The largest component of the State's net assets reflects the State's investment in capital assets, less any related debt that was recorded to acquire or construct the assets. The restricted net assets balance consists of resources subject to external restrictions or enabling legislation as to their use. The remaining portion, unrestricted net assets, are the net assets available to be used at the State's discretion or need to be replenished by revenues in future periods.

The State's assets decreased \$268 million from \$36.735 billion at June 30, 2008, to \$36.467 billion at June 30, 2009, due mainly to \$1.723 billion less in deposits held by the federal government from the Unemployment Compensation Trust Fund, offset by an increase in securities lending collateral balances of \$822 million. The State's increase in liabilities of \$7.092 billion from \$56.746 billion at June 30, 2008, to \$63.838 billion at June 30, 2009, resulted mainly from the increases in the State's net pension obligation of \$1.779 billion and net other postemployment benefit obligation of \$1.236 billion, as well as an increase of \$2.676 billion in accounts payable and accrued liabilities due to cash flow problems in the State's General Fund.

The following condensed financial information was derived from the government-wide Statement of Activities and reflects the State's decrease in net assets during the current fiscal year:

**Changes in Net Assets  
for Fiscal Year Ending June 30  
(in millions of dollars)**

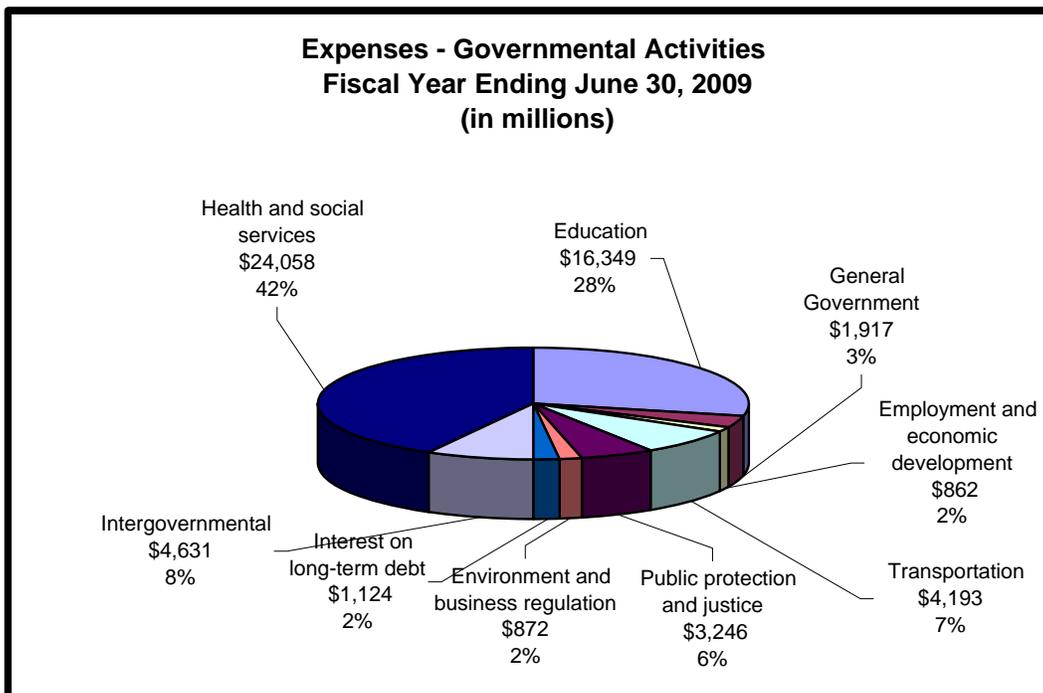
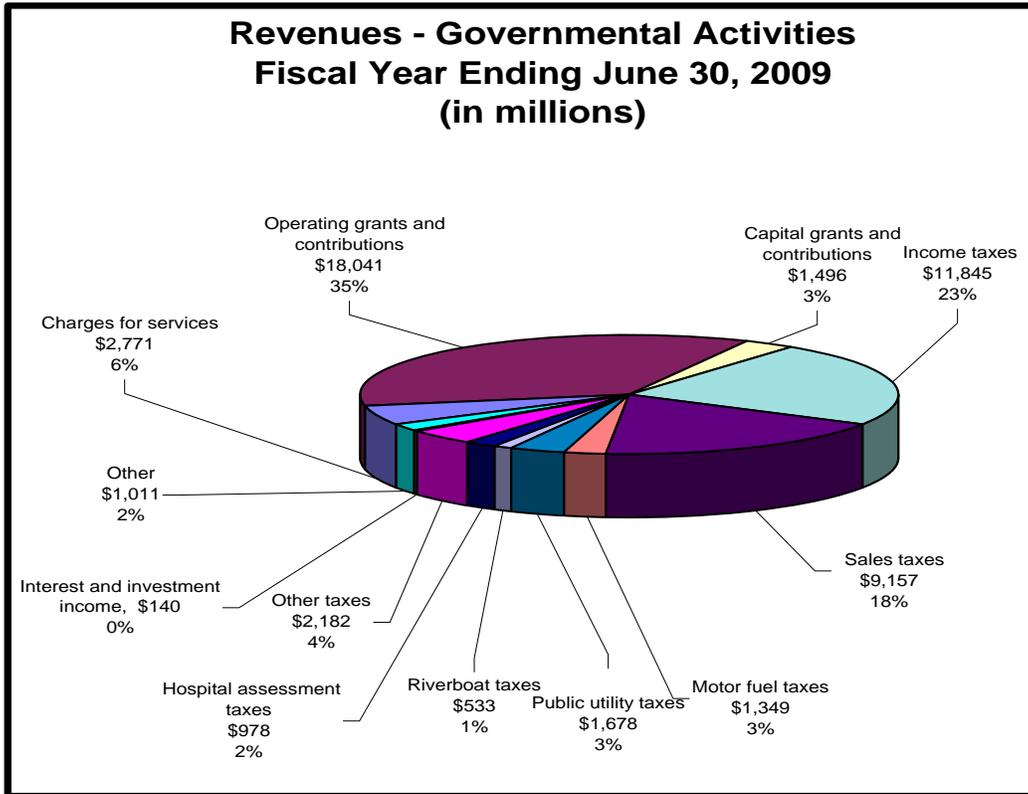
	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	2009	2008	2009	2008	2009	2008	2008 to 2009
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 2,771	\$ 2,801	\$ 3,776	\$ 4,266	\$ 6,547	\$ 7,067	(7.4%)
Operating grants and contributions	18,041	14,288	1,867	247	19,908	14,535	37.0%
Capital grants and contributions	1,496	1,274	-	-	1,496	1,274	17.4%
General revenues							
Income taxes	11,845	13,414	-	-	11,845	13,414	(11.7%)
Sales taxes	9,157	10,147	-	-	9,157	10,147	(9.8%)
Motor fuel taxes	1,349	1,406	-	-	1,349	1,406	(4.1%)
Public utility taxes	1,678	1,692	-	-	1,678	1,692	(0.8%)
Riverboat taxes	533	697	-	-	533	697	(23.5%)
Hospital assessment taxes	978	804	-	-	978	804	21.6%
Other taxes	2,182	2,135	-	-	2,182	2,135	2.2%
Interest and investment earnings	140	325	76	115	216	440	(50.9%)
Other revenue	1,011	1,013	-	-	1,011	1,013	(0.2%)
<b>Total revenues</b>	<b>51,181</b>	<b>49,996</b>	<b>5,719</b>	<b>4,628</b>	<b>56,900</b>	<b>54,624</b>	<b>4.2%</b>
<b>Expenses</b>							
Health and social services	24,058	21,688	-	-	24,058	21,688	10.9%
Education	16,349	15,243	-	-	16,349	15,243	7.3%
General government	1,917	1,935	-	-	1,917	1,935	(0.9%)
Employment and economic development	862	875	-	-	862	875	(1.5%)
Transportation	4,193	4,198	-	-	4,193	4,198	(0.1%)
Public protection and justice	3,246	3,224	-	-	3,246	3,224	0.7%
Environment and business regulation	872	926	-	-	872	926	(5.8%)
Unemployment compensation fund	-	-	5,086	1,991	5,086	1,991	155.4%
Water revolving fund	-	-	18	18	18	18	0.0%
Prepaid tuition programs	-	-	75	73	75	73	2.7%
Designated account purchase program fund	-	-	63	101	63	101	(37.6%)
Lottery	-	-	1,444	1,412	1,444	1,412	2.3%
Federal student loans	-	-	200	193	200	193	3.6%
Other business-type activities	-	-	122	148	122	148	(17.6%)
Intergovernmental	4,631	5,140	-	-	4,631	5,140	(9.9%)
Interest	1,124	1,137	-	-	1,124	1,137	(1.1%)
<b>Total expenses</b>	<b>57,252</b>	<b>54,366</b>	<b>7,008</b>	<b>3,936</b>	<b>64,260</b>	<b>58,302</b>	<b>10.2%</b>
Excess (deficiency) before special items and transfers	(6,071)	(4,370)	(1,289)	692	(7,360)	(3,678)	(100.1%)
Special items	-	-	-	(11)	-	(11)	(100.0%)
Transfers	673	668	(673)	(668)	-	-	0.0%
<b>Increase (decrease) in net assets</b>	<b>(5,398)</b>	<b>(3,702)</b>	<b>(1,962)</b>	<b>13</b>	<b>(7,360)</b>	<b>(3,689)</b>	<b>(99.5%)</b>
Net assets - beginning, as restated	(24,547)	(20,845)	4,536	4,523	(20,011)	(16,322)	(22.6%)
Net assets - ending	<u>\$ (29,945)</u>	<u>\$ (24,547)</u>	<u>\$ 2,574</u>	<u>\$ 4,536</u>	<u>\$ (27,371)</u>	<u>\$ (20,011)</u>	<u>(36.8%)</u>

### **Governmental Activities:**

Governmental activities of the State are financed primarily through taxes collected. The functions reported for governmental activities consist of the following:

- *Health and social services* – The health and social services function consists of programs such as Medicaid, Temporary Assistance for Needy Families (TANF), and Child Support Enforcement which are administered mostly by the Department of Healthcare and Family Services, the Department of Human Services, and the Department of Children and Family Services.
- *Education* – The education function consists of support for local public school districts and post-secondary institutions administered mostly by the State Board of Education, the State Board of Higher Education, and the Illinois Community College Board.
- *General government* – The general government consists of the day-to-day operations of the State performed mostly by the Elected Officials, Members of the General Assembly, the Department of Central Management Services, and the Department of Revenue.
- *Employment and economic development* – The employment and economic development function consists of job training for citizens and support for the growth of public sector commerce administered mostly by the Department of Commerce and Economic Opportunity and the Department of Employment Security.
- *Transportation* – The transportation function consists of support for building and maintaining infrastructure capital assets owned by the State and owned by local governments of the State which is administered mostly by the Department of Transportation.
- *Public protection and justice* – The public protection and justice function consists of law enforcement functions of the State and other public safety regulatory programs performed mostly by the Department of Corrections and the Department of State Police.
- *Environment and business regulation* – The environment and business regulation function consists of regulation of the environment of the State and regulation of various business types in the State performed mostly by the Environmental Protection Agency, the Department of Commerce and Economic Opportunity, the Department of Natural Resources, the Department of Financial and Professional Regulation, and the Department of Labor.

The following charts display revenues and expenses of the State for governmental activities during the fiscal year:



The State's governmental activities revenues increased \$1.185 billion (2.4%) during fiscal year 2009 with the largest revenue increase consisting of \$3.753 billion in operating grants and contributions. This increase was offset by significant decreases in income taxes and sales taxes of \$1.569 billion and \$990 million, respectively.

The State's governmental activities expenses increased \$2.886 billion (5.3%) during fiscal year 2009. The State's two largest expenses, health and social services expenses and education expenses, increased \$2.370 billion and \$1.106 billion, respectively. Health and social services expenses increased due to costs associated with the State's Medicaid program while education expenses increased due to increased aid provided to the State's elementary, secondary, and postsecondary schools. Intergovernmental expenses, however, decreased \$509 million due mainly to lower collections of shared tax revenues.

### **Business-type Activities:**

Net assets of business-type activities decreased \$1.962 billion during the fiscal year 2009. This decrease was attributed mainly to a \$1.791 billion decrease in net assets of the Unemployment Compensation Trust Fund, which had a decrease in unemployment tax revenue of \$370 million, an increase in unemployment benefit expenses of \$3.095 billion, and an increase in federal revenue of \$1.618 for reimbursement of extended unemployment benefits provided.

## **FINANCIAL ANALYSIS OF THE STATE'S MAJOR GOVERNMENTAL FUNDS**

### **General Fund**

The General Fund accounts for resources obtained and used for those services traditionally provided by the State which are not required to be accounted for in another fund. Accordingly, the majority of the State's tax revenues and program support expenses are accounted for in the General Fund. For financial reporting purposes, the General Fund consists of several accounts of the State which are described on page 145. For budgetary purposes the General Funds consist of the General Revenue, Common School-Special, Education Assistance, and Common School Accounts.

The State's General Funds' budgetary fund balance ended fiscal year 2009 with a deficit for the eighth consecutive year. At June 30, 2009, the General Funds' budgetary fund balance was a deficit of \$3.673 billion compared to a \$834 million deficit recorded at June 30, 2008. The original budget projected a \$4.183 billion deficit at the end of the fiscal year. The final budget projected a \$3.717 billion deficit. Most of the difference between the General Funds' original budget and the final budget is a result of \$2.400 billion in short-term borrowings which were not originally budgeted and increased Medicaid expenditures to be paid in fiscal year 2009 instead of future fiscal years.

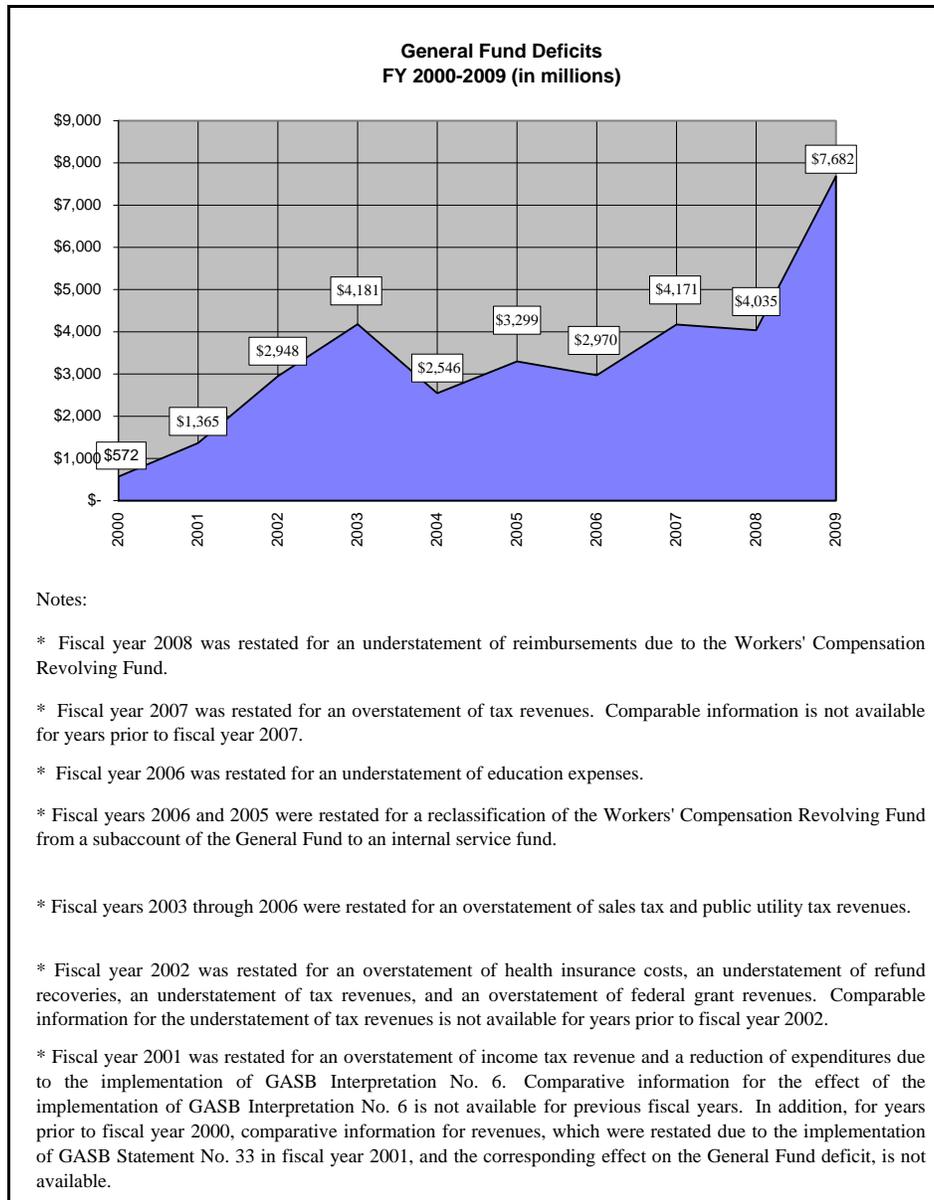
The majority of the \$44 million increase in the General Funds' budgetary balance between the final budget and the actual results was due to \$423 million less in actual revenues than budgeted revenues and \$467 million less in actual expenditures than budgeted expenditures. Actual income tax revenue and sales tax revenue were \$1.249 billion and \$524 million, respectively, less than budgeted due to the national recession. Federal government revenues were \$1.467 billion more than budgeted due to the American Recovery and Reinvestment Act (ARRA). Health and social services expenditures and education expenditures were \$198 and \$121 million, respectively, less than final budgeted amounts.

The General Fund's assets at June 30, 2009, were \$5.146 billion, which is an increase of \$1.265 billion from the June 30, 2008, balance of \$3.881 billion. Cash increased \$258 million, securities lending collateral of the State Treasurer increased \$592 million, taxes receivable increased \$218 million, and intergovernmental receivables increased \$290 million from June 30, 2008. The increase in cash was mainly a cause of an increase in earmarked funds for education which were not spent due to the State using funds received from the ARRA to fund certain educational expenditures. The increase in securities lending collateral was due to the recording of securities lending activity in the State's internal investment pool. The increase in taxes receivable was partially due to payment lags due to the impact of the national recession. The increase in intergovernmental receivables was due to the increased budgeted expenditures to be spent on Medicaid programs occurring near the end of the fiscal year.

The General Fund's liabilities at June 30, 2009, were \$12.828 billion, which is an increase of \$4.912 billion from the June 30, 2008, balance of \$7.916 billion. The factors that determine a significant portion of the General Fund liabilities are the accrued liabilities payable from future year's appropriations. Accounts payable and accrued liabilities increased \$2.281 billion from June 30, 2008 mostly due to cash flow problems causing the State to hold over \$2.784 billion in payments in the General Fund at June 30, 2009 compared to \$207 million at June 30, 2008. One of the largest components of those liabilities is Section 25 of the State Finance Act (Section 25) deferrals which consist mostly of Medicaid program liabilities. These statutory deferrals allow expenses incurred during one fiscal year to be paid for from the subsequent fiscal year's budget in limited situations. Section 25 deferrals decreased \$351 million from \$2.367 billion at June 30, 2008 to \$2.016 billion at June 30, 2009. The increase in liabilities also was a result of the State owing \$1.022 billion on general obligations certificates payables at June 30, 2009 in order to attempt to decrease the backlog of payments from the General Fund.

During fiscal year 2009, the General Fund's fund balance decreased from a deficit of \$4.035 billion to a deficit of \$7.682 billion, a \$3.647 billion decrease. The current year decrease in the fund balance was mainly a result of a \$1.082 billion decrease in revenues and a \$2.785 billion increase in expenditures in comparison to fiscal year 2008 which had an increase in fund balance of \$140 million.





During fiscal year 2009, General Fund revenues decreased \$1.082 billion to \$32.162 billion. Decreases in income taxes, sales taxes, and hospital assessment taxes of \$1.456 billion, \$764 million, and \$563 million, respectively, were the largest decreases in revenues. The decrease in income taxes and sales taxes were the result of the economic recession the State, along with the entire nation, was in the midst of during the fiscal year. The decrease in hospital assessment taxes was the result of the prior fiscal year recognizing two years worth of taxes collected due to the prior unavailability of the revenue. These decreases were partially offset by an increase in federal government revenue of \$1.699 billion, mostly associated from proceeds of the American Recovery and Reinvestment Act. General Fund expenditures increased \$2.785 billion to \$34.133 billion in fiscal year 2009 due mainly to increased spending on health and social services programs of \$1.612 billion and education programs of \$1.073 billion.

### Road Fund

The Road Fund incurred a \$293 million increase in fund balance in the current year and has a \$524 million fund balance. Although expenditures decreased by \$61 million during the fiscal year, revenues increased \$324 million due to an increase in number of projects which were eligible for federal reimbursement.

### State Construction Account

The State Construction Account's fund balance decreased \$230 million in fiscal year 2009 to an ending fund balance of \$209 million due to a significant increase in appropriated expenditures for construction projects.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets:

At June 30, 2009, the State had \$18.711 billion in capital assets, net of accumulated depreciation, in the following categories:

	Capital Assets as of June 30 (net of depreciation, in millions of dollars)					
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land and land improvements	\$ 2,755	\$ 2,664			\$ 2,755	\$ 2,664
Site improvements	368	381			368	381
Buildings and building improvements	2,251	2,290	\$ 1	\$ 1	2,252	2,291
Equipment	245	232	3	2	248	234
Infrastructure	13,000	12,817			13,000	12,817
Other	38	38			38	38
Subtotal	18,657	18,422	4	3	18,661	18,425
Construction in progress	50	31			50	31
<b>Total</b>	<b>\$ 18,707</b>	<b>\$ 18,453</b>	<b>\$ 4</b>	<b>\$ 3</b>	<b>\$ 18,711</b>	<b>\$ 18,456</b>

Infrastructure assets consist of 69% of the State's net capital assets and comprise \$1.175 billion of the \$1.481 billion (79%) of the current year additions to capital assets. The State capitalizes and depreciates its roads and road improvements over a twenty year period and its bridges over a forty year period. More detailed information regarding the State's capital assets is presented in Note 7 of the financial statements on page 79.

### Debt Administration:

#### Bonded Indebtedness

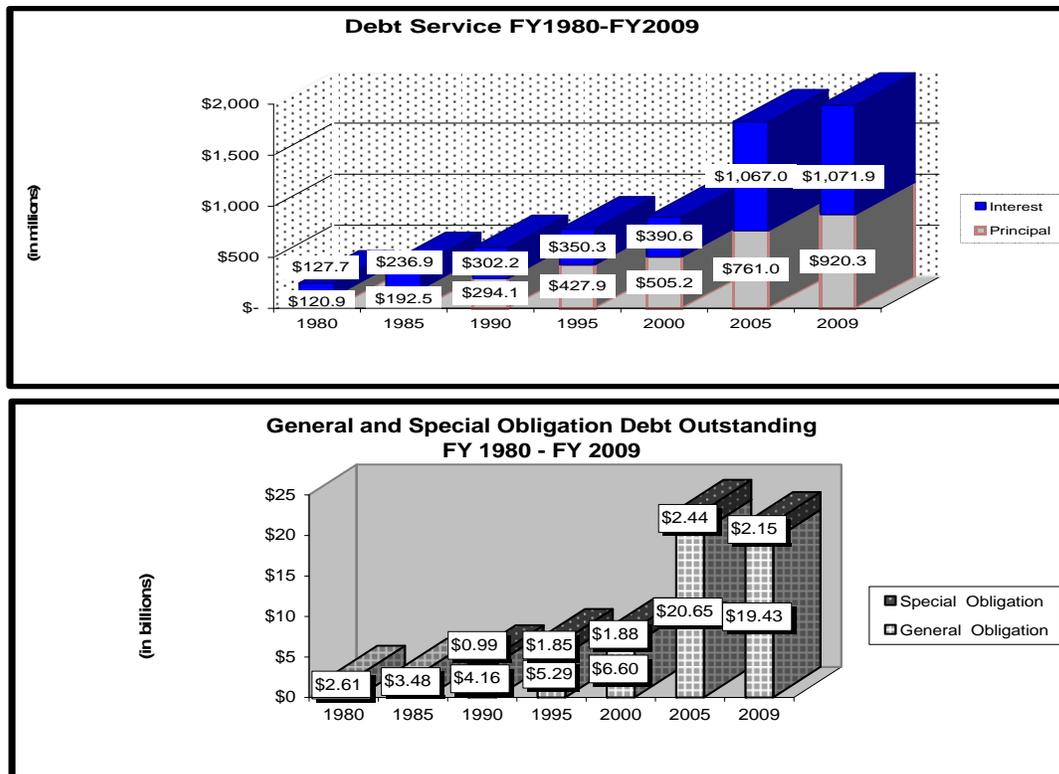
The State, certain State agencies and component units of the State are empowered by law to authorize, issue, and sell debt obligations. General obligation bonds, issued by the State, are

backed by the full faith and credit of the State and are considered a direct debt of the State. Special obligation bonds are also considered direct debt of the State but are not backed by the full faith and credit of the State. Rather, special obligation bonds are supported and repaid only by a dedicated State revenue source. Revenue bonds are not backed by the full faith and credit of the State but are backed by a specific revenue stream. Some revenue bonds can be considered moral obligation debt which means that if resources from the specified revenue stream are insufficient to support the debt service, the State is then obligated. Also, some revenue bonds are classified as indirect debt which means that the asset is the property of a local government but part of the payment of the debt service comes from State resources. Lastly, some revenue bonds can be considered conduit debt which implies no obligation for the State. More detailed information regarding the State's long-term debt obligations is presented in Notes 9, 10 and 11 to the financial statements beginning on page 88.

<b>Outstanding Bonded Debt as of June 30</b>						
(in millions of dollars)						
<b>Primary Government</b>	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
General obligation bonds (backed by the State)	\$ 19,431	\$ 19,991			\$ 19,431	\$ 19,991
Special obligation bonds (backed by specific fee revenue)	2,147	2,301			2,147	2,301
Revenue bonds (backed by specific tax and fee revenue)			\$ 1,031	\$ 884	1,031	884
	<u>\$ 21,578</u>	<u>\$ 22,292</u>	<u>\$ 1,031</u>	<u>\$ 884</u>	<u>\$ 22,609</u>	<u>\$ 23,176</u>

As shown above, Illinois had outstanding general and special obligation bonds at June 30, 2009 totaling \$21.578 billion. The decrease was the third straight fiscal year Illinois has paid more in debt principal than it has received in debt proceeds. Bonds have been issued primarily to provide funds for acquisition and construction of capital facilities for higher education, public and mental health, correction and conservation purposes, and for maintenance and construction of highway and waterway facilities. Bonds also have been issued to provide assistance to municipalities for construction of sewage treatment facilities, port districts, aquarium facilities, local schools, mass transportation and aviation purposes, and to fund research and development of coal and alternative energy sources. In addition, bonds have been issued to make pension contributions to the State's retirement systems in prior fiscal years and to fund a portion of the State's unfunded portion of prior year's retirement liabilities. The outstanding amount of \$9.900 billion for pension purposes, issued in 2003, is included in the outstanding general obligation bonds as of June 30, 2009.

General obligation bonds, excluding refunding bonds, aggregating \$150 million, were issued during fiscal year 2009 at interest rates ranging from 3.0% to 5.25%. Debt service principal of \$920 million and interest costs of \$1.072 billion were paid and charged, respectively, in fiscal year 2009. The dramatic increase in debt service payments and outstanding debt since fiscal year 1980 is displayed in the following charts:



In addition to general and special obligation bonds, the primary government had \$1.031 billion of revenue bonds and \$5.058 billion of non-pension long-term obligations outstanding as of June 30, 2009.

The State's general obligation bond ratings were A1 by Moody's Investor Services, AA- by Standard and Poor's, and AA- by Fitch Ratings as of June 30, 2009. These ratings were downgraded from Aa3, AA, and AA, respectively, as of June 30, 2008. In addition, since June 30, 2009 the ratings have again been downgraded and recalibrated to A1 by Moody's Investor Services, downgraded to A+ by Standard and Poor's, and downgraded and recalibrated to A by Fitch Ratings.

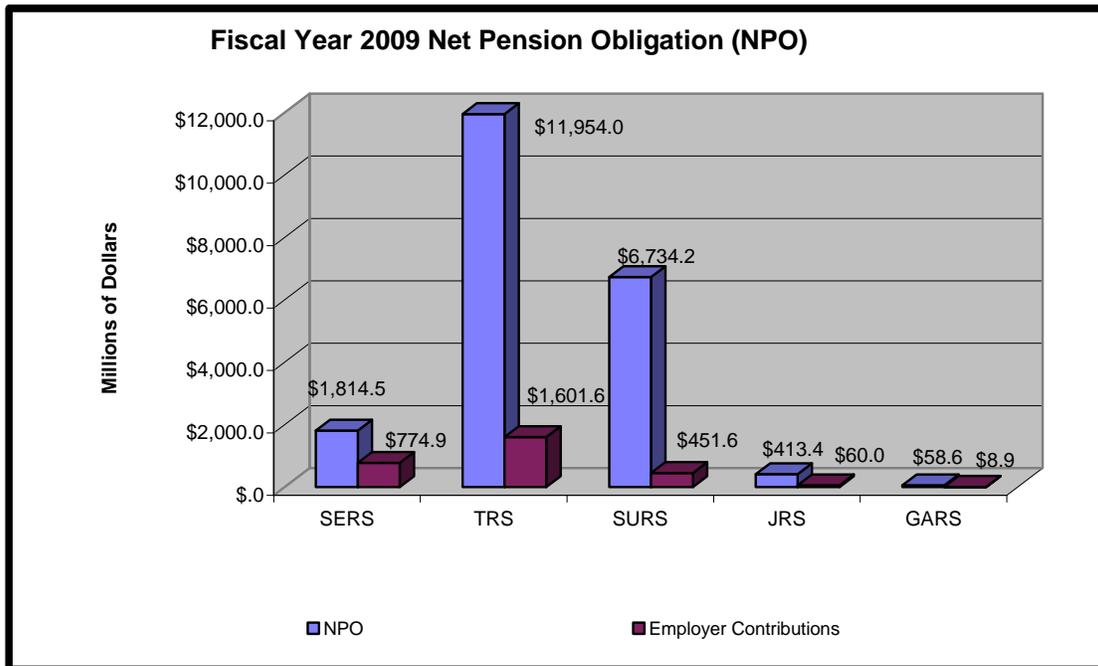
The State's special obligations bond ratings did not change during fiscal year 2009. The State's bond rating on special obligation-Build Illinois Bonds from Moody's Investor Services, Standard and Poor's, and Fitch Ratings remained at Aa3, AAA, and AA, respectively. However, since June 30, 2009, Moody's Investor Services lowered the State's special obligation bond rating for Build Illinois Bonds to A1 and Fitch Ratings has changed the bond rating for Build Illinois Bonds to AA+ as part of a recalibration process. The State's bond rating from Moody's Investors Services for special obligation-Civic Center bonds of A1 remained unchanged during fiscal year 2009 but was downgraded subsequent to June 30, 2009 to A2.

### Retirement Systems

Besides general and special obligation bond indebtedness, the State's largest liability is its net pension obligation. During fiscal year 2009, this obligation increased \$1.779 billion from \$19.196 billion at June 30, 2008, to \$20.975 billion at June 30, 2009. Of the \$1.779 billion increase, \$878 million occurred at Teachers' Retirement System where the annual pension cost

(“APC”) was calculated to be \$2.480 billion and employer contributions were \$1.602 billion. In addition, at State Universities Retirement System the APC was calculated to be \$1.065 billion and employer contributions were \$452 million while at State Employees Retirement System the APC was calculated to be \$1.035 billion and employer contributions were \$775 million.

During fiscal year 2009, all of the State systems were funded in accordance with the *statutory funding* requirement. The new law enacted in fiscal year 1996 provides for a 50-year funding plan with a 15 year phase-in and a “continuing appropriation”. For fiscal years 2006 and 2007, however, the law was amended allowing for decreased contributions to the systems of only \$938.4 million and \$1,374.7 million, respectively, and requiring equal annual increments from fiscal year 2008 to 2010 (the end of the 15 year phase-in) to ensure the decreases have no long-term effect on contributions. The continuing appropriation provides the Comptroller’s Office with the authority to automatically provide funding to the pension systems based on actuarial cost requirements and amortization of the unfunded liability without being subject to the General Assembly’s appropriation process. However, the State’s 50-year funding plan does *not* meet the more stringent 30-year maximum amortization “parameters” required to be reported in the State’s financial statements in accordance with Government Accounting Standards Board Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. As the statutory funding requirement allows for the 15-year phase-in and is amortized over a maximum period which is greater than the maximum period allowed by GASB, the net pension obligation has annually increased, except for fiscal year 2004 due to a general obligation bond issuance, since the implementation of GASB Statement No. 27.



## ECONOMIC CONDITION AND OUTLOOK

### Fiscal Year 2009

After six years of economic growth, Illinois suffered an intense recession during fiscal year 2009. Each of the measures of Illinois economic activity was down sharply for the fiscal year. Illinois’

non-agricultural employment (derived from survey data from Illinois companies) averaged 5.829 million workers in fiscal year 2009, a decrease of 154,000 jobs or 2.6% from 2008 employment, and 216,000 jobs or 3.6% below peak employment of 6.045 million jobs in fiscal 2001. A second Illinois employment estimate, obtained through household surveys, also showed a decrease in Illinois employment. According to these surveys, an average of 6.112 million Illinoisans were employed in fiscal year 2009, down 225,000 or 3.6% from the prior year employment level.

The average Illinois unemployment rate increased from 4.6% in fiscal year 2007 and 5.7% for 2008 to 8.1% for fiscal year 2009. This was the highest fiscal year average Illinois unemployment rate since fiscal year 1986 when the unemployment rate averaged 8.9%. The increased average unemployment rate was caused by the drop in employment levels and a 161,000 or 42.2% increase in average unemployment from 380,000 in fiscal year 2008 to 541,000 in fiscal year 2009.

The shift in Illinois employment from the manufacturing to the service sectors continued in fiscal year 2009. Average fiscal year 2009 manufacturing employment of 627,000 jobs was down 42,000 jobs or 6.3% from fiscal year 2008 and down 280,000 jobs or 30.9% from the cyclical peak manufacturing employment of 907,000 jobs during fiscal year 1998.

A more comprehensive measure of Illinois' economic performance is the change in state personal income adjusted for inflation. This value decreased 1.7% in fiscal year 2009 as nominal personal income fell 0.3% and the consumer price index was up 1.4%. State personal income adjusted for inflation had increased 3.7% in fiscal year 2007 and 0.8% in fiscal year 2008.

## **Outlook**

In the current national recession, the State has shown an inability to generate sufficient cash from its current revenue structure to pay operating expenditures on a timely basis. The State's two largest revenue sources, income tax and sales tax, are especially susceptible to major downturns in the economy and have remained flat or declined in recent years. Continued economic deterioration will present continued revenue pressures on the State in the short-term causing difficulties in budgeting for current programs and services provided by the State.

These budgetary challenges and economic uncertainties along with the accumulated deficit in the General Fund, continued growth in unfunded actuarial postemployment benefit costs, and the recent ratings downgrades on debt issuances of the State may impact the State's ability to access credit markets for the continued short-term borrowings being issued to pay operational expenditures more timely and may increase interest costs of those borrowings.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors a general overview of the State's financial position and changes in the State's net assets for the year ended June 30, 2009. If you have any questions about this report or need additional financial information, contact the Office of the Comptroller at (217) 782-6000.

The State's component units issue separate audited financial statements and reports. These statements and reports may be obtained by directly contacting the component unit. Contact information can be obtained from the Office of the Comptroller at (217) 782-6000.

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State of Illinois

Statement of Net Assets

June 30, 2009 (Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash equity with State Treasurer	\$ 5,418,908	\$ 599,035	\$ 6,017,943	\$ 337,416
Cash and cash equivalents	177,679	116,277	293,956	658,235
Deposits held by federal government		183,115	183,115	
Securities lending collateral of State Treasurer	840,784	76,507	917,291	
Investments	58,450	857,522	915,972	1,036,113
Securities lending collateral		72,331	72,331	104,985
Receivables, net:				
Taxes	1,491,373	353,635	1,845,008	
Intergovernmental	2,735,874	150,878	2,886,752	107,754
Other	445,314	152,893	598,207	575,722
Internal balances	(56,963)	56,963	-- --	
Due from fiduciary funds	10,327	460	10,787	51
Due from component units	382,944	754	383,698	80,604
Due from primary government				353,308
Inventories	106,918	448	107,366	48,242
Prepaid expenses	58,583	325	58,908	54,363
Unamortized bond issuance costs	54,712	2,223	56,935	47,168
Loans and notes receivable, net	63,265	1,431,997	1,495,262	2,076,776
Restricted assets:				
Cash equity with State Treasurer	66,987		66,987	141,754
Cash and cash equivalents	1,156	61,822	62,978	733,633
Investments	20,217	138,999	159,216	2,137,153
Intergovernmental receivables	1,197		1,197	
Other receivables	148	29,575	29,723	4,388
Loans and notes receivable, net	2,873	1,569,790	1,572,663	69,317
Other assets				1,113
Other assets	20,571		20,571	55,915
Capital assets not being depreciated	2,842,853	190	2,843,043	1,518,256
Capital assets being depreciated, net	15,863,741	3,443	15,867,184	8,814,442
<b>Total assets</b>	<b>30,607,911</b>	<b>5,859,182</b>	<b>36,467,093</b>	<b>18,956,708</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	7,689,820	336,087	8,025,907	998,827
Intergovernmental payables	3,645,673	24,892	3,670,565	3,170
Due to fiduciary funds	103,618	219	103,837	1,411
Due to component units	197,357	86,886	284,243	80,604
Due to primary government				380,235
Unearned revenue	680,478	15,841	696,319	435,803
Securities lending collateral		77,663	77,663	106,229
Obligations under security lending of State Treasurer	840,784	76,507	917,291	
Assets held for others				227,371
Short-term notes and general obligation certificates payable	1,021,890	398,947	1,420,837	19,052
Other liabilities				33,548
Long-term obligations:				
Due within one year	1,124,520	159,511	1,284,031	656,380
Due subsequent to one year	45,248,337	2,108,483	47,356,820	7,745,175
<b>Total liabilities</b>	<b>60,552,477</b>	<b>3,285,036</b>	<b>63,837,513</b>	<b>10,687,805</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	14,174,505	3,630	14,178,135	4,851,042
Restricted for:				
Debt service	856,952	46,921	903,873	331,642
Repayment of loan from component unit		328,758	328,758	
Municipal lending		1,666,546	1,666,546	
Unemployment compensation benefits		600,157	600,157	
Education	2,039	90,061	92,100	
Employment and economic development	44,869		44,869	
Health and social services	23,969		23,969	
Public protection and justice	22,872		22,872	
Environment and business regulation	28,092		28,092	
Transportation	5,780		5,780	
Other purposes	11,448		11,448	68,392
Funds held as permanent investments:				
Nonexpendable purposes	1,089		1,089	852,063
Expendable purposes	916		916	1,403,674
Unrestricted net assets	(45,117,097)	(161,927)	(45,279,024)	762,090
<b>Total net assets</b>	<b>\$ (29,944,566)</b>	<b>\$ 2,574,146</b>	<b>\$ (27,370,420)</b>	<b>\$ 8,268,903</b>

The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois

Statement of Activities

For the Year Ended June 30, 2009 (Expressed in Thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>				
Governmental activities				
Health and social services	\$ 24,057,805	\$ 177,666	\$ 13,575,454	
Education	16,348,835	4,446	3,110,428	
General government	1,917,139	2,109,969	18,054	\$ 33,811
Employment and economic development	861,955	20,208	707,267	
Transportation	4,192,950	53,885	316,075	1,459,504
Public protection and justice	3,246,422	57,543	199,238	
Environment and business regulation	872,113	346,929	114,752	2,394
Intergovernmental-revenue sharing	4,631,525			
Interest	1,123,866			
Total governmental activities	<u>57,252,610</u>	<u>2,770,646</u>	<u>18,041,268</u>	<u>1,495,709</u>
Business-type activities				
Unemployment compensation trust	5,086,053	1,600,817	1,644,757	
Water revolving	18,085	46,007	28,483	
Prepaid tuition program	74,718	(153,932)		
Designated account purchase program	62,622	50,809		
Lottery	1,443,717	2,082,039		
Federal student loans	199,964	19,756	193,578	
Other	122,312	130,858	168	
Total business-type activities	<u>7,007,471</u>	<u>3,776,354</u>	<u>1,866,986</u>	
<b>Total primary government</b>	<u>\$ 64,260,081</u>	<u>\$ 6,547,000</u>	<u>\$ 19,908,254</u>	<u>\$ 1,495,709</u>
<b>Component units</b>				
Authorities				
Illinois Housing Development Authority	\$ 309,979	\$ 111,227	\$ 230,907	
Toll Highway Authority	896,776	812,878		
Other Authorities	235,800	137,282	6,930	\$ 830
Universities				
Illinois State University	408,073	212,811	29,591	950
Northern Illinois University	498,120	248,524	78,655	
Southern Illinois University	973,306	437,898	96,642	7,090
University of Illinois	4,308,039	2,067,308	815,247	8,442
Other Universities	827,998	378,495	116,339	997
<b>Total component units</b>	<u>\$ 8,458,091</u>	<u>\$ 4,406,423</u>	<u>\$ 1,374,311</u>	<u>\$ 18,309</u>
<b>General revenues</b>				
Taxes:				
Income taxes				
Sales taxes				
Motor fuel taxes				
Public utility taxes				
Riverboat taxes				
Hospital assessment taxes				
Other taxes				
Interest and investment income				
Other revenues				
Gain on capital assets traded-in				
Payments from the State of Illinois				
Additions to permanent endowments				
Transfers				
Total general revenues, payments from the State of Illinois, additions to permanent funds and transfers				
Change in net assets				
Net assets, July 1, 2008, as restated				
Net assets, June 30, 2009				

The accompanying notes to the financial statements are an integral part of this statement.

<b>Net (Expense) Revenues and Changes in Net Assets</b>			
<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
\$ (10,304,685)		\$ (10,304,685)	
(13,233,961)		(13,233,961)	
244,695		244,695	
(134,480)		(134,480)	
(2,363,486)		(2,363,486)	
(2,989,641)		(2,989,641)	
(408,038)		(408,038)	
(4,631,525)		(4,631,525)	
(1,123,866)		(1,123,866)	
<u>(34,944,987)</u>			
	\$ (1,840,479)	(1,840,479)	
	56,405	56,405	
	(228,650)	(228,650)	
	(11,813)	(11,813)	
	638,322	638,322	
	13,370	13,370	
	8,714	8,714	
	<u>(1,364,131)</u>		
		<u>(36,309,118)</u>	
			\$ 32,155
			(83,898)
			(90,758)
			(164,721)
			(170,941)
			(431,676)
			(1,417,042)
			<u>(332,167)</u>
			<u>(2,659,048)</u>
11,845,194		11,845,194	
9,157,404		9,157,404	
1,349,275		1,349,275	
1,678,023		1,678,023	
533,271		533,271	
978,248		978,248	
2,181,647		2,181,647	
139,553	76,006	215,559	(310,593)
1,006,261		1,006,261	421,770
4,814		4,814	
			2,313,755
			51,053
<u>673,354</u>	<u>(673,354)</u>	<u>-</u>	
<u>29,547,044</u>	<u>(597,348)</u>	<u>28,949,696</u>	<u>2,475,985</u>
(5,397,943)	(1,961,479)	(7,359,422)	(183,063)
(24,546,623)	4,535,625	(20,010,998)	8,451,966
<u>\$ (29,944,566)</u>	<u>\$ 2,574,146</u>	<u>\$ (27,370,420)</u>	<u>\$ 8,268,903</u>

State of Illinois

Balance Sheet -  
Governmental Funds

June 30, 2009 (Expressed in Thousands)

	General Fund	Road Fund	State Construction Account	Other Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash equity with State Treasurer	\$ 1,500,099	\$ 445,177	\$ 238,081	\$ 3,222,654	\$ 5,406,011
Cash and cash equivalents	2,256	922	371	157,736	161,285
Securities lending collateral of State Treasurer	592,388	54,338	25,884	157,310	829,920
Investments				78,667	78,667
Receivables, net:					
Taxes	1,130,695			360,678	1,491,373
Intergovernmental	1,716,746	509,135		500,090	2,725,971
Other	114,398	14,037	3,754	297,241	429,430
Due from other funds	39,650	50,877	46,648	481,317	618,492
Due from component units	2,513	527		361,387	364,427
Inventories	24,382	53,452		17,217	95,051
Loans and notes receivable, net	8,019			58,119	66,138
Other assets	15,000			5,571	20,571
<b>Total assets</b>	<b>\$ 5,146,146</b>	<b>\$ 1,128,465</b>	<b>\$ 314,738</b>	<b>\$ 5,697,987</b>	<b>\$ 12,287,336</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 6,136,874	\$ 235,138	\$ 72,974	\$ 422,206	\$ 6,867,192
Intergovernmental payables	2,053,255	135,315	1,195	1,438,365	3,628,130
Due to other funds	1,441,246	107,798	63	295,066	1,844,173
Due to component units	158,307	2,260		35,306	195,873
Unavailable revenue	1,018,986	59,710		411,996	1,490,692
Unearned revenue	404,600	9,125	5,268	261,105	680,098
Obligations under security lending of State Treasurer	592,388	54,338	25,884	157,310	829,920
General obligation certificates payable	1,021,890				1,021,890
Matured portion of long-term liabilities	103	506			609
<b>Total liabilities</b>	<b>12,827,649</b>	<b>604,190</b>	<b>105,384</b>	<b>3,021,354</b>	<b>16,558,577</b>
<b>FUND BALANCES (DEFICITS)</b>					
Reserved for:					
Encumbrances	8,402	5,039		23,462	36,903
Long-term portion of:					
Loans and notes receivable	8,019			58,119	66,138
Due from State of Illinois component units				340,987	340,987
Inventories	24,382	53,452		17,217	95,051
Other purposes				8,893	8,893
Unreserved:					
Designated for reappropriated accounts, reported in:					
Special revenue funds		465,784	209,354	42,025	717,163
Capital projects funds				421	421
Undesignated:					
General fund	(7,722,306)				(7,722,306)
Special revenue funds				1,331,600	1,331,600
Debt service funds				837,423	837,423
Capital projects funds				15,570	15,570
Permanent funds				916	916
<b>Total fund balances (deficits)</b>	<b>(7,681,503)</b>	<b>524,275</b>	<b>209,354</b>	<b>2,676,633</b>	<b>(4,271,241)</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 5,146,146</b>	<b>\$ 1,128,465</b>	<b>\$ 314,738</b>	<b>\$ 5,697,987</b>	<b>\$ 12,287,336</b>

The accompanying notes to the financial statements are an integral part of this statement.

**State of Illinois**  
**Reconciliation of Governmental Funds Balance Sheet**  
**to Statement of Net Assets**  
**June 30, 2009**  
**(Expressed in Thousands)**

**Total fund balances-governmental funds** \$ (4,271,241)

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities, not including amounts included as assets in internal service funds of \$286,864, are not financial resources and therefore are not reported in the funds. 18,419,730

Prepaid expenses for governmental activities are current uses of financial resources for funds. 58,582

Bond issuance costs are reported as current expenditures in governmental funds. However, bond issuance costs are deferred and amortized over the life of the bonds and are included as governmental activities in the Statement of Net Assets. 54,712

Bond refunding costs are reported as current expenditures in governmental funds. However, bond refunding costs are deferred and amortized over the life of the defeased bonds and are included in governmental activities in the Statement of Net Assets. 40,929

Internal service funds are used to charge costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported as governmental activities in the Statement of Net Assets. 376,074

Some revenues will be collected after year-end but are "unavailable" to pay for the current period's expenditures due to not being collectible for several months and therefore are deferred in governmental funds. 1,490,692

Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities, not including amounts included as liabilities in internal service funds of \$462,496, consist of:

Net pension obligation	\$ (20,974,704)
Net other postemployment benefit obligation	(2,474,254)
General obligation bonds	(19,430,952)
Special obligation bonds	(2,146,514)
Unamortized premiums	(339,565)
Unamortized discounts	2,084
Financing payable under swap	(39,977)
Other commitments	(6,378)
Compensated absences	(430,979)
Certificates of participation	(52,395)
Pollution remediation obligation	(30,015)
Auto liability	(13,791)
Capital leases	(8,428)
Installment purchases	(4,813)
Accrued interest	(163,363)
	(46,114,044)

(46,114,044)

**Net assets of governmental activities** \$ (29,944,566)

The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois

Statement of Revenues, Expenditures  
and Changes in Fund Balances - Governmental Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

	General Fund	Road Fund	State Construction Account	Other Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>					
Income taxes	\$ 10,804,239			\$ 1,055,994	\$ 11,860,233
Sales taxes	6,658,585			2,497,650	9,156,235
Motor fuel taxes				1,350,032	1,350,032
Public utility taxes	1,168,362			499,027	1,667,389
Riverboat taxes				533,271	533,271
Hospital assessment taxes	975,086				975,086
Other taxes	1,849,580			318,588	2,168,168
Federal government	9,124,295	\$ 1,618,341		7,405,792	18,148,428
Licenses and fees	271,253	838,077	\$ 477,657	464,271	2,051,258
Interest and other investment income	80,305	9,821	6,110	40,360	136,596
Other	1,229,985	117,888		908,309	2,256,182
<b>Total revenues</b>	<b>32,161,690</b>	<b>2,584,127</b>	<b>483,767</b>	<b>15,073,294</b>	<b>50,302,878</b>
<b>EXPENDITURES</b>					
Current:					
Health and social services	18,595,812			5,101,110	23,696,922
Education	11,937,609			2,382,298	14,319,907
General government	903,144	155,452		301,966	1,360,562
Employment and economic development	130,648			671,405	802,053
Transportation	66,516	1,686,505	7,617	1,320,222	3,080,860
Public protection and justice	2,363,193	143,547		310,634	2,817,374
Environment and business regulation	122,950			679,992	802,942
Debt service:					
Principal	1,935	13		926,391	928,339
Interest	924	1		1,101,862	1,102,787
Capital outlays	10,248	375,896	932,902	137,419	1,456,465
Intergovernmental				4,631,525	4,631,525
<b>Total expenditures</b>	<b>34,132,979</b>	<b>2,361,414</b>	<b>940,519</b>	<b>17,564,824</b>	<b>54,999,736</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,971,289)</b>	<b>222,713</b>	<b>(456,752)</b>	<b>(2,491,530)</b>	<b>(4,696,858)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>					
General obligation bonds issued				150,000	150,000
Premiums on general obligation bonds issued				2,290	2,290
Transfers-in	2,970,124	311,231	226,509	6,046,628	9,554,492
Transfers-out	(4,642,617)	(259,016)		(3,963,243)	(8,864,876)
Capital lease financing	916			448	1,364
<b>Net other sources (uses) of financial resources</b>	<b>(1,671,577)</b>	<b>52,215</b>	<b>226,509</b>	<b>2,236,123</b>	<b>843,270</b>
<b>Net change in fund balances</b>	<b>(3,642,866)</b>	<b>274,928</b>	<b>(230,243)</b>	<b>(255,407)</b>	<b>(3,853,588)</b>
Fund balances (deficits), July 1, 2008, as restated	(4,035,420)	231,706	439,597	2,930,525	(433,592)
Increase (decrease) for changes in inventories	(3,217)	17,641		1,515	15,939
<b>FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (7,681,503)</b>	<b>\$ 524,275</b>	<b>\$ 209,354</b>	<b>\$ 2,676,633</b>	<b>\$ (4,271,241)</b>

The accompanying notes to the financial statements are an integral part of this statement.

**State of Illinois**  
**Reconciliation of Statement of Revenues, Expenditures and Changes in**  
**Fund Balances of Governmental Funds to Statement of Activities**  
**For the Year Ended June 30, 2009**  
**(Expressed in Thousands)**

<b>Net change in fund balances</b>	\$ (3,853,588)
Change in inventories	15,939
	(3,837,649)

Amounts reported for governmental activities in the Statement of Activities are different because:

Prepaid expenses are recorded as uses of current financial resources in governmental funds but do not affect the expenses reported on the Statement of Activities. Prepaid expenses decreased by this amount during the year. (16,354)

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current year, these amounts are:

Capital outlays	\$ 1,456,465	
Depreciation expense	(1,193,951)	
Excess of capital outlays over depreciation expense		262,514

Revenues for capital assets acquired through noncash transactions are not recorded in governmental funds. However, in the Statement of Activities, program revenues are recorded for donated capital assets (\$1,134) and capital assets received as forfeitures (\$364) in this amount. 1,498

Gains and losses from capital assets no longer in use are not recorded in governmental funds but are reported as other revenues and expenses in the Statement of Activities. In the current year, these transactions include:

Gain on capital assets traded-in	4,814	
Loss on capital assets scrapped, damaged, or stolen	(4,295)	
Net increase in net assets for noncash capital asset activity		519

The amount of net revenue for internal service funds below includes contributions of capital assets from governmental activities that does not affect the net assets of governmental activities. (7,211)

Internal service funds are used to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported as governmental activities in the Statement of Activities. 2,001

Because some revenues will not be collected for several months, they are considered "unavailable" revenues and revenue recognition is deferred in the governmental funds. Unavailable revenues increased by this amount during the year. 460,799

The incurrence of long-term debt provides current financial resources to governmental funds while the repayment of the long-term debt is recorded as uses of current financial resources in governmental funds. Neither transaction has an affect on net assets. Also, governmental funds report the effect of premiums, discounts, and deferred amounts on refundings of debt when the long-term debt is issued whereas these amounts are deferred and amortized in the Statement of Activities.

Bond proceeds, including premiums of \$2,290	(152,290)	
Bond issuance costs deferred	839	
Bond principal retirements	920,261	
Amortization of bond premiums	43,498	
Amortization of bond discounts	(120)	
Amortization of bond issuance costs	(4,714)	
Amortization of deferred loss on refundings of debt	(10,959)	
Capital lease and installment purchase agreement proceeds	(1,364)	
Capital lease and installment purchase principal retirements	3,198	
Certificates of participation principal retirements	4,880	
Net decrease in change in fund balance of governmental funds from long-term debt transactions		803,229

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are therefore not reported as expenditures in governmental funds. Also, some expenditures reported in governmental funds decrease the amount of certain long-term liabilities reported on the Statement of Net Assets and are therefore not reported as expenses in the Statement of Activities.

Increase in net pension obligation	(1,778,649)	
Increase in net other postemployment benefit obligation	(1,236,123)	
Increase in compensated absences obligation	(2,612)	
Interest accreted on capital appreciation debt	(55,209)	
Increase in auto liability obligation	(2,113)	
Decrease in accrued interest on obligations	3,915	
Decrease in other obligations	3,502	
Net increase in expenses for net increase in long-term liabilities not reported in governmental funds		(3,067,289)

<b>Change in net assets of governmental activities</b>	<b>\$ (5,397,943)</b>
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The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois

Statement of Net Assets -  
Proprietary Funds

June 30, 2009 (Expressed in Thousands)

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Major					Total	
	Unemployment Compensation Trust Fund	Water Revolving Fund	Prepaid Tuition Fund	Designated Account Purchase Program Fund	Nonmajor Enterprise Funds		
<b>ASSETS</b>							
Cash equity with State Treasurer		\$ 402,809	\$ 58,733	\$ 7	\$ 137,486	\$ 599,035	\$ 79,884
Cash and cash equivalents	\$ 92,790	13,472	2,599	1,071	6,345	116,277	17,550
Deposits held by federal government	183,115					183,115	
Securities lending collateral of State Treasurer		58,529			17,978	76,507	10,864
Investments				52	26,775	26,827	
Securities lending collateral			72,331			72,331	
Receivables, net:							
Taxes	353,635					353,635	
Intergovernmental	107,914	5,966			36,998	150,878	11,100
Other	109,459	13,364	7		30,063	152,893	16,032
Due from other funds	12,018			1,724	78,049	91,791	1,103,650
Due from component units	267	487				754	18,517
Loans and notes receivable, net		128,485				128,485	
Restricted assets:							
Cash and cash equivalents				61,822		61,822	
Investments				138,999		138,999	
Other receivables, net		2,215		27,360		29,575	
Loans and notes receivable, net		29,299		253,062		282,361	
Unamortized bond issuance costs		117		83		200	
Inventories					448	448	11,867
Prepaid expenses					325	325	1
<b>Total current assets</b>	<b>859,198</b>	<b>654,743</b>	<b>133,670</b>	<b>484,180</b>	<b>334,467</b>	<b>2,466,258</b>	<b>1,269,465</b>
Investments			824,995		5,700	830,695	
Loans and notes receivable, net		1,303,512				1,303,512	
Restricted loans and notes receivable, net		297,244		990,185		1,287,429	
Unamortized bond issuance costs		534		1,489		2,023	
Capital assets not being depreciated					190	190	38,369
Capital assets being depreciated, net		234		34	3,175	3,443	248,495
<b>Total noncurrent assets</b>		<b>1,601,524</b>	<b>824,995</b>	<b>991,708</b>	<b>9,065</b>	<b>3,427,292</b>	<b>286,864</b>
<b>Total assets</b>	<b>859,198</b>	<b>2,256,267</b>	<b>958,665</b>	<b>1,475,888</b>	<b>343,532</b>	<b>5,893,550</b>	<b>1,556,329</b>
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities	227,399	87	638	3,474	104,489	336,087	659,265
Intergovernmental payables	11,509	1		2,677	10,705	24,892	17,543
Due to other funds	20,133	58	88	3,234	11,074	34,587	28,223
Due to component units		86,722	13	151		86,886	1,484
Unearned revenue					15,841	15,841	380
Obligations under securities lending collateral			77,663			77,663	
Obligations under securities lending of State Treasurer		58,529			17,978	76,507	10,864
Short-term notes payable				398,947		398,947	
Current portion of long-term obligations		51	60,007	96,549	2,904	159,511	121,925
<b>Total current liabilities</b>	<b>259,041</b>	<b>145,448</b>	<b>138,409</b>	<b>505,032</b>	<b>162,991</b>	<b>1,210,921</b>	<b>839,684</b>
Noncurrent portion of long-term obligations		1,288	1,161,915	931,350	13,930	2,108,483	340,571
<b>Total liabilities</b>	<b>259,041</b>	<b>146,736</b>	<b>1,300,324</b>	<b>1,436,382</b>	<b>176,921</b>	<b>3,319,404</b>	<b>1,180,255</b>
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt		231		34	3,365	3,630	241,802
Net assets restricted for:							
Debt service				46,921		46,921	3,670
Repayment of loan from component unit		328,758				328,758	
Municipal lending		1,666,546				1,666,546	
Unemployment compensation benefits	600,157					600,157	
Education					90,061	90,061	
Unrestricted		113,996	(341,659)	(7,449)	73,185	(161,927)	130,602
<b>Total net assets</b>	<b>\$ 600,157</b>	<b>\$ 2,109,531</b>	<b>\$ (341,659)</b>	<b>\$ 39,506</b>	<b>\$ 166,611</b>	<b>\$ 2,574,146</b>	<b>\$ 376,074</b>

The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois

Statement of Revenues, Expenses and Changes in  
Fund Net Assets - Proprietary Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Major						
	Unemployment Compensation Trust Fund	Water Revolving Fund	Prepaid Tuition Fund	Designated Account Purchase Program Fund	Nonmajor Enterprise Funds	Total	
<b>OPERATING REVENUES</b>							
Charges for sales and services			\$ 1,940		\$ 2,227,768	\$ 2,229,708	\$ 2,835,972
Interest income pledged as revenue bond security				\$ 50,809		50,809	
Interest and other investment income		\$ 46,007	(155,872)		12	(109,853)	
Employer contributions	\$ 1,600,817					1,600,817	
Other	1,644,757				4,873	1,649,630	33
<b>Total operating revenues</b>	<b>3,245,574</b>	<b>46,007</b>	<b>(153,932)</b>	<b>50,809</b>	<b>2,232,653</b>	<b>5,421,111</b>	<b>2,836,005</b>
<b>OPERATING EXPENSES</b>							
Cost of sales and services					361,427	361,427	513,553
Benefit payments and refunds	5,086,053				56,017	5,142,070	2,210,959
Prizes and claims					1,225,864	1,225,864	
Interest				29,903	2	29,905	
General and administrative		13,828	5,294	28,085	109,974	157,181	93,989
Depreciation		53		13	578	644	31,662
Other			69,424		12,101	81,525	12,137
<b>Total operating expenses</b>	<b>5,086,053</b>	<b>13,881</b>	<b>74,718</b>	<b>58,001</b>	<b>1,765,963</b>	<b>6,998,616</b>	<b>2,862,300</b>
<b>Operating income (loss)</b>	<b>(1,840,479)</b>	<b>32,126</b>	<b>(228,650)</b>	<b>(7,192)</b>	<b>466,690</b>	<b>(1,577,505)</b>	<b>(26,295)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Interest and investment income	61,180	10,334			4,492	76,006	2,812
Interest expense		(4,204)				(4,204)	(2,204)
Federal government		28,483			193,746	222,229	36,368
Other revenues							610
Other expenses				(1,891)	(30)	(1,921)	(95)
<b>Income (loss) before special items and transfers</b>	<b>(1,779,299)</b>	<b>66,739</b>	<b>(228,650)</b>	<b>(9,083)</b>	<b>664,898</b>	<b>(1,285,395)</b>	<b>11,196</b>
Special items				(2,730)		(2,730)	
Contributions of capital assets					10	10	7,211
Transfers-in	1,519				23,139	24,658	449
Transfers-out	(13,221)	(7)	(32)		(684,762)	(698,022)	(16,855)
<b>Change in net assets</b>	<b>(1,791,001)</b>	<b>66,732</b>	<b>(228,682)</b>	<b>(11,813)</b>	<b>3,285</b>	<b>(1,961,479)</b>	<b>2,001</b>
Net assets, July 1, 2008	2,391,158	2,042,799	(112,977)	51,319	163,326	4,535,625	374,073
<b>NET ASSETS, JUNE 30, 2009</b>	<b>\$ 600,157</b>	<b>\$ 2,109,531</b>	<b>\$ (341,659)</b>	<b>\$ 39,506</b>	<b>\$ 166,611</b>	<b>\$ 2,574,146</b>	<b>\$ 376,074</b>

The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois

Statement of Cash Flows -

Proprietary Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Major						
	Unemployment Compensation Trust Fund	Water Revolving Fund	Prepaid Tuition Fund	Designated Account Purchase Program Fund	Nonmajor Enterprise Funds	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Cash received from sales and services			\$ 1,940		\$ 225,247	\$ 227,187	\$ 139,749
Cash received from lottery sales (net of \$927,976 cash prizes paid by agents and \$104,571 commissions retained by agents)					1,039,536	1,039,536	
Cash received from transactions with other funds							2,107,825
Cash payments to suppliers for goods and services		\$ (2,463)	(3,562)	\$ (13,039)	(65,387)	(84,451)	(2,125,042)
Cash payments to employees for services		(11,546)	(1,868)	(6,112)	(173,488)	(193,014)	(141,559)
Cash payments for lottery prizes					(293,848)	(293,848)	
Cash receipts from unemployment taxes	\$ 1,666,148					1,666,148	
Cash receipts from federal unemployment grants	1,610,166					1,610,166	
Cash payments for unemployment benefits	(4,954,040)					(4,954,040)	
Cash receipts from prepaid tuition contract sales			114,320			114,320	
Cash payments for tuition			(53,856)			(53,856)	
Cash payments for tuition contract refunds			(8,791)			(8,791)	
Cash receipts from student loan principal				102,306		102,306	
Cash receipts from student loan interest				25,698		25,698	
Cash payments for student loans issued				(97,314)		(97,314)	
Cash payments for workers' compensation							(97,939)
Cash receipts from other operating activities					5,636	5,636	37,420
Cash payments for other operating activities				(2,730)	(300,766)	(303,496)	
Net cash provided (used) by operating activities	(1,677,726)	(14,009)	48,183	8,809	436,930	(1,197,813)	(79,546)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Proceeds from borrowings, net of bond issuance costs				196,753		196,753	
Principal paid on revenue bonds and other borrowings		(10,414)		(43,560)		(53,974)	
Interest paid on revenue bonds and other borrowings		(4,096)		(27,679)		(31,775)	
Grants received		39,880		2,572	190,331	232,783	34,680
Transfers-in from other funds	1,519				23,294	24,813	449
Transfers-out to other funds	(15,736)		(32)		(680,408)	(696,176)	(16,750)
Net cash provided (used) by noncapital financing activities	(14,217)	25,370	(32)	128,086	(466,783)	(327,576)	18,379
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Acquisition and construction of capital assets		(111)		(30)	(1,222)	(1,363)	(8,303)
Principal paid on capital debt		(2)				(2)	(7,779)
Interest paid on capital debt							(2,275)
Net cash used by capital and related financing activities		(113)		(30)	(1,222)	(1,365)	(18,357)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of investment securities			(302,900)	(185,440)	(20,274)	(508,614)	
Proceeds from sales and maturities of investment securities			287,524	46,512	17,204	351,240	
Proceeds from sales of securities lending collateral			93,113			93,113	
Cash repayments on securities lending collateral transactions			(93,113)			(93,113)	
Cash paid to investment managers			(1,649)			(1,649)	
Loan disbursements		(200,434)				(200,434)	
Loan repayments		117,892				117,892	
Interest and dividends on investments	61,180	56,742	24,208	711	4,489	147,330	2,973
Net cash provided (used) by investing activities	61,180	(25,800)	7,183	(138,217)	1,419	(94,235)	2,973
<b>Net increase (decrease) in cash and cash equivalents</b>	(1,630,763)	(14,552)	55,334	(1,352)	(29,656)	(1,620,989)	(76,551)
Cash and cash equivalents, July 1, 2008	1,906,668	430,833	5,998	64,252	173,487	2,581,238	173,985
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2009</b>	\$ 275,905	\$ 416,281	\$ 61,332	\$ 62,900	\$ 143,831	\$ 960,249	\$ 97,434
<b>Reconciliation of cash and cash equivalents to the Statement of Net Assets:</b>							
Total cash and cash equivalents per Statement of Net Assets	\$ 92,790	\$ 13,472	\$ 2,599	\$ 1,071	\$ 6,345	\$ 116,277	\$ 17,550
Add: cash equity with State Treasurer		402,809	58,733	7	137,486	599,035	79,884
Add: deposits held by federal government	183,115					183,115	
Add: restricted cash equivalents				61,822		61,822	
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2009</b>	\$ 275,905	\$ 416,281	\$ 61,332	\$ 62,900	\$ 143,831	\$ 960,249	\$ 97,434

State of Illinois

Statement of Cash Flows -

Proprietary Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Major						
	Unemployment Compensation Trust Fund	Water Revolving Fund	Prepaid Tuition Fund	Designated Account Purchase Program Fund	Nonmajor Enterprise Funds	Total	
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>							
<b>OPERATING INCOME (LOSS)</b>	\$ (1,840,479)	\$ 32,126	\$ (228,650)	\$ (7,192)	\$ 466,690	\$ (1,577,505)	\$ (26,295)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation		53		13	578	644	31,662
Provision for uncollectible accounts	47,601			2,742	1,349	51,692	3
Amortization			67,775	3,513		71,288	
Interest and investment income		(46,007)	157,521	(1,313)		110,201	
Interest expense				29,903		29,903	
Cash receipts from other nonoperating income							610
Loss on settlement of loan sales				(2,730)		(2,730)	
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	45,652			1,330	(5,501)	41,481	974
(Increase) decrease in intergovernmental receivables	(77,028)				171	(76,857)	(27)
(Increase) decrease in due from other funds	(7,373)			(575)	(2,987)	(10,935)	(584,801)
(Increase) decrease in due from component units	(94)					(94)	(7,635)
(Increase) decrease in loans and notes receivable				(20,672)		(20,672)	
(Increase) decrease in inventory					(186)	(186)	809
(Increase) decrease in prepaid expenses					(74)	(74)	499
(Increase) decrease in other assets				3		3	
Increase (decrease) in accounts payable and accrued liabilities	130,586	7	(222)	415	(31,092)	99,694	326,260
Increase (decrease) in intergovernmental payables	5,086	1			3,977	9,064	2,668
Increase (decrease) in due to other funds	18,323	(190)	84	3,233	4,373	25,823	9,985
Increase (decrease) in due to component units		(28)	13	151	(37)	99	(990)
Increase (decrease) in unearned revenue					493	493	(1,377)
Increase (decrease) in other liabilities		29	51,662	(12)	(824)	50,855	168,109
Total adjustments	162,753	(46,135)	276,833	16,001	(29,760)	379,692	(53,251)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (1,677,726)</b>	<b>\$ (14,009)</b>	<b>\$ 48,183</b>	<b>\$ 8,809</b>	<b>\$ 436,930</b>	<b>\$ (1,197,813)</b>	<b>\$ (79,546)</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>							
Cost of installment purchases							\$ 12,862
Loss on disposal of capital assets					\$ (30)	\$ (30)	\$ (95)
Transfer of assets from (to) other state funds	\$ (7)				\$ (32)	\$ (39)	\$ 7,106
Increase (decrease) in fair value of investments			\$ (180,056)	\$ 63	\$ 99	\$ (179,894)	

The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2009 (Expressed in Thousands)

	Pension (and Other Employee Benefit) Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Agency Funds
<b>ASSETS</b>				
Cash equity with State Treasurer	\$ 334,744	\$ 2,099	\$ 1,201	\$ 498,218
Cash and cash equivalents	600,771	4,249,700	116,559	53,636
Securities lending collateral of State Treasurer				44,266
Investments:				
Equities	22,191,548		2,375,554	
Fixed income	10,273,176	857,944	137	
Private equity	2,344,035			
Real estate	3,610,874			
Other	4,292,722			906,488
Equity in Illinois State Board of Investments	8,684,055			
Securities lending collateral	5,574,895			
Receivables, net:				
Taxes				127,890
Members	106,597			
Employers	24,510			
Investment income	204,000	449	6,907	
Intergovernmental	6,745			318
Pending investment sales	2,349,232			
Other	19,131		4	219,792
Due from other funds	66			
Due from primary government funds	64,289			39,548
Due from component units	1,411			
Prepaid expenses	6,532			
Loans and notes receivable, net			82	
Other assets				186
Capital assets not being depreciated	1,675			
Capital assets being depreciated, net	11,197			
<b>Total assets</b>	<b>60,702,205</b>	<b>5,110,192</b>	<b>2,500,444</b>	<b>\$ 1,890,342</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	177,826	163	540	\$ 43,160
Intergovernmental payables	4			619,474
Due to other funds	66			
Due to primary government funds	10,327	460		
Due to component units				51
Obligations under securities lending of State Treasurer				44,266
Security lending collateral	5,574,895			
Payable to brokers for unsettled trades	3,369,823			
Depository and other liabilities		1,931	4,394	1,183,391
Long-term obligations:				
Due within one year	44			
Due subsequent to one year	3,640			
<b>Total liabilities</b>	<b>9,136,625</b>	<b>2,554</b>	<b>4,934</b>	<b>\$ 1,890,342</b>
<b>NET ASSETS</b>				
Net assets held in trust for:				
Pension and other employee benefits	51,565,580			
Pool participants		5,107,638		
Individuals, organizations, and other governments			2,495,510	
<b>Total net assets</b>	<b>\$ 51,565,580</b>	<b>\$ 5,107,638</b>	<b>\$ 2,495,510</b>	

The accompanying notes to the financial statements are an integral part of this statement.

**State of Illinois**

**Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Pension (and Other Employee Benefit) Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds
<b>ADDITIONS</b>			
Deposits/Contributions:			
Employer	\$ 261,340		
State	2,823,244		
Participants			\$ 2,279,804
Members:			
Employees	1,717,198		
Retirees	161,254		
Federal Medicare Part D	24,296		
Other contributions	5,293		10
Total contributions	<u>4,992,625</u>		<u>2,279,814</u>
Investment income:			
Interest and other investment income	1,683,971	\$ 84,682	34,216
Net increase (decrease) in fair value of investments	(15,834,689)	958	(654,984)
Reimbursements of expenses			
not separable from investment income	1,923		
Less investment expense	(286,920)	(4,477)	
Net investment income	<u>(14,435,715)</u>	<u>81,163</u>	<u>(620,768)</u>
Capital share and individual account transactions:			
Shares sold		6,240,419	
Reinvested distributions		49,917	
Shares redeemed		(7,446,023)	
Net capital share and individual account transactions		<u>(1,155,687)</u>	
<b>Total additions</b>	<u>(9,443,090)</u>	<u>(1,074,524)</u>	<u>1,659,046</u>
<b>DEDUCTIONS</b>			
Benefit payments	7,002,241		
Refunds	120,559		
Payments in accordance with trust agreements			1,947,069
Distribution to pool investors		49,917	
Depreciation	1,606		
General and administration	46,431		8,946
<b>Total deductions</b>	<u>7,170,837</u>	<u>49,917</u>	<u>1,956,015</u>
<b>Change in fiduciary net assets held in trust for:</b>			
<b>Pension and other employee benefits</b>	(16,613,927)		
<b>Pool participants</b>		(1,124,441)	
<b>Individuals, organizations, and other governments</b>			(296,969)
<b>Net Assets, July 1, 2008</b>	<u>68,179,507</u>	<u>6,232,079</u>	<u>2,792,479</u>
<b>Net Assets, June 30, 2009</b>	<u>\$ 51,565,580</u>	<u>\$ 5,107,638</u>	<u>\$ 2,495,510</u>

The accompanying notes to the financial statements are an integral part of this statement.

**State of Illinois**

**Statement of Net Assets**

**Component Units**

June 30, 2009 (Expressed in Thousands)

	Illinois Housing Development Authority	Toll Highway Authority	Other Authorities	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois
<b>ASSETS</b>							
Cash equity with State Treasurer	\$ 255	\$ 337,161					
Cash and cash equivalents	6,780	31,855	\$ 106,300	\$ 15,973	\$ 38,920	\$ 78,637	\$ 269,059
Investments	87,160		20,549	107,647	102,271	283,934	423,873
Securities lending collateral							104,985
Receivables, net:							
Intergovernmental		17,690	635				82,769
Other	8,879	62,615	6,729	13,700	39,823	54,812	339,378
Due from component units			80,425	15		116	39
Due from primary government		69,125	88,375	33,946	1,008	52,516	100,074
Inventories				3,333	3,397	6,672	30,152
Prepaid expenses		14,631	102	2,390	55	505	35,222
Unamortized bond issuance costs	15,136	11,357	1,278	2,145	2,193	4,992	7,362
Loans and notes receivable, net	1,929,724		31,522	9,946	9,888	19,183	61,692
Restricted assets:							
Cash equity with State Treasurer		124,297	17,457				
Cash and cash equivalents		435,384	17,345	39,702			187,872
Investments	604,657	74,038	117,654	46,243			1,222,298
Other receivables, net	1,381	811	2,129				
Loans and notes receivable, net			69,317				
Other assets							
Other assets	6,306			1,230	15	23,660	24,266
Capital assets not being depreciated		793,255	42,047	96,385	55,474	94,131	326,065
Capital assets being depreciated, net	28,638	4,059,885	15,457	268,663	294,838	555,809	3,016,236
<b>Total assets</b>	<b>2,688,916</b>	<b>6,032,104</b>	<b>617,321</b>	<b>641,318</b>	<b>547,882</b>	<b>1,174,967</b>	<b>6,231,342</b>
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities	69,171	338,621	10,044	18,871	40,367	53,629	413,680
Intergovernmental payables							
Due to component units			26,773	36	21,046	18	32,699
Due to primary government	340,987		20,930	340	371	126	16,684
Unearned revenue	1,135	172,286	19,454	6,489	18,836	51,611	147,183
Securities lending collateral							106,229
Assets held for others	154,946			9,635		21,251	34,580
Short-term notes payable			2,994		7,250		7,292
Other liabilities			27,257			299	
Long-term obligations:							
Due within one year	104,544	113,480	26,149	7,928	10,701	29,571	342,986
Due subsequent to one year	1,442,730	3,302,171	309,500	143,522	161,672	375,995	1,787,090
<b>Total liabilities</b>	<b>2,113,513</b>	<b>3,926,558</b>	<b>443,101</b>	<b>186,821</b>	<b>260,243</b>	<b>532,500</b>	<b>2,888,423</b>
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	(8,246)	1,622,755	28,290	270,708	173,995	369,043	1,867,585
Restricted for:							
Debt service		282,076	3,264			19,433	22,563
Nonexpendable purposes		390	20,995	46,563	29,892	81,906	620,828
Other expendable purposes	501,544			32,742	23,703	64,010	730,057
Other purposes			34,049			34,343	
Unrestricted	82,105	200,325	87,622	104,484	60,049	73,732	101,886
<b>Total net assets</b>	<b>\$ 575,403</b>	<b>\$ 2,105,546</b>	<b>\$ 174,220</b>	<b>\$ 454,497</b>	<b>\$ 287,639</b>	<b>\$ 642,467</b>	<b>\$ 3,342,919</b>

The accompanying notes to the financial statements are an integral part of this statement.

	Other Universities	Total
		\$ 337,416
\$	110,711	658,235
	10,679	1,036,113
		104,985
	6,660	107,754
	49,786	575,722
	9	80,604
	8,315	353,359
	4,688	48,242
	1,458	54,363
	2,705	47,168
	14,821	2,076,776
		141,754
	53,330	733,633
	72,263	2,137,153
	67	4,388
		69,317
	1,113	1,113
	438	55,915
	110,899	1,518,256
	574,916	8,814,442
	1,022,858	18,956,708
	54,444	998,827
	3,170	3,170
	32	80,604
	2,208	381,646
	18,809	435,803
		106,229
	6,959	227,371
	1,516	19,052
	5,992	33,548
	21,021	656,380
	222,495	7,745,175
	336,646	10,687,805
	526,912	4,851,042
	4,306	331,642
	51,489	852,063
	51,618	1,403,674
		68,392
	51,887	762,090
\$	686,212	\$ 8,268,903

**State of Illinois****Statement of Activities****Component Units**

For the Year Ended June 30, 2009 (Expressed in Thousands)

Functions/Programs	Expenses	Program revenues			Net (expense) revenue
		Charges for service	Operating grants and contributions	Capital grants and contributions	
<b>Authorities:</b>					
Illinois Housing Development Authority	\$ 309,979	\$ 111,227	\$ 230,907		\$ 32,155
Toll Highway Authority	896,776	812,878			(83,898)
Other authorities	235,800	137,282	6,930	\$ 830	(90,758)
<b>Universities:</b>					
Illinois State University	408,073	212,811	29,591	950	(164,721)
Northern Illinois University	498,120	248,524	78,655		(170,941)
Southern Illinois University	973,306	437,898	96,642	7,090	(431,676)
University of Illinois	4,308,039	2,067,308	815,247	8,442	(1,417,042)
Other universities	827,998	378,495	116,339	997	(332,167)
Total	<u>\$ 8,458,091</u>	<u>\$ 4,406,423</u>	<u>\$ 1,374,311</u>	<u>\$ 18,309</u>	<u>\$ (2,659,048)</u>

The accompanying notes to the financial statements are an integral part of this statement.

General revenues			Additions to permanent endowments	Total general revenues and additions to permanent endowments	Change in net assets	Net assets, July 1, 2008, as restated	Net assets, June 30, 2009
State appropriations	Interest and investment income	Other					
	\$ 1,253			\$ 1,253	\$ 33,408	\$ 541,995	\$ 575,403
	22,759	\$ 83,081		105,840	21,942	2,083,604	2,105,546
\$ 29,809	7,348	43,392		80,549	(10,209)	184,429	174,220
147,689	(8,187)	40,385	\$ 1,015	180,902	16,181	438,316	454,497
178,227	(5,996)	1,516	1,273	175,020	4,079	283,560	287,639
366,020	(15,504)	70,899	3,148	424,563	(7,113)	649,580	642,467
1,233,103	(302,513)	181,571	43,382	1,155,543	(261,499)	3,604,418	3,342,919
358,907	(9,753)	926	2,235	352,315	20,148	666,064	686,212
<u>\$ 2,313,755</u>	<u>\$ (310,593)</u>	<u>\$ 421,770</u>	<u>\$ 51,053</u>	<u>\$ 2,475,985</u>	<u>\$ (183,063)</u>	<u>\$ 8,451,966</u>	<u>\$ 8,268,903</u>

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**STATE OF ILLINOIS**  
**Notes to the Financial Statements**  
**June 30, 2009**

***I*** **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the State of Illinois have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as prescribed in pronouncements of the Governmental Accounting Standards Board (“GASB”).

**A. Financial Reporting Entity**

The State of Illinois is a “primary government” whose financial statements consist of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The financial statements include all funds, elected offices, departments, and agencies as well as boards, commissions, authorities, and universities for which the State’s elected officials are financially accountable. Financial accountability exists when the State’s governing body appoints a majority of an organization’s governing board and (1) the State can impose its will upon the organization or (2) there is a potential for the organization to provide specific financial benefit to, or impose specific financial burdens on, the State.

The State’s governing body consists of the legislative, executive, and judicial branches of government. The legislative function is controlled by an elected General Assembly composed of a 59-member Senate and a 118-member House of Representatives. The executive branch consists of the Governor (the chief executive of the State), the Lieutenant Governor, the Attorney General, the Secretary of State, the Comptroller, and the Treasurer. The judicial branch is composed of a seven-member Supreme Court, five Appellate court districts, and twenty-three Circuit Court judicial districts including Cook County.

The financial statements distinguish between the “primary government” and its “component units.” The State’s participation in a joint venture, related organizations, and jointly governed organizations is separately disclosed below. The primary government, which consists of organizations that make up the State’s legal entity, is the nucleus of the State’s reporting entity. Component units are legally separate organizations for which the State is financially accountable. Complete financial statements of the individual component units can be obtained from the respective component unit’s administrative offices (as listed in parentheses below).

**Fiduciary Component Units**

The State has two fiduciary component units that administer pension (and other employee benefit) trust funds. These entities are legally separate from the State and meet the definition of a component unit because they are fiscally dependent on the State; however, due to their fiduciary nature they are presented in the Fiduciary Fund Statements as pension (and other employee benefit) trust funds along with other primary government fiduciary funds.

1. *Teachers' Retirement System ("TRS")*. TRS is the administrator of a cost-sharing multiple-employer public employee defined benefit pension plan which provides coverage to teachers employed by public school districts in Illinois (excluding Chicago) even though most covered employees are not State employees. The State of Illinois is legally mandated to make contributions to TRS.
2. *State Universities Retirement System ("SURS")*. SURS is the administrator of a cost-sharing multiple-employer public employee defined benefit pension plan which provides coverage to faculty and staff of State universities, community colleges, and related agencies even though most covered employees are not State employees. The State of Illinois is legally mandated to make contributions to SURS.

### **Blended Component Unit**

The following component unit is reported, as exclusion would be misleading to the State's financial statements, as though it is a part of the primary government using the blending method since it provides services primarily to benefit the State:

1. *Office of the Special Deputy Receiver ("OSD")*. The OSD acts as agent for the State of Illinois in supervising the conservation, rehabilitation, or liquidation of insurance companies. The OSD reports on a December 31 year-end. (Administrative Office: 222 Merchandise Mart Plaza, Suite 1450, Chicago, Illinois 60654).

### **Discretely Presented Component Units**

Discretely presented component units are reported in separate columns to emphasize that they are legally separate from the State. The discretely presented component units presented below have a voting majority of their governing bodies appointed by the State.

1. *Illinois Housing Development Authority ("IHDA")*. The IHDA issues notes and bonds to make loans for the acquisition, construction, and rehabilitation of housing and to encourage home ownership. The State approves bonds and notes issued by the IHDA and is secondarily liable for its debt if there is not sufficient IHDA monies available to pay principal and interest. (Administrative Offices: 401 North Michigan Avenue, Suite 700, Chicago, Illinois 60611).
2. *Illinois State Toll Highway Authority ("THA")*. The THA operates a toll highway system to promote the public welfare and to facilitate vehicular traffic by providing convenient, safe, modern, and limited access highways within Illinois. The State substantially approves the THA's budget. The THA reports on a December 31 year-end. (Administrative Offices: 2700 Ogden Avenue, Downers Grove, Illinois 60515).
3. *Illinois Literacy Foundation ("Foundation")*. The Foundation promotes literacy among the residents of the State of Illinois by supporting literacy programs and enhancing Statewide literacy awareness. The State has the ability to appoint, hire, reassign, and dismiss those persons responsible for the day-to-day operations of the Foundation. (Administrative Offices: 100 West Randolph, Suite 5-400, Chicago, Illinois 60601).
4. *Illinois Grain Insurance Corporation ("Corporation")*. The Corporation was created for the purpose of improving the economic stability of agriculture in the State of Illinois by establishing a fund to pay grain producers and other claimants for losses incurred by the failure of a grain dealer or warehouseman. The State has the ability to remove appointed

- members of the Corporation's governing board at will. (Administrative Offices: State Fairgrounds, Springfield, Illinois 62794).
5. *Illinois Conservation Foundation ("Foundation")*. The Foundation was created to promote, support, assist, sustain, and encourage the charitable, educational, scientific, and recreational programs, projects, and policies of the Illinois Department of Natural Resources. The State has the ability to appoint, hire, reassign, and dismiss those persons responsible for the day-to-day operations of the Foundation. (Administrative Offices: Natural Resources Road, Springfield, Illinois 62701-1787).
  6. *Comprehensive Health Insurance Plan ("CHIP") Board*. The CHIP provides an alternate market for health insurance for eligible Illinois residents having a pre-existing health condition. The State substantially approves the CHIP's budget. (Administrative Offices: 320 West Washington, Suite 700, Springfield, Illinois 62701).
  7. *East St. Louis Financial Advisory Authority ("Authority")*. The Authority was created to provide a secure financial basis for and to furnish assistance to the city of East St. Louis. The State funds certain programs of the Authority. (Administrative Offices: 10 Collinsville Avenue, East St. Louis, Illinois 62201).
  8. *Illinois Finance Authority ("Authority")*. The Authority was created to foster economic development to the public and private institutions that create and retain jobs and improve the quality of life in Illinois by providing access to capital. The State approves bonds and notes issued by the Authority and is secondarily liable for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 180 North Stetson, Suite 2555, Chicago, Illinois 60601).
  9. *Illinois Medical District Commission ("Commission")*. The Commission was created to maintain and expand a designated "medical district." The State substantially approves the Commission's budget. (Administrative Offices: 600 South Hoyne, Chicago, Illinois 60612).
  10. *Quad Cities Regional Economic Development Authority ("Authority")*. The Authority promotes economic development within the counties of Rock Island, Henry, and Mercer in the State of Illinois. The State approves bonds and notes issued by the Authority and is secondarily liable for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 1830 Second Avenue, Suite 200, Rock Island, Illinois 61201).
  11. *Southwestern Illinois Development Authority ("Authority")*. The Authority promotes economic development within the counties of St. Clair and Madison in the State of Illinois. The State approves bonds and notes issued by the Authority and is secondarily liable for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 1022 Eastport Plaza, Collinsville, Illinois 62234).
  12. *Southeastern Illinois Economic Development Authority ("Authority")*. The Authority promotes economic development in Fayette, Cumberland, Clark, Effingham, Jasper, Crawford, Marion, Clay, Richland, Lawrence, Jefferson, Wayne, Edwards, Wabash, Hamilton, and White counties and Irvington Township in Washington County. The State approves bonds and notes issued by the Authority and is secondarily liable for its debt if

- there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 200 Potomac Boulevard, Mt. Vernon, Illinois 62864).
13. *Upper Illinois River Valley Development Authority (“Authority”).* The Authority promotes economic development within the counties of Grundy, LaSalle, Bureau, Putnam, Kendall, Kane, McHenry, and Marshall in the State of Illinois. The State approves bonds and notes issued by the Authority and is secondarily liable for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 633 LaSalle Street, Suite 401, Ottawa, Illinois 61350).
14. *Boards of Trustees of Chicago State University (“CSU”), Eastern Illinois University (“EIU”), Governors State University (“GSU”), Northeastern Illinois University (“NEIU”), Western Illinois University (“WIU”), Illinois State University (“ISU”), Northern Illinois University (“NIU”), Southern Illinois University (“SIU”), and University of Illinois (“U of I”) (“boards”).* The boards of the respective universities operate, manage, control, and maintain the schools. The State provides significant financial support to the boards of the universities. Certain universities have donor restricted endowments that are restricted as to spending by the donor which are detailed in their separately issued financial statements. The Uniform Management of Institutional Funds Act permits the boards to spend net appreciation of endowments as they determine to be prudent. (Administrative Offices:
- CSU, 9501 South King Drive, Chicago, Illinois 60628
  - EIU, 600 Lincoln Avenue, Charleston, Illinois 61920
  - GSU, 1 University Parkway, University Park, Illinois 60466
  - NEIU, 5500 North St. Louis Avenue, Chicago, Illinois 60625
  - WIU, 1 University Circle, Macomb, Illinois 61455
  - ISU, Hovey Hall, Normal, Illinois 61790-1200
  - NIU, 300 Altgeld Hall, DeKalb, Illinois 60115
  - SIU, 1400 Douglas Drive, Carbondale, Illinois 61801
  - U of I, 111 East Green, Champaign, Illinois 61820).

The following component unit must obtain the State’s approval for debt issuances:

1. *Will-Kankakee Regional Development Authority (“Authority”).* The Authority promotes economic development within the counties of Will and Kankakee in the State of Illinois. The State approves bonds and notes issued by the Authority and is secondarily liable for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 116 North Chicago Street, Suite 101, Joliet, Illinois 60432).
2. *Western Illinois Economic Development Authority (“Authority”).* The Authority promotes economic development within the counties of Adams, Brown, Cass, Fulton, Hancock, Henderson, Mason, McDonough, Morgan, Pike, Scott, Schuyler, and Warren in the State of Illinois. The State approves bonds and notes issued by the Authority and is secondarily liable for its debt if there are not sufficient Authority monies to pay principal and interest (Administrative Offices: 510 North Pearl Street, Suite 600, Macomb, Illinois 61455).

Excluding the following component units from the State's financial statements would be misleading and therefore the component units are included because of the nature of the component units' relationship with the State:

1. *IMSA Fund for Advancement of Education ("IMSA Fund")*. The IMSA Fund was established for the purpose of benefiting, performing the function of, and carrying out certain charitable, educational, literary, and scientific purposes of the Illinois Mathematics and Science Academy, a primary government agency. (Administrative Offices: 1500 West Sullivan Road, Aurora, Illinois 60506-1000).
2. *Illinois Arts Council Foundation ("Foundation")*. The Foundation was established to further charitable, literary, and educational art awareness programs. (Administrative Offices: James R. Thompson Center, 100 West Randolph, Suite 10-500, Chicago, Illinois 60601-3298).

### **Joint Venture**

The State is a participant with the states of Michigan, Minnesota, New York, Ohio, Pennsylvania, and Wisconsin in the Great Lakes Protection Fund ("Fund"), an Illinois not-for-profit corporation. The Fund is the nation's first multi-state environmental endowment and was established in 1989 for furthering Federal and State commitments to programs that restore and maintain the Great Lakes' water quality. This purpose is achieved by providing grant money for projects that promote the objectives of the regional Great Lakes Toxic Substance Control Agreement and the binational Great Lakes Water Quality Agreement.

A state becomes a member of the Fund by agreeing to contribute an amount set forth in the Articles of Incorporation. The required contribution from all member states at incorporation was \$81 million. The Fund's net assets on December 31, 2008 were \$87.240 million.

Once a state agrees to make the required contribution, that state's governor becomes a "member" of the Fund. Each member is entitled to appoint two individuals to the board of directors. Budgetary and financial decisions rest with the board of directors except where restricted by the Articles of Incorporation. Two-thirds of the Fund's income is used to finance projects compatible with the organization's objectives as set forth in the Articles of Incorporation. The remaining one-third of income is paid to member states in proportion to the amount and period of time that each state's contribution was invested with the Fund ("state shares"). Illinois received a state share for 2008 of \$37 thousand. The affirmative vote of all of the members is required for all actions of the Fund. Complete financial statements of the Fund can be obtained from the Fund's Administrative Offices at 1560 Sherman Avenue, Suite 880, Evanston, Illinois 60201.

### **Related Organizations and Jointly Governed Organizations**

The State's officials are responsible for appointing the majority of the members of the boards of various related organizations, but the State's accountability for these organizations does not extend beyond making the appointments.

The State's officials, in conjunction with various other state and local government officials, are members of the boards of other organizations. However, the State has no ongoing financial interest or responsibility except the role of a participant in the various organizations' purpose and, in certain instances, pays annual dues or assessments.

## **B. Basis of Presentation**

### **Government-wide Financial Statements**

The Statement of Net Assets and the Statement of Activities display information about the State and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the State and between the State and its discretely presented component units. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Net Assets presents the reporting entity's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

- **Invested in capital assets, net of related debt** consists of capital assets, net of accumulated depreciation reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.
- **Restricted net assets** result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through enabling legislation.
- **Unrestricted net assets** consist of net assets which do not meet the definition of the two preceding categories. Unrestricted net assets often are designated to indicate that management does not consider them to be available for general operations. They often have restrictions that are imposed by management, but can be removed or modified.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the State and for each function of the State's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

### **Fund Financial Statements**

The fund financial statements provide information about the State's funds, including fiduciary funds and blended component units. Separate statements for each fund category-governmental, proprietary, and fiduciary-are presented. The emphasis on fund financial statements is on the major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, generally result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, generally result from nonexchange transactions or ancillary activities.

Proprietary fund operating expenses include costs directly related to providing services and producing and delivering goods. All expenses not meeting this definition are reported as nonoperating expenses.

The State reports the following major governmental funds:

**General** – This is the State’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. These services include, among others, employment and economic development, education, and health and social services. Certain resources obtained from federal grants and used to support general governmental activities are accounted for in the General Fund consistent with applicable legal requirements. The State’s General Fund contains four primary sub-accounts (General Revenue, Education Assistance, Common School, and Medicaid Provider Assessment Program) with numerous secondary sub-accounts.

**Road** – This fund accounts for the activities of the State highway programs including highway maintenance and construction, traffic control and safety, and administering motor vehicle laws and regulations. Funding sources include federal aid, transfers from the Motor Fuel Tax Fund, and various license and fee charges.

**State Construction Account** – This fund accounts for the construction, reconstruction, and maintenance of the State maintained highway system. Funding sources include a portion of motor vehicle registration fees, weight taxes, and transfers from the Motor Fuel Tax Fund.

The State reports the following major proprietary funds:

**Unemployment Compensation Trust** – This fund accounts for the activities of the unemployment insurance program including employer contributions, Federal Unemployment Trust advances, and benefit claims.

**Water Revolving** – This fund accounts for the activities of a revolving loan program for local government drinking water and sewage treatment infrastructure. Certain loans receivable in the fund are restricted due to revenue bond covenants.

**Prepaid Tuition Fund** – This fund accounts for the net assets held by *College Illinois!*, the Illinois prepaid tuition program. The program provides Illinois families with an affordable tax-advantaged method to pay for college.

**Designated Account Purchase Program** – This fund accounts for the activities of the Designated Account Purchase Program including issuance of bonds and acquisition of student loans from lenders. Certain assets in the fund are restricted due to revenue bond covenants.

Additionally, the State reports the following fund types:

**Governmental Fund Types:**

**Special Revenue** – These funds account for resources obtained from specific revenue sources that are legally restricted to expenditures for specified purposes. Special revenues funds account for, among other things, federal grant programs, taxes levied with statutorily defined distributions, and other resources restricted as to purpose.

**Debt Service** – These funds account for governmental resources obtained and accumulated to pay interest and principal on general long-term debt (other than capital leases, installment purchases, workers’ compensation, and unfunded retirement benefit costs).

**Capital Projects** – These funds account for resources obtained and used for the acquisition or construction of major capital facilities. Such resources are derived principally from proceeds of general and special obligation bond issues and certificates of participation.

**Permanent** – This fund accounts for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizens.

#### **Proprietary Fund Types:**

**Enterprise** – These funds account for operations where the intent of the State is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**Internal Service** – These funds account for data processing, printing, fleet management, telecommunications, professional services, workers’ compensation claims, medical and dental benefits for State employees, and other services provided to agencies of the State on a reimbursement basis.

#### **Fiduciary Fund Types:**

**Pension (and Other Employee Benefit) Trust** – These funds account for resources that are required to be held in trust for the members and beneficiaries of the State’s five Public Employee Retirement Systems, the State’s Deferred Compensation Plan Fund, and the health insurance postemployment benefit plans for community colleges and for local school districts, excluding Chicago, administered by the State.

**Investment Trust** – These funds (the Public Treasurer’s Investment Pool and the Deferred Lottery Prize Winners Trust Fund) account for the external portion of investment pools sponsored by the State.

**Private-Purpose Trust** – These funds account for resources legally held in trust for use by individuals in the State’s qualified tuition program under Section 529 of the Internal Revenue Code and other amounts held for individuals, private organizations, and other governments. There is no requirement that any portion of these resources be preserved as capital.

**Agency** – These funds account for collections of child support payments, sales and telecommunications taxes assessed by local governments but collected by the State, and other deposits, deductions, and property collected by the State, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

#### **Component Units**

The component statements provide aggregate information about the State’s discretely presented component units, emphasizing major component units. The State’s major component units are the Illinois Housing Development Authority, the Illinois State Toll Highway Authority, Illinois

State University, Northern Illinois University, Southern Illinois University, and the University of Illinois.

### ***C. Measurement Focus and Basis of Accounting***

#### **Government-wide, Proprietary Fund, Fiduciary Fund, and Component Unit Financial Statements**

The government-wide, proprietary fund, fiduciary fund, and component unit financial statements are reported using the economic resources measurement focus (except for agency funds which do not have a measurement focus) and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the State gives (or receives) value without directly receiving (or giving) equal value in exchange, include income taxes, excise taxes, wealth taxes, grants, entitlements, and donations. On an accrual basis, revenues from self assessed taxes, principally income, excise, and wealth taxes, are recognized in the fiscal year in which the underlying exchange transaction occurs. Revenue from grants, entitlements, and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

#### **Governmental Fund Financial Statements**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the State considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on formal debt issues, claims and judgments, and compensated absences are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of formal debt issues and acquisitions under capital leases and installment purchases are reported as other financing sources.

Significant revenue sources which are susceptible to accrual include individual and corporate income taxes, sales taxes, public utility taxes, motor fuel taxes, and interest income. The tax revenues are recorded by the State as taxpayers earn income (individual income tax, corporate income tax, and other taxes), as sales are made (sales taxes, public utility taxes, motor fuel taxes, and other taxes), or as the taxable event occurs (other taxes) net of estimated overpayments and amounts not expected to be collected. All other revenue sources including fines, penalties, licenses, and other miscellaneous revenues are considered to be measurable and available only when cash is received.

#### **Private-Sector Standards**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The State also has the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The State generally has elected not to follow subsequent private-sector guidance.

***D. Eliminations***

Eliminations have been made in the government-wide statement of net assets to minimize the “grossing-up” effect on assets and liabilities within the governmental and business-type activities columns of the primary government. As a result, amounts reported in the funds as interfund receivables and payables have been eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. Amounts reported in the funds as receivable from or payable to fiduciary funds have been included in the statement of net assets as receivable from and payable to external parties, rather than as internal balances.

Eliminations have been made in the statement of activities to remove the “doubling-up” effect of internal service fund activity. The effect of similar internal events that are, in effect, allocations of overhead expenses from one function to another or within the same function also have been eliminated, so that the allocated expenses are reported only by the function to which they were allocated.

***E. Cash Equivalents***

Cash equivalents are defined as short-term, highly liquid investments readily convertible to cash with maturities of 90 days or less at time of purchase. Cash equivalents consist principally of certificates of deposit, repurchase agreements, and U.S. treasury bills and are stated at cost.

***F. Investments***

Investments are reported at fair value. Generally, the marketable securities are valued at closing prices listed on national securities exchanges and quotes from independent pricing services as of June 30. Real estate and venture capital are valued based upon appraisals and discounted cash flow analysis.

The Illinois Public Treasurers’ Investment Pool, known as The Illinois Funds, operates as a 2a7-like pool and thus reports all investments at amortized cost rather than market value. The fair value of the pool is the same as the value of the pool shares. The Treasurer’s investment policies are governed by State statute. In addition, the Treasurer’s Office has adopted its own investment practices that supplement the statutory requirement. The Treasurer’s Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

The State’s financial statements contain certain investments that meet the definition of “derivatives.” Derivative investments included in the pension trust funds are described in more detail in Note 3.

***G. Inventories and Prepaid Expenditures***

Inventory is generally reported on the financial statements at moving-average cost. For governmental funds, the State recognizes the costs of material inventories as expenditures when purchased. The inventory amounts reported in the governmental funds do not reflect current appropriable resources, and therefore, the State reserves an equivalent portion of the balance.

For governmental funds, prepaid expenditures are recognized when paid.

**H. Interfund Transactions**

The State has the following types of interfund transactions:

**Interfund Loans** – amounts provided with a requirement for repayment, which are reported as interfund receivables in lender funds and interfund payables in borrower funds. When interfund loan repayments are not expected within a reasonable time, the interfund balances are reduced and the amount that is not expected to be repaid is reported as a transfer from the fund that made the loan to the fund that received the loan.

**Services provided and used** - sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts at year-end are reported as interfund receivables and payables in the fund balance sheets or fund statements of net assets.

**Reimbursements** - repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

**Transfers** - flows of assets (such as cash or goods) between funds without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

**I. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure, are reported at cost or estimated historical cost based on appraisals or deflated current replacement costs. Contributed assets are reported at estimated fair value at the time received.

Capitalization thresholds of the primary government generally are as follows:

Capital Asset Category	Capitalization Threshold
Infrastructure	\$ 250
Land	100
Land Improvements	25
Site Improvements	25
Buildings	100
Building Improvements	25
Equipment	5
Works of Art and Historical Treasures	5

Certain component units, however, may have adopted different capitalization thresholds. These thresholds can be obtained from their separately issued financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s estimated useful life are not capitalized.

Major capital outlays for capital assets and improvements are capitalized as project costs are incurred. Interest incurred during the construction phase of capital assets used in business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Table 1-2	
Capital Asset Category	Estimated Useful Lives (In Years)
Infrastructure	5-50
Land	N/A
Land Improvements	N/A
Site Improvements	3-50
Buildings	10-60
Building Improvements	10-45
Equipment	3-25
Works of Art and Historical Treasures	5-7

The State and the University of Illinois, a major component unit, do not capitalize certain collections of works of art or historical treasures held for public exhibition, education, or research in furtherance of public service rather than capital gain. These collections are protected, kept unencumbered, cared for, and preserved. Proceeds from the sale, exchange, or other disposal of any item belonging to non-capitalized collections of works of art or historical treasures for the State and the University of Illinois must be applied to the acquisition of additional items for the same collection.

**J. Retirement Costs**

Substantially all State employees, including members of the General Assembly and Judicial Branch, participate in one of three State public employee retirement systems (see Note 16). The State also maintains and funds public employee retirement systems for employees of the various State supported universities and community colleges and for public school teachers in cities other than Chicago. It is the State’s policy to fund retirement costs without regard to amounts calculated under the actuarial requirements. Except for in fiscal year 2004 when the State contributed the majority of the proceeds from a \$10 billion general obligation bond, the State’s contributions have been less than the retirement benefits paid during the year for the last twenty-eight fiscal years. Prior to fiscal year 1982, the State had funded the retirement costs at a level at least as great as the retirement benefits paid during the year.

Annual pension cost is recorded as an expense in the government-wide statement of activities and is comprised of the State’s annual required contribution (“ARC”), which equals normal cost plus interest on unfunded prior service costs and amortization of prior service costs over thirty years,

one year's interest on the net pension obligation, and an adjustment to the ARC to offset the effect of actuarial amortization of past under or over contributions.

***K. Capital Appreciation ("deep-discount") Bonds***

Capital appreciation bonds are those bonds that are issued at stated interest rates significantly below their effective interest rate, resulting in a substantial discount. The implicit interest (i.e., discount) is not paid until the bonds mature. Therefore, the net value of the bonds "accrete" (i.e., the discount is reduced) over the life of the bonds. Capital appreciation bonds are reported in the government-wide statement of net assets at their accreted value.

***L. Compensated Absences***

The liability for compensated absences reported in the government-wide, proprietary, and fiduciary fund financial statements consists of unpaid, accumulated vacation and sick leave balances. A liability for these amounts is reported in governmental funds only if the liability has matured, for example, as a result of employee resignations and retirements. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments are included. The liability has been calculated based on the employees' current salary level and includes salary related costs (e.g., social security and Medicare tax).

Legislation that became effective January 1, 1998 capped the paid sick leave for all State Employees' Retirement System members at December 31, 1997. Employees continue to accrue twelve sick days per year, but will not receive monetary compensation for any additional time earned after December 31, 1997.

Sick days earned between 1984 and December 31, 1997 (with a 50% cash value) would only be used after all days with no cash value are depleted. Any sick days earned and unused after December 31, 1997 will be converted to service time for purposes of calculating employee pension benefits.

Component unit financial statements also include a liability amount for compensated absences. However, they may have adopted different compensated absences policies. These policies can be obtained from their separately issued financial statements.

***M. Bond Premiums, Discounts, and Issuance Costs***

In the government-wide and proprietary fund financial statements, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

***N. Advance Refundings of Debt***

In the government-wide and proprietary fund financial statements, gains and losses from advance refundings of debt resulting in defeasance are deferred and amortized as a component of interest expense over the shorter of the remaining life of the old debt or the life of the new debt using the effective interest method. Bonds payable are reported net of these deferred gains and losses.

***O. Pollution Remediation Obligations***

In the government-wide financial statements, pollution remediation obligations are reported at the current value of expected outlays to fund remediation costs using the expected cash flows technique. This technique measures the sum of probability-weighted amounts in a range of possible estimated amounts and uses all expectations about possible cash flows on a site-specific basis. Such ranges are weighted within “most likely”, “worst case”, and/or “best case” scenarios and are based on actual remediation cost experience, remediation cost estimates, and/or discrete cost remediation treatment possibilities. All reported obligation amounts are estimates and are subject to change resulting from price increases or reductions, technology, or changes in applicable laws or regulations. In cases where remediation activities beyond site investigation/assessment or feasibility studies have not begun, remaining remediation costs are not reasonably estimable and liabilities for such cases are not reported.

***P. Net Assets/Fund Balances***

The difference between fund assets and liabilities is “Net Assets” on government-wide, proprietary fund, and fiduciary fund financial statements and “Fund Balance” on governmental fund financial statements.

Fund balances of governmental funds that are legally restricted to a specific future use or that are not available for appropriation or expenditure are reported as reservations of fund balance.

When both unrestricted and restricted net assets or unreserved and reserved fund balances are available for use, the State uses restricted net assets or reserved fund balances first.

***Q. Endowments***

For donor restricted endowments, the Uniform Prudent Management of Institutional Funds Act, as adopted by the State of Illinois, permits the State and its component units to appropriate an amount of realized and unrealized endowment appreciation as determined to be prudent. The State and its component units’ policy is to retain the realized and unrealized appreciation within the endowment after spending rule distributions. Amounts available for expenditure are reported as reserved fund balances in governmental fund financial statements and as expendable restricted net assets held as permanent investments on government-wide, proprietary fund, and fiduciary fund financial statements.

***R. Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **S. New Accounting Pronouncements**

Effective for the year ending June 30, 2009, the State adopted GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which establishes standards of accounting and financial reporting for pollution remediation obligations which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities. The standard excludes pollution prevention or control obligations with respect to current operations and future pollution remediation activities that are required upon retirement of an asset. The implementation of the provisions of the Statement had no impact to the financial statements as the State had previously recorded a contingent liability for pollution remediation obligations.

Also effective for the year ending June 30, 2009, the State adopted GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, which establishes accounting and financial reporting for land and other real estate held as investments by endowments. The implementation of the provisions of the Statement required a restatement for the University of Illinois, a major component unit of the State, to record land held as investments at fair value.

### **T. Future Adoption of GASB Statements**

Effective for the year ending June 30, 2010, the State will adopt GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which establishes standards of accounting and financial reporting for intangible assets. The State has not yet determined the impact on the State's financial statements as a result of adopting this statement.

Also effective for the year ending June 30, 2010, the State will adopt GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which establishes standards of accounting and financial reporting for certain derivative instruments. The State has not yet determined the impact on the State's financial statements as a result of adopting this statement.

## **2 NET ASSETS**

### **A. Restatements**

As shown in Table 2-1, the financial statements have been restated as of July 1, 2008 for the following prior reporting errors:

#### **Governmental Activities**

- Understatement of amounts due to the Workers' Compensation Revolving Fund underestimating the amount of claims.

#### **Component Units**

- Understatement of construction in progress due to incorrect calculation of construction period interest at the Toll Highway Authority.
- Overstatement of a component unit's net assets and overstatement of assets held in charitable remainder trusts by a component unit of Southern Illinois University.
- Understatement of component unit's net assets and overstatement of assets held in charitable remainder trusts at a component unit of the University of Illinois.
- Understatement of assets held in charitable remainder trusts at a component unit of Western Illinois University.

In addition, the financial statements have been restated as of July 1, 2008 for the implementation of the following accounting standards:

- GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*.

Table 2-1 (amounts expressed in thousands)

	Governmental Activities			Component Units			
	Governmental Funds			Major Component Units			Nonmajor Component Units
	General	Road Fund	Governmental Activities	Toll Highway Authority	Southern Illinois University	University of Illinois	Western Illinois University
<b>Fund Balance/Net Assets, June 30, 2008, as previously reported</b>	\$ (3,934,321)	\$ 255,420	\$ (24,421,810)	\$ 2,009,725	\$ 656,941	\$ 3,571,139	\$ 150,189
<b>Corrections of Prior Errors</b>							
Understatement of reimbursement of Workers' Compensation Revolving Fund	(101,099)	(23,714)	(124,813)	--	--	--	--
Construction period interest	--	--	--	73,879	--	--	--
Overstatement/(understatement) of component unit net assets	--	--	--	--	(4,317)	3,652	--
Exclusion (inclusion) of charitable remainder trust agreements	--	--	--	--	(3,044)	(8,591)	1,437
<b>Implementation of New Accounting Standards</b>							
Implementation of GASB Statement No. 52	--	--	--	--	--	38,218	--
<b>Fund Balance/Net Assets, June 30, 2008, as restated</b>	<u>\$ (4,035,420)</u>	<u>\$ 231,706</u>	<u>\$ (24,546,623)</u>	<u>\$ 2,083,604</u>	<u>\$ 649,580</u>	<u>\$ 3,604,418</u>	<u>\$ 151,626</u>

**B. Net Assets Restricted by Enabling Legislation**

The government-wide statement of net assets reports \$3.730 billion of restricted net assets, of which \$3.300 billion is restricted by enabling legislation.

**3 DEPOSITS AND INVESTMENTS**

The State Treasurer is the custodian of the State’s deposits and investments for most funds and maintains these deposits and investments in the State Treasury. The investment authority and guidelines for the Treasurer’s published investment policy for the State Treasury is found in Section 22.8 of the Deposit of State Moneys Act (15 ILCS 520). The pooling of cash allows the Treasurer to invest monies not needed to pay immediate obligations so that investment earnings on available cash are maximized. Investments of the State Treasury are not segregated by fund; rather, each contributing fund’s balance is treated as equity in the State Treasury. Accordingly, the State Treasury is not reported as a separate fund in this report. Instead, each State fund’s and each component unit’s balance in the State Treasury is presented as “Cash equity with State Treasurer”. Investments held by the State Treasurer in the State Treasury at June 30, 2009, consisted of the following:

Table 3-1 (amounts expressed in thousands)

<b>Investment Type</b>	<b>Fair Value</b>
Repurchase agreements	\$ 750,886
U.S. Agency obligations	1,057,767
Commercial paper	1,399,204
Corporate debt securities	20,000
Money market mutual funds	3,053,447
Private equity	18,689
Equity in Public Treasurers' Investment Pool	1,017,511
Equity in other investment pools	579
Securities lending collateral:	
Invested in repurchase agreements	961,058
Invested in cash	499
<b>Total fair value</b>	<b>\$ 8,279,640</b>

Funds maintained outside the State Treasury have independent statutory authority to manage their own deposits and investments. The investment authority of the Illinois State Board of Investment (“ISBI”), Teachers’ Retirement System (“TRS”), and State Universities Retirement System (“SURS”) is governed by the Illinois Pension Code (40 ILCS 5). Authorized investments consist of bonds, equities, real estate, venture capital, and other activities to be made with the care, skill, prudence, and diligence which a prudent person acting in a like capacity and familiar with such matters would use in the conduct of investing similar retirement trusts. ISBI, TRS, and SURS each have published investment policies incorporating these guidelines. Primary government investments held outside of the State Treasury at June 30, 2009, except for investments held by ISBI, TRS, and SURS, consisted of the following:

Table 3-2 (amounts expressed in thousands)

<b>Investment Type</b>	<b>Fair Value</b>
Repurchase agreements	\$ 9,005
Negotiable certificates of deposit	479
U.S. Treasury obligations	1,218,068
U.S. Agency obligations	286,663
Municipal debt	174,976
Annuities	2,399
Corporate debt securities	249,218
Debt mutual funds	1,034,465
Equity in Public Treasurers' Investment Pool	4,729,138
Equity in other investment pools	4,699
Money market mutual funds	396,813
Equity securities	387,671
Equity mutual funds	2,729,820
Blended mutual funds	189,579
Guaranteed investment contracts	682,136
Securities lending collateral	72,331
Equity trust funds	92,072
Other	18,244
<b>Total fair value</b>	<b>\$ 12,277,776</b>

The ISBI is considered to be an internal investment pool of the State of Illinois, operating solely from investment income. The ISBI manages and invests the pension assets of three separate public employee retirement systems: General Assembly Retirement System, the Judges’ Retirement System of Illinois, and State Employees’ Retirement System of Illinois. The ISBI’s

member systems retain all of the cash necessary for current operating expenditures in the State Treasury. The amount of cash received by the ISBI’s member systems in excess of their current operating expenditures is transferred to the ISBI for purposes of long-term investment. The ISBI is not reported as a separate fund in this report. Instead, each member system’s balance in the ISBI is presented as “Equity in the Illinois State Board of Investments”. The ISBI has approximately \$63.664 million in deposits and investments greater than the member systems equity due to net investment liabilities of the ISBI.

Investments held by ISBI at June 30, 2009, consisted of the following:

Table 3-3 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Fair Value</u>
U.S. Treasury obligations	\$ 75,530
U.S. Agency obligations	589,489
Corporate obligations	701,285
Common stock and equity funds	2,757,206
Preferred stock	334
Foreign equity securities	1,335,607
Commingled funds	335,484
Hedge funds	880,939
Real estate	875,930
Private equity	450,492
Money market instruments	235,126
Infrastructure funds	305,970
Bank loans	197,259
Forward foreign currency contracts	(5,594)
Total Investments	<u>\$ 8,735,057</u>

**CUSTODIAL CREDIT RISK**

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

**Deposits**

*Primary Government:*

In accordance with Section 6 of the Public Funds Investment Act (30 ILCS 235), uncollateralized and uninsured deposits may not exceed 75% of the capital stock and surplus of a bank, 75% of the net worth of a savings and loan association or 50% of the unimpaired capital and surplus of a credit union.

The carrying amount and bank balance of cash deposits held by the State Treasury was \$1.178 billion and \$1.177 billion at June 30, 2009, respectively. Of the total bank balance of these cash deposits at June 30, 2009, \$1.259 million was uninsured and uncollateralized.

The carrying amount and bank balance of cash deposits held outside of the State Treasury, except for investments held by ISBI, TRS, and SURS, was \$242.636 million and \$188.733 million at June 30, 2009, respectively. Of the total bank balance of these cash deposits at June 30, 2009, \$1.726 million was uninsured with collateral held by the pledging financial institution in the State’s name, \$10.923 million was uninsured with collateral held by the pledging financial institution but not in the State’s name and \$4.848 million was uninsured and uncollateralized.

ISBI’s policy outlines the control procedures used to monitor custodial credit risk for deposits. These deposits are under the custody of State Street Bank and Trust. State Street Bank and Trust has an AA Long-term Deposit/Debt rating by Standard and Poor’s and an Aa2 rating by Moody’s. The carrying amount and bank balance of ISBI’s cash deposits at June 30, 2009, was \$12.662 million and \$12.625 million, respectively.

TRS’s foreign currency held by investment managers at June 30, 2009 totaled \$35.797 million, all of which was uninsured and uncollateralized.

SURS’s cash held in its investment related bank account in excess of \$250,000 is uninsured and uncollateralized. SURS has no deposit policy for custodial credit risk. Deposits are under the custody of the Northern Trust Company which has an AA Long-term Deposit/Debt rating by Standard and Poor’s and an Aa3 rating by Moody’s. At June 30, 2009, the carrying amount was \$268.310 million and the bank balance was \$272.027 million, of which \$14.306 million was uninsured and uncollateralized.

**Investments**

*Primary Government:*

The State does not have a formal policy for custodial credit risk of investments held outside of the State Treasury. The following table summarizes the primary government investments held outside of the State Treasury, except for investments held by ISBI, TRS, and SURS, that were subject to custodial credit risk at June 30, 2009:

<u>Investment Type</u>	<u>Fair Value</u>
Uninsured and unregistered with securities held by counterparties	
U.S. Agency obligations	\$ 52
Annuities	1,433

As of June 30, 2009, the following investments were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in ISBI’s name:

<u>Investment Type</u>	<u>Fair Value</u>
ISBI:	
Common stock	\$ 2,530
U.S. government and agency obligations	7,847
Total	<u>\$ 10,377</u>

**CREDIT RISK**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

*Primary Government:*

Section 2 of the Public Funds Investment Act limits the State's investments, both inside and outside the State Treasury, to securities of the U.S. government or its agencies, short-term obligations of domestic corporations exceeding \$500 million in assets that are rated in the three highest categories by at least two nationally recognized statistical ratings organizations not to exceed ten percent of the domestic corporations outstanding obligations, money market mutual funds invested in the U.S. government and/or its agencies, and repurchase agreements securities of the U.S. government or its agencies or money market mutual funds invested in the U.S. government or its agencies. Additional investments may be authorized in certain funds as exceptions to Section 2 of the Public Funds Investment Act pursuant to State statute prescribing the activities of a fund. The following table summarizes the Moody's credit quality ratings for debt securities held by the State Treasurer in the State Treasury at June 30, 2009:

Table 3-6 (amounts expressed in thousands)

<b>Investment Type</b>	<b>Aaa</b>	<b>A</b>	<b>P-1</b>	<b>Not Rated</b>	<b>Total</b>
Repurchase agreements	\$ --	\$ --	\$ 750,886	\$ --	\$ 750,886
U.S. Agency obligations	942,807	--	114,960	--	1,057,767
Commercial paper	--	--	1,399,204	--	1,399,204
Corporate debt securities	--	10,000	--	10,000 *	20,000
Money market mutual funds	3,044,353	--	--	9,094	3,053,447
Equity in Public Treasurers' Investment Pool	--	--	--	1,017,511 **	1,017,511
Equity in other investment pools	--	--	--	579	579
Securities lending collateral:					
Invested in repurchase agreements	--	--	961,058	--	961,058
<b>Total fixed income securities</b>	<b>\$ 3,987,160</b>	<b>\$ 10,000</b>	<b>\$ 3,226,108</b>	<b>\$ 1,037,184</b>	<b>\$ 8,260,452</b>

\* \$10,000 of corporate debt securities are rated A-1 by Standard and Poor's.  
\*\* Equity in Public Treasurers' Investment Pool was rated AAA by Standard and Poor's.

The following table summarizes the Moody's credit quality ratings for debt securities held by the primary government, except for debt securities held by ISBI, TRS, and SURS, outside of the State Treasury at June 30, 2009:

Table 3-7 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Aaa</u>	<u>Aa</u>	<u>A</u>	<u>Baa</u>	<u>Ba</u>	<u>Caa</u>	<u>Not Rated*</u>	<u>Total</u>
Negotiable certificates of deposit	\$ -	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 479	\$ 479
U.S. Agency obligations	286,152			471	--	--	40	286,663
Municipal debt	50,202	94,730	28,831	553	--	--	660	174,976
Corporate debt securities	128,935	22,250	62,456	32,770	536	580	1,691	249,218
Mutual funds	36,983	127,711	--	--	--	--	869,771	1,034,465
Equity in Public Treasurers' Investment Pool	--	--	--	--	--	--	4,729,138	4,729,138
Equity in other investment pools	--	--	--	--	--	--	4,699	4,699
Money market mutual funds	--	--	--	--	--	--	396,813	396,813
<b>Total subject to credit risk</b>	<b>\$502,272</b>	<b>\$244,691</b>	<b>\$91,287</b>	<b>\$33,794</b>	<b>\$ 536</b>	<b>\$ 580</b>	<b>\$6,003,291</b>	6,876,451
U.S. Treasury obligations								1,218,068
Repurchase agreements backed by U.S. Treasury obligations								9,005
<b>Total fixed income securities</b>								<b>\$8,103,524</b>

\* \$305.430, \$312.468 and \$17.662 million of mutual funds were rated AAA, AA, and A, respectively, by Standard and Poor's.

All of the Equity in Public Treasurer's Investment Pool amounts were rated AAA by Standard and Poor's.

\$180.138 and \$68.789 million of money market mutual funds were rated AAA and AA, respectively, by Standard and Poor's.

The portfolios of ISBI, TRS, and SURS are managed by professional investment management firms. Each investment manager must comply with risk management guidelines individually assigned to them as part of their Investment Management Agreement. With the exception of certain commingled funds, bonds below B- are not permissible in any of the fixed income investment manager guidelines. However, in circumstances where position downgrades occur, investment managers have been given permission to hold securities due to circumstances such as a higher peer group rating from another nationally recognized statistical rating organization, firm internal ratings, or other mitigating factors.

The following table summarizes the Moody's credit quality ratings for debt securities held by ISBI at June 30, 2009:

Table 3-8 (amounts expressed in thousands)

<u>Quality Rating</u>	<u>Corporate Debt Obligations</u>	<u>U.S. Agency Obligations</u>	<u>Total</u>
Aaa	\$ 46,173	\$ 577,489	\$ 623,662
Aa	60,273	12,000	72,273
A	209,758	--	209,758
Baa	101,310	--	101,310
Ba	90,325	--	90,325
B	139,970	--	139,970
Caa	41,550	--	41,550
Ca	977	--	977
C	604	--	604
Not rated	10,345	--	10,345
<b>Total subject to credit risk</b>	<b>\$ 701,285</b>	<b>\$ 589,489</b>	1,290,774
U.S. Treasury obligations			75,530
<b>Total fixed income securities</b>			<b>\$1,366,304</b>

The following table summarizes the Moody's credit quality ratings for debt securities held by TRS at June 30, 2009:

Table 3-9 (amounts expressed in thousands)

Quality Rating	Corporate Debt Obligations	Foreign Debt Obligations	U.S. Agency Obligations	Municipal Obligations	Short-term Investments	Commingled Funds	Securities Lending	Total
Aaa	\$ 578,718	\$ 296,565	\$ 2,064,284	\$ 62	\$ --	\$ --	\$ --	\$ 2,939,629
Aa	238,417	97,475	--	41,580	--	--	99,952	477,424
A	740,549	109,004	--	7,470	--	--	141,697	998,720
Baa	926,548	73,434	--	6,866	--	--	--	1,006,848
Ba	226,133	66,098	--	--	--	1,713	--	293,944
B	133,034	1,804	--	--	--	47,944	--	182,782
Caa	134,087	--	--	--	--	--	--	134,087
Ca	22,629	--	--	--	--	--	--	22,629
C	1,004	--	--	--	--	--	--	1,004
P-1	--	--	--	--	6,000	--	--	6,000
Not rated	70,994	20,425	4,450	36	--	35,744	--	131,649
<b>Total subject to credit risk</b>	<b>\$ 3,072,113</b>	<b>\$ 664,805</b>	<b>\$ 2,068,734</b>	<b>\$ 56,014</b>	<b>\$ 6,000</b>	<b>\$ 85,401</b>	<b>\$ 241,649</b>	<b>6,194,716</b>
U.S. Treasury obligations								300,376
U.S. Agency obligations explicitly guaranteed by U.S. government								126,726
Less cash equivalents								(10,643)
<b>Total fixed income securities</b>								<b>\$ 6,611,175</b>

The following table summarizes the Standard and Poor's credit quality ratings for debt securities held by SURS at June 30, 2009:

Table 3-10 (amounts expressed in thousands)

Quality Rating	Corporate Debt Securities	Foreign Debt Securities	U.S. Agency Obligations	Municipal Obligations	Total
AAA	\$ 465,563	\$ 23,367	\$ 1,211,066	\$ 1,828	\$ 1,701,824
AA	172,259	6,007	1,794	23,778	203,838
A	450,675	797	13,024	4,353	468,849
BBB	325,470	801	--	1,609	327,880
BB	62,077	--	--	--	62,077
B	31,718	--	--	--	31,718
CCC	57,097	416	--	--	57,513
CC	7,477	--	--	--	7,477
C	1,404	--	--	--	1,404
D	793	--	--	--	793
Not rated	468,025	13,338	--	--	481,363
<b>Total subject to credit risk</b>	<b>\$ 2,042,558</b>	<b>\$ 44,726</b>	<b>\$ 1,225,884</b>	<b>\$ 31,568</b>	<b>3,344,736</b>
U.S. Treasury obligations					440,687
U.S. Agency obligations explicitly guaranteed by U.S. government					119,532
SMP fixed income					12,063
Less cash equivalents					(275,349)
<b>Total fixed income securities</b>					<b>\$ 3,641,669</b>

## INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

*Primary Government:*

As a means of limiting its exposure to fair value losses arising from rising interest rates, the State Treasurer's investment policy for the State Treasury limits investments to maturities not to exceed five years with the majority required to be in authorized investments with less than one-year maturity. In addition, no more than 10% of the investment portfolio shall be allocated to investments with a 2 to 4 year maturity band and no more than 10% of the investment portfolio shall be allocated to investments with a 4 to 5 year maturity band. For funds held outside of the State Treasury, excluding pension (and other employee benefit) trust funds, there is no formal policy limiting investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

The following table summarizes the segmented time distribution of the debt securities held by the State Treasurer in the State Treasury at June 30, 2009:

Table 3-11 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>2 to 3 Years</u>	<u>4 to 5 Years</u>	<u>6 to 10 Years</u>	<u>More Than 10 Years</u>
Repurchase agreements	\$ 750,886	\$ 750,886	\$ --	\$ --	\$ --	\$ --
U.S. Agency obligations	1,057,767	114,960	711,516	231,291	--	--
Commercial paper	1,399,204	1,399,204	--	--	--	--
Corporate debt securities	20,000	10,000	10,000	--	--	--
Money market mutual funds	3,053,447	3,053,447	--	--	--	--
Equity in Public Treasurers' Investment Pool	1,017,511	1,017,511	--	--	--	--
Equity in other investment pools	579	--	--	--	128	451
Securities lending collateral:						
Invested in repurchase agreements	961,058	961,058	--	--	--	--
<b>Total fixed income investments</b>	<b>\$8,260,452</b>	<b>\$7,307,066</b>	<b>\$ 721,516</b>	<b>\$ 231,291</b>	<b>\$ 128</b>	<b>\$ 451</b>

The following table summarizes the Weighted Average Maturity ("WAM") for debt securities held by the primary government, except for debt securities held by ISBI, TRS, and SURS, outside of the State Treasury at June 30, 2009. The WAM expresses investment time horizons – the time when investments become due and payable – in years to reflect the dollar size of individual investments within an investment type. The portfolio's WAM is derived by dollar-weighting the WAM for each investment type.

Table 3-12 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Repurchase agreements	\$ 9,005	0.003
Negotiable certificates of deposit	479	1.600
U.S. Treasury obligations	1,218,068	5.136
U.S. Agency obligations	286,663	5.316
Municipal debt	174,976	6.821
Corporate debt securities	249,218	9.771
Mutual funds	1,034,465	8.499
Equity in Public Treasurers' Investment Pool	4,729,138	0.048
Equity in other investment pools	4,699	0.041
Money market mutual funds	396,813	0.117
<b>Total fixed income investments</b>	<b>\$ 8,103,524</b>	

*Pensions:*

ISBI manages its exposure to fair value losses arising from interest rate risk by diversifying the debt securities portfolio and maintaining the debt securities portfolio to an effective weighted average rate between 80 and 120 percent of the benchmark index.

Duration is a measure of a debt investment's exposure to fair value changes arising from changing interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's portfolio. The effective duration measures the sensitivity of market price to parallel shifts in the yield curve. ISBI benchmarks its debt security portfolio to Barclay's Capital Intermediate U.S. Government/Credit Bond Index. At June 30, 2009 the effective duration of the Barclay's Capital Intermediate U.S. Government/Credit Bond Index was 3.9 years. At the same point in time, the effective duration of the ISBI debt security portfolio was 3.8 years. The following table summarizes the effective duration of the debt securities held by ISBI at June 30, 2009:

Table 3-13 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Weighted Duration (Years)</u>
Government and agency obligations:		
U.S. Treasury obligations	\$ 75,530	5.3
U.S. Agency obligations	<u>589,489</u>	2.9
	\$ 665,019	
Corporate obligations:		
Bank and finance	159,284	4.0
Collateralized mortgage obligations	19,361	2.8
Industrials	425,240	4.4
Other	<u>97,400</u>	4.7
	701,285	
Total	<u><u>\$ 1,366,304</u></u>	

TRS manages its exposure to fair value loss arising from increasing interest rates by diversifying the debt securities portfolio. The following table summarizes the time segmented distribution of the debt securities held by TRS at June 30, 2009:

Table 3-14 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 to 5 Years</u>	<u>6 to 10 Years</u>	<u>10 to 20 Years</u>	<u>More Than 20 Years</u>
U.S. Treasury obligations	\$ 300,376	\$ 31,104	\$ 110,406	\$ 53,634	\$ 54,143	\$ 51,089
U.S. Agency obligations	2,195,460	16,640	189,959	323,556	270,055	1,395,250
Municipal obligations	56,014	--	123	2,635	22,720	30,536
Corporate debt securities	3,072,113	177,544	722,369	790,484	219,795	1,161,921
Foreign debt securities	664,805	4,469	154,613	269,413	154,700	81,610
Short-term investments	6,000	6,000	--	--	--	--
Commingled funds	85,401	--	85,401	--	--	--
Securities lending collateral	241,649	241,649	--	--	--	--
Total subject to interest rate risk	6,621,818	<u>\$ 477,406</u>	<u>\$ 1,262,871</u>	<u>\$ 1,439,722</u>	<u>\$ 721,413</u>	<u>\$ 2,720,406</u>
Less cash equivalents	<u>(10,643)</u>					
<b>Total fixed income securities</b>	<u><u>\$ 6,611,175</u></u>					

SURS manages its exposure to fair value loss arising from increasing interest rates by diversifying the debt securities portfolio. SURS has not adopted a formal policy specific to interest rate risk. The following table summarizes the time segmented distribution of the debt securities held by SURS at June 30, 2009:

Table 3-15 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 to 5 Years</u>	<u>6 to 10 Years</u>	<u>10 to 20 Years</u>	<u>More Than 20 Years</u>
U.S. Treasury and agency obligations	\$ 1,798,166	\$ 158,917	\$ 187,173	\$ 230,625	\$ 269,877	\$ 951,574
Municipal obligations	31,568	--	--	865	4,954	25,749
Corporate debt securities	2,042,558	138,477	537,796	827,217	62,140	476,928
Foreign debt securities	44,726	26,752	5,821	6,978	800	4,375
Total subject to interest rate risk	3,917,018	<u>\$ 324,146</u>	<u>\$ 730,790</u>	<u>\$ 1,065,685</u>	<u>\$ 337,771</u>	<u>\$ 1,458,626</u>
Less cash equivalents	(275,349)					
<b>Total fixed income securities</b>	<u><u>\$ 3,641,669</u></u>					

## FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a deposit or an investment.

### *Primary Government:*

Only assets held by the State Treasurer and assets held outside the State Treasurer by the Prepaid Tuition Fund and foreign offices are allowed to be used to purchase investments in foreign securities. The State Treasurer is limited by the Deposit of State Moneys Act to investments in debt instruments issued by foreign governments, except the Republic of Sudan, that are guaranteed by the full faith and credit of the foreign government in which the foreign government has not defaulted or been late in payment on similar debt instruments at the time the Treasurer purchases the debt instrument. The Prepaid Tuition Fund has an investment policy limiting international equities to 10% of its total investment portfolio.

The following table summarizes the foreign currency risk, by currency denomination, of the primary government, except for debt securities held by ISBI, TRS, and SURS, outside of the State Treasury at June 30, 2009:

Table 3-16 (amounts expressed in thousands)

<u>Currency Denomination</u>	<u>Foreign Short-term Deposits</u>
Canadian Dollar	\$ 1
Euro	67
Hong Kong Dollar	105
Japanese Yen	47
Mexican Peso	46
South African Rand	20
Total deposits and investments subject to foreign currency risk	<u><u>\$ 286</u></u>

*Pensions:*

The ISBI, TRS, and SURS do not have formal foreign risk policies. ISBI's international portfolio is constructed on the principles of diversification, quality growth and value. Risk of loss arises from changes in currency exchange rates. International managers may also engage in transactions to hedge currency at their discretion.

TRS's foreign currency risk exposure is primarily derived from its holdings in foreign currency-denominated equity, fixed income investments and foreign currency. TRS's international equity and global fixed income managers, at their discretion, may or may not hedge the portfolio's foreign currency exposures with currency forward contracts depending upon their views on a specific country or foreign currency relative to the U.S. dollar.

International investment management firms must maintain diversified portfolios for SURS. The System's exposure to foreign currency risk derives from its positions in foreign currency and foreign currency-denominated equity investments.

The following table summarizes the foreign currency risk by currency denomination for deposits and investments held by ISBI as of June 30, 2009:

Table 3-17 (amounts expressed in thousands)

<u>Currency Denomination</u>	<u>Foreign Equity Securities</u>
Australian Dollar	\$ 64,846
Brazilian Real	33,225
British Pound Sterling	291,255
Canadian Dollar	47,104
Danish Krone	22,597
Euro	407,541
Hong Kong Dollar	39,653
Japanese Yen	221,156
Singapore Dollar	30,234
South Korean Won	21,353
Swedish Krona	15,868
Swiss Franc	124,170
Other currencies	<u>16,605</u>
Total investments subject to foreign currency risk	<u>\$ 1,335,607</u>

In addition, certain investments held in infrastructure funds trade in a reported currency of Euro based dollars valued at \$38.643 million at June 30, 2009.

The following table summarizes the foreign currency risk by currency denomination for deposits and investments held by TRS as of June 30, 2009:

Table 3-18 (amounts expressed in thousands)

<u>Currency Denomination</u>	<u>Foreign Equity Securities</u>	<u>Foreign Debt Obligations</u>	<u>Other Foreign Obligations</u>	<u>Total</u>
Australian Dollar	\$ 217,788	\$ 41,676	\$ 336	\$ 259,800
Brazilian Real	142,108	17,162	1,929	161,199
British Pound Sterling	833,579	86,347	8,535	928,461
Canadian Dollar	53,268	45,232	718	99,218
Euro	1,238,084	164,068	7,831	1,409,983
Hong Kong Dollar	308,024	--	56	308,080
Indonesian Rupiah	24,588	44,844	810	70,242
Japanese Yen	969,170	26,643	2,431	998,244
Mexican Peso	18,575	72,560	2,654	93,789
New Taiwan Dollar	123,840	--	2,773	126,613
New Zealand Dollar	12,991	47,091	1,115	61,197
Singapore Dollar	74,007	646	(177)	74,476
South Korean Won	153,754	68,145	6,981	228,880
Swiss Franc	237,892	--	225	238,117
Other currencies	<u>348,362</u>	<u>50,391</u>	<u>3,398</u>	<u>402,151</u>
Total deposits and investments subject to foreign currency risk	<u>\$ 4,756,030</u>	<u>\$ 664,805</u>	<u>\$ 39,615</u>	<u>\$ 5,460,450</u>

In addition, TRS has foreign currency investments in private equity with fair values totaling \$71.451 million (payable in Euros) and real estate with fair values totaling \$96.147 million (payable in Euros) and \$14.340 million (payable in British Pound Sterling).

The following table summarizes the foreign currency risk by currency denomination for deposits and investments held by SURS as of June 30, 2009:

Table 3-19 (amounts expressed in thousands)

<u>Currency Denomination</u>	<u>Foreign Equity Securities</u>	<u>Foreign Debt Obligations</u>	<u>Other Foreign Obligations</u>	<u>Foreign Cash</u>	<u>Total</u>
Australian Dollar	\$ 51,025	\$ 164	\$ (240)	\$ 5,572	\$ 56,521
British Pound Sterling	231,070	3,075	(15,237)	20,548	239,456
Canadian Dollar	53,916	--	(662)	7,194	60,448
Euro	357,695	33,707	(34,194)	10,604	367,812
Hong Kong Dollar	77,640	--	--	1,425	79,065
Japanese Yen	220,940	6,719	--	8,522	236,181
Singapore Dollar	27,213	--	--	602	27,815
Swiss Franc	93,341	--	--	58	93,399
Other currencies	<u>87,079</u>	<u>1,061</u>	<u>287</u>	<u>18,811</u>	<u>107,238</u>
Total investments subject to foreign currency risk	<u>\$ 1,199,919</u>	<u>\$ 44,726</u>	<u>\$ (50,046)</u>	<u>\$ 73,336</u>	<u>\$ 1,267,935</u>

**COMPONENT UNITS**

The risk disclosures associated with the State's major component unit's deposits and investments are as follows:

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY ("IHDA")****Investments**

Table 3-20 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Rating Standard &amp; Poor's/Moody's</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 to 5 Years</u>	<u>6 to 10 Years</u>	<u>More Than 10 Years</u>
U.S. Agency obligations	AAA/Aaa	\$ 586,960	\$ 558,152	\$ 23,509	\$ 2,530	\$ 2,769
Municipal and other obligations	AAA/Aaa	146	--	101	--	45
Total subject to credit risk		587,106	558,152	23,610	2,530	2,814
U.S. Government obligations		63,308	41,951	6,698	5,724	8,935
Repurchase agreements backed by U.S. Government obligations		41,403	--	--	4,563	36,840
Total investments		<u>\$ 691,817</u>	<u>\$ 600,103</u>	<u>\$ 30,308</u>	<u>\$ 12,817</u>	<u>\$ 48,589</u>

**Interest Rate Risk:** IHDA's investment policy does not limit the maturity of investments as a means of managing its exposure to fair value losses arising from an increasing rate environment.

**Credit Risk:** IHDA is limited to investments as described in the State Statutes.

**Concentration of Credit Risk:** IHDA places no limit on the amount that may be invested in any one issuer. More than 5 percent of IHDA's investments are in Federal Home Loan Bank (\$220.725 million), Federal National Mortgage Corporation (\$155.787 million), and Federal Home Loan Mortgage Corporation (\$206.303 million).

**ILLINOIS TOLL HIGHWAY AUTHORITY ("THA")****Investments**

Table 3-21 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Rating Standard &amp; Poor's</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 to 5 Years</u>
U.S. Agency obligations:	AAA	\$ 16,361	\$ 13,855	\$ 2,506
Money market mutual funds	AAA	435,384	435,384	--
Total subject to credit risk		451,745	449,239	2,506
U.S. Treasury notes		57,677	57,677	--
Total subject to interest rate risk		509,422	<u>\$ 506,916</u>	<u>\$ 2,506</u>
Less cash equivalents		(435,384)		
Total investments		<u>\$ 74,038</u>		

**Interest Rate Risk:** As a means of limiting its exposure to fair value losses from rising interest rates, THA's investment policy requires the majority of THA investments to be less than one year maturity with no investment exceeding a ten-year maturity.

## ILLINOIS STATE UNIVERSITY ("ISU")

### Investments

#### University

Table 3-22 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Rating Standard &amp; Poor's/Moody's</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 to 6 Years</u>
U.S. Agency obligations	AAA/Aaa	\$ 84,948	\$ 24,938	\$ 60,010
Illinois Public Treasurers' Investment Pool	AAA/Not rated	2,717	2,717	--
Money market mutual funds	Not rated	41,137	41,137	--
Total subject to credit risk		128,802	68,792	60,010
U.S. Treasuries		8,443	--	8,443
Total subject to interest rate risk		137,245	\$ 68,792	\$ 68,453
Less cash equivalents		(43,854)		
Total investments of the University		93,391		
Investments of component units		60,499		
Total investments		\$ 153,890		

**Interest Rate Risk:** ISU's investment policy does not limit the maturity of investments as a means of managing its exposure to fair value losses arising from an increasing rate environment.

**Credit Risk:** ISU is limited to investments as described in the State Statutes.

**Concentration of Credit Risk:** ISU places no limit on the amount that may be invested in any one issuer. More than 5 percent of ISU's investments are in Federal Farm Credit Bank (\$29.724 million), Federal Home Loan Bank (\$39.918 million), Federal National Mortgage Association (\$8.236 million), and Federal Home Loan Mortgage Corporation (\$7.070 million).

## NORTHERN ILLINOIS UNIVERSITY ("NIU")

### Investments

#### University

Table 3-23 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Rating*</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 to 5 Years</u>	<u>6 to 10 Years</u>
U.S. Agency obligations	AAA	\$ 44,825	\$ 1,545	\$ 39,273	\$ 4,007
Commercial paper	A1	6,635	6,635	--	--
Money market mutual funds	AAA	55	55	--	--
Illinois Public Treasurers' Investment Pool	AAA	3,015	3,015	--	--
Total subject to credit risk and interest rate risk		54,530	\$ 11,250	\$ 39,273	\$ 4,007
Investments of component units		47,741			
Total investments		\$ 102,271			

\* Ratings are from Standard and Poor's except commercial paper which is from Moody's.

**Interest Rate Risk:** NIU does not have a formal policy for interest rate risk.

**Credit Risk:** NIU is limited to investments as described in the State Statutes.

**Concentration of Credit Risk:** NIU has no formal policy limiting the amount that may be invested in any one issuer. The NIU has one commercial paper investment of \$6.635 million in Dexia Delaware LLC, representing 7.6% of the total investments of the NIU.

## SOUTHERN ILLINOIS UNIVERSITY (“SIU”)

### Investments

#### University

Table 3-24 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Rating Standard and Poor's</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 to 5 Years</u>	<u>6 to 10 Years</u>
U.S. Agency obligations	AAA	\$ 84,909	\$ 17,101	\$46,124	\$21,684
Equity in Public Treasurers' Investment Pool	AAA	70,048	70,048	--	--
Total subject to credit risk		154,957	87,149	46,124	21,684
U.S. Treasuries		46,074	13,969	25,529	6,576
Total subject to interest rate risk		\$201,031	\$101,118	\$71,653	\$28,260
Common stock		44			
Deposits with maturities greater than 90 days at time of purchase		33,000			
Less cash equivalents		(70,048)			
Total investments of the University		164,027			
Investments of component units		119,907			
Total investments		\$283,934			

**Interest Rate Risk:** Interest rate risk is mitigated by structuring SIU's portfolio so that securities mature to meet the SIU's cash requirements for ongoing operations. The internally managed portfolio is managed in accordance with covenants provided from the University's debt issuance activities. The externally managed portfolio is typically allocated with a minimum of \$40 million held in cash equivalents and \$65 to \$105 million held in the intermediate-term portfolio. However, circumstances may occur that cause the allocations to temporarily fall outside the prescribed ranges.

**Credit Risk:** Credit risk is mitigated by limiting investments to those specified in the *Illinois Public Funds Investment Act*; pre-qualifying the financial institutions which are utilized; and diversifying the investment portfolio so that the failure of any one issue or backer will not place an undue financial burden on SIU.

## UNIVERSITY OF ILLINOIS (“U of I”)

### Investments

**Interest Rate Risk:** The U of I and the U of I Foundation, a component unit of the U of I, employ multiple investment managers, of which each has a specific maturity assignment related to operating funds. The funds are structured with different layers of liquidity. Funds expected to be used within one year are invested in money market instruments. Core operating funds are invested in longer maturity investments. Core operating funds investment manager's performance benchmarks are the Barclays Capital 1-3 year Government Credit Bond Index and

the Barclays Capital Intermediate Aggregate Bond Index. The manager guidelines provide that the average weighted duration of the portfolio, including option position, not vary from that of their respective performance benchmarks by more than +/-20 percent. The Entity's investments and maturities at June 30, 2009 are illustrated below:

### University

Table 3-25 (amounts expressed in thousands)

Investment Type	Fair Value	Less Than 1 Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
U.S. Treasury put	\$ 4,345	\$ --	\$ --	\$ --	\$ 4,345
U.S. Treasury bonds and bills	81,161	31,329	34,520	15,064	248
U.S. Agency obligations	212,421	130,538	26,286	6,394	49,203
Commercial paper	1,999	1,999	--	--	--
Corporate bonds	87,215	5,683	48,232	20,374	12,926
Bond mutual funds	48,820	24	1,469	47,327	--
Money market mutual funds	413,929	413,929	--	--	--
Illinois Public Treasurers' Investment Pool	1,957	1,957	--	--	--
Non government mortgage-backed securities	40,569	74	1,684	2,719	36,092
Government bonds - non U.S.	3,294	177	2,868	249	--
Repurchase agreements	38,427	38,427	--	--	--
Total subject to interest rate risk	934,137	\$ 624,137	\$ 115,059	\$ 92,127	\$ 102,814
U.S. equities	18,306				
Foreign equity securities	24,441				
U.S. equity mutual funds	83,898				
Limited partnerships	10,339				
Preferred stock	294				
Real estate	48,682				
Deposits with maturities greater than 90 days at time of purchase	400				
Less cash equivalents	(458,068)				
Total investments of the University	662,429				
Investments of component units except for U of I Foundation	22,387				
Total investments	\$ 684,816				

At June 30, 2009, the U of I's operating funds pool portfolio had an effective duration of 1.4 years.

**Foundation**

Table 3-26 (amounts expressed in thousands)

Investment Type	Fair Value	Less Than 1 Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
U.S. Treasury bonds	\$ 14,578	\$ 5,999	\$ 2,115	\$ --	\$ 6,464
U.S. Agency obligations	19,686	--	2,374	--	17,312
Municipal bonds	222	--	--	222	--
Government bonds - non U.S.	117	--	--	--	117
Government agencies - non U.S.	191	--	--	--	191
Corporate bonds and notes	40,625	--	2,084	1,519	37,022
Mutual funds - bonds	80,600	--	60,967	15,124	4,509
Mutual funds - foreign bonds	242	--	102	104	36
Mutual funds - municipal bonds	2,067	208	572	815	472
Mutual funds - blended bonds	744	--	--	744	--
Mutual funds - money market	47,041	47,041	--	--	--
Total subject to interest rate risk	206,113	<u>\$53,248</u>	<u>\$68,214</u>	<u>\$ 18,528</u>	<u>\$ 66,123</u>
U.S. equities	163,161				
Foreign equity securities	120,813				
Preferred stock	698				
Equity mutual funds	109,864				
Foreign equity mutual funds	13,466				
Real estate and partnerships	337,617				
Foreign real estate and partnerships	7,089				
Other	2,534				
Total investments	<u>\$ 961,355</u>				

**Credit Risk:** The U of I's policy requires that operating funds be invested in fixed income securities and money market instruments. Fixed income securities shall be rated investment grade or better by one or more nationally recognized statistical rating organizations. Securities not covered by the investment grade standard are allowed if, in the manager's judgment, those instruments are of comparable credit quality. Securities which fall below the stated minimum credit requirements subsequent to initial purchase may be held at the manager's discretion. It is expected that the average credit quality of the operating funds will not fall below Standard & Poor's AA- or equivalent. At June 30, 2009, the U of I and the U of I Foundation had debt securities and quality ratings as shown in the charts below:

University

Table 3-27 (amounts expressed in thousands)

Investment Type	Fair Value	Standard and Poor's					Less Than BB or Not Rated
		AAA	AA	A	BBB	BB	
U.S. Agency obligations	\$ 212,421	\$211,849	\$ --	\$ 572	\$ --	\$ --	\$ --
Commercial paper	1,999	--	--	--	--	--	1,999
Corporate bonds	87,215	14,980	7,734	28,977	25,030	4,859	5,635
Bond mutual funds	48,820	46,782	1,315	700	--	--	23
Money market mutual funds	413,929	410,790	--	--	--	--	3,139
Illinois Public Treasurers' Investment Pool	1,957	1,957	--	--	--	--	--
Non government mortgage-backed securities	40,569	31,057	1,816	1,230	1,592	125	4,749
Government bonds - non U.S.	3,294	2,413	--	704	177	--	--
Repurchase agreements	38,427	38,427	--	--	--	--	--
Total subject to credit risk	848,631	<u>\$758,255</u>	<u>\$10,865</u>	<u>\$32,183</u>	<u>\$26,799</u>	<u>\$4,984</u>	<u>\$15,545</u>
U.S. Treasury put	4,345						
U.S. Treasury bonds and bills	81,161						
Total fixed income securities	<u>\$934,137</u>						

Foundation

Table 3-28 (amounts expressed in thousands)

Investment Type	Fair Value	Standard and Poor's					Less Than BB or Not Rated
		AAA	AA	A	BBB	BB	
U.S. Agency obligations	\$ 19,686	\$ 19,592	\$ --	\$ 94	\$ --	\$ --	\$ --
Municipal bonds	222	113	62	--	--	--	47
Government bonds - non U.S.	117	--	--	--	117	--	--
Government agencies - non U.S.	191	--	--	107	84	--	--
Corporate bonds and notes	40,625	6,764	4,828	7,008	7,253	3,302	11,470
Mutual funds - bonds	80,600	52,280	7,609	10,997	5,607	2,358	1,768
Mutual funds - foreign bonds	242	19	24	41	90	41	8
Mutual funds - municipal bonds	2,067	636	794	532	100	--	5
Mutual funds - blended bonds	744	126	142	462	7	--	7
Mutual funds - money market	47,041	47,041	--	--	--	--	--
Total subject to credit risk	191,535	<u>\$126,571</u>	<u>\$13,459</u>	<u>\$19,241</u>	<u>\$13,258</u>	<u>\$5,701</u>	<u>\$13,305</u>
U.S. Treasury bonds	14,578						
Total fixed income securities	<u>\$206,113</u>						

**Concentration of Credit Risk:** The U of I's manager guidelines for operating investments provide that non-U.S. government obligations may not exceed 10% per issuer and private mortgage-backed and asset-backed securities may not exceed 10% per issuer (unless collateral is credit independent of the issuer and the security's credit enhancement is generated internally, in which case the limit is 25% per issuer). Obligations with other issuers, other than the U.S. Government, U.S. agencies, or U.S. government sponsored corporations and agencies, may not exceed 5%. At June 30, 2009, the U of I held securities of Federal Home Loan Mortgage Company (\$56.726 million) and Federal Home Loan Bank (\$60.751 million) in excess of 5% of total investments.

**Foreign Currency Risk:** The U of I does not have a formal foreign risk policy. The U.S. dollar balances of the U of I's and the U of I Foundation's cash equivalents and investments exposed to foreign currency risk as of June 30, 2009 are categorized by currency below:

### University

Table 3-29 (amounts expressed in thousands)

<u>Currency denomination</u>	<u>Total</u>	<u>Cash Equivalents</u>	<u>Equity Investments</u>
British Pound Sterling	\$ 5,263	\$ 91	\$ 5,172
Euro	11,543	306	11,237
Hong Kong Dollar	1,090	10	1,080
Japanese Yen	1,232	--	1,232
Swiss Franc	2,417	3	2,414
All other currency	3,338	32	3,306
Total subject to foreign currency risk	<u>\$ 24,883</u>	<u>\$ 442</u>	<u>\$ 24,441</u>

### Foundation

Table 3-30 (amounts expressed in thousands)

<u>Currency denomination</u>	<u>Total</u>	<u>Cash Equivalents</u>	<u>Equity Investments</u>	<u>Foreign Debt Obligations</u>	<u>Real Estate and Partnerships</u>
British Pound Sterling	\$ 35,841	\$ 138	\$ 35,673	\$ 30	\$ --
Hong Kong Dollar	35,247	175	29,642	163	5,267
Malaysian Ringgit	23,480	531	22,538	12	399
Swiss Franc	9,931	5	9,926	--	--
All other currency	38,676	716	36,500	37	1,423
Total subject to foreign currency risk	<u>\$ 143,175</u>	<u>\$ 1,565</u>	<u>\$ 134,279</u>	<u>\$ 242</u>	<u>\$ 7,089</u>

## **DERIVATIVES**

Certain State agencies, principally ISBI, TRS, and SURS, invest in derivative securities. These derivative securities have been authorized by the policies of the applicable State agencies and the Illinois Compiled Statutes. A derivative security is an investment whose return on investment depends upon the underlying value of other assets such as commodity prices, bond and stock prices, or a market index. In general, a derivative is used to modify exposure to undesirable risks, to increase portfolio liquidity and flexibility or to enhance investment yields within the level of risk defined in the agency's investment guidelines.

Derivative transactions involve, to varying degrees, credit risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to the established terms. In order to eliminate credit risk, all derivative securities of ISBI, TRS, and SURS are done through a clearinghouse which guarantees delivery and accepts the risk of default by either party. Market risk is the possibility that a change in interest or currency rates will cause the value of a financial instrument to decrease or become more costly to settle. The market risk associated with derivatives, the prices of which are constantly fluctuating, is regulated by ISBI, TRS, and SURS by imposing strict limits as to the types, amounts, and degree of risk that

investment managers may undertake. These limits are approved by governing bodies and senior management, and the risk positions of the investment managers are reviewed periodically to monitor compliance with limits.

ISBI, TRS, and SURS invest in the following types of derivatives: foreign currency forward contracts, collateralized mortgage obligations, financial futures, and financial options.

Foreign currency forward contracts are used to hedge against the currency risk in agencies' foreign stock and fixed income security portfolios. Foreign currency forward contracts are an agreement to purchase or sell a specific amount of a foreign currency at a specified delivery or maturity date for an agreed upon price. Fluctuations in the market value of foreign currency forward contracts are recognized as incurred rather than at the maturity or settlement date of the contract. Foreign currency forward contracts represent an off-balance sheet obligation because there are no balance sheet assets or liabilities associated with those contracts. As of June 30, 2009, the net unrealized gain (loss) of foreign currency forward contracts outstanding for ISBI, TRS, and SURS was \$(5.594) million, \$(5.359) million, and \$(1.771) million, respectively.

Collateralized mortgage obligations are securities which are based on cash flows from principal and interest payments on underlying mortgages. Therefore, they are sensitive to prepayment by mortgagees, which may result from a decline in interest rates. As of June 30, 2009, the fair value of collateralized mortgage obligations for ISBI and SURS was \$23.611 million and \$166.172 million, respectively.

Financial futures are agreements to purchase or sell a specific amount of an asset at a specified delivery or maturity date for an agreed-upon price. As the market value of the futures contract varies from the original contract price, a gain or loss is recognized and paid to the clearinghouse. Financial futures represent an off-balance sheet obligation because there are no balance sheet assets or liabilities associated with those contracts.

Financial options are agreements that give one party the right, but not the obligation, to purchase or sell a specific amount of an asset for a specified price, called the strike price, on or before a specified expiration date. As writers of financial options, ISBI, TRS, and SURS receive a premium at the outset of the agreement and bear the risk of an unfavorable change in the price of the financial instrument underlying the option. Premiums received are recorded as a liability when the financial option is written. Fluctuations in the fair value of financial options are recognized in the financial statements as incurred rather than at the time the options are exercised or when they expire. As a purchaser of financial options, ISBI and SURS pay a premium at the outset of the agreement and the counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option. Premiums paid are recorded as an asset when the financial option is purchased and gains/losses are recognized when the options are exercised by the agency or they expire.

As of June 30, 2009, the fair value of option contracts written for TRS and SURS was \$17 thousand and \$(496) thousand, respectively.

The following table represents the derivative positions held by ISBI, TRS, and SURS at June 30, 2009 in financial futures and financial options.

Table 3-31 (amounts expressed in thousands)

Type of Derivative Contract	Contractual Principal Outstanding*		
	Illinois State Board of Investment	Teachers' Retirement System	Universities Retirement System
Domestic interest rate products			
Fixed income futures purchased		\$ 253,980	\$ 2,561,900
Fixed income futures sold		37,283	17,800
Fixed income put options (written, purchased)			131,900
Fixed income call options (written, purchased)			137,300
Fixed income put options (written, purchased) on futures		2,550	
Fixed income call options (written, purchased) on futures		30,509	
International interest rate products			
Fixed income futures purchased		20,112	227,529
Fixed income futures sold		32,954	
Fixed income put options (written, purchased)			769,902
Domestic Equity Products			
S & P 500 Index and other equity futures purchased	\$ 74,430	575,438	124,814
International Equity Products			
Stock index futures purchased			36,756
Domestic Currency Products			
Currency call options on futures		24,071	
Currency put options on futures		20,360	
Foreign Currency Products			
Forward foreign currency futures (net)		949,192	
Foreign currency yield curve (net)		95,336	

\* The contractual principal amounts listed above represent the fair value of the underlying assets the derivative contracts control. Contractual principal values do not represent actual balance sheet values.

Contractual principal amounts are often used to express the volume of these transactions but do not reflect the extent to which positions may offset one another. These amounts do not represent the much smaller amounts potentially subject to risk.

### SECURITIES LENDING TRANSACTIONS

The investment policies of certain State agencies and component units, principally the State Treasurer, ISBI, TRS, SURS, and the University of Illinois, permit them to enter into securities lending transactions. In these transactions, the agency loans their securities to broker-dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future. The agencies' securities custodians are agents in lending the securities for collateral of at least 102% of the fair value of the securities. Collateral can consist of cash, cash equivalents, government securities, commercial paper or irrevocable letters of credit. Depending on their nature, securities on loan at year-end are presented as classified or unclassified in the preceding schedule of custodial credit risk. Generally, at year-end, agencies had no credit risk exposure to borrowers because the amounts they owed to borrowers exceeded the amounts borrowers owed the agencies. Policies regarding indemnification vary among agencies. Some agencies' contracts with custodians require them to indemnify the agency if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or the borrowers fail to pay the agency for income distributions by the securities' issuers while the securities are out on loan. Other agencies have no provisions for indemnification.

Generally, securities loans can be terminated on demand by either the agency or the borrower, although the average term of the loans is approximately 1 to 30 days. Cash collateral is generally invested in the lending agents' short-term investment pools, which at year-end had weighted average maturities of approximately 15 to 50 days. The relationship between the maturities of the investment pools and the agencies' loans is affected by the maturities of the securities loans made by other entities that use the agents' pools, which the agencies cannot determine. The agencies cannot pledge or sell collateral securities received unless the borrower defaults.

The following table summarizes the fair value and related collateral value of outstanding loaned investment securities as of June 30, 2009.

Table 3-32 (amounts expressed in thousands)

<u>State Agency/Component Unit</u>	<u>Fair Value</u>	<u>Collateral Value</u>
State Treasurer	\$ 945,946	\$ 961,557
Illinois Student Assistance Commission	74,672	72,331
Illinois State Board of Investments	1,476,903	1,528,744
Teachers' Retirement System	4,120,984	4,259,994
State Universities Retirement System	1,285,100	1,323,000
University of Illinois	212,763	210,139

## 4 TAXES RECEIVABLE

Taxes receivable for the primary government at June 30, 2009 are as follows:

Table 4-1 (amounts expressed in thousands)

	Governmental Activities			Business-type Activities	
	General Fund	Nonmajor Funds	Total	Unemployment Compensation Trust Fund	Fiduciary Funds
Income tax	\$ 669,561	\$ 66,839	\$ 736,400	\$ -	\$ -
Less allowance	(324,093)	(30,892)	(354,985)	-	-
Net income tax	345,468	35,947	381,415	-	-
Sales tax	575,824	183,051	758,875	-	-
Less allowance	(185,534)	(55,288)	(240,822)	-	-
Net sales tax	390,290	127,763	518,053	-	-
Motor fuel tax	-	142,446	142,446	-	-
Less allowance	-	(18,936)	(18,936)	-	-
Net motor fuel tax	-	123,510	123,510	-	-
Public utility tax	10,817	17,842	28,659	-	-
Less allowance	-	(6,978)	(6,978)	-	-
Net public utility tax	10,817	10,864	21,681	-	-
Other tax	416,476	63,855	480,331	-	-
Less allowance	(32,356)	(1,261)	(33,617)	-	-
Net other tax	384,120	62,594	446,714	-	-
Unemployment compensation tax	-	-	-	479,223	-
Less allowance	-	-	-	(125,588)	-
Net unemployment compensation tax	-	-	-	353,635	-
Taxes assessed by other governments	-	-	-	-	127,890
<b>Total taxes receivable, net</b>	<b>\$ 1,130,695</b>	<b>\$ 360,678</b>	<b>\$ 1,491,373</b>	<b>\$ 353,635</b>	<b>\$ 127,890</b>

**5 INTERFUND BALANCES AND ACTIVITY**

Interfund due to and due from balances at June 30, 2009 consisted of the following:

Table 5-1 (amounts expressed in thousands)

Due From	Due To											Total
	General Fund	Road Fund	State Construction Account	Nonmajor Governmental Funds	Unemployment Compensation Trust Fund	Water Revolving Fund	Prepaid Tuition Fund	Designated Account Purchase Program Fund	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	
General Fund	\$ --	\$ 131	\$ --	\$ 32,084	\$ --	\$ --	\$ --	\$ --	\$ 88	\$ 7,347	\$ --	\$ 39,650
Road Fund	--	--	--	50,877	--	--	--	--	--	--	--	50,877
State Construction Account	--	--	--	46,648	--	--	--	--	--	--	--	46,648
Nonmajor Governmental Funds	364,879	1,960	63	93,792	20,133	--	--	--	406	84	--	481,317
Unemployment Compensation Trust Fund	12,004	--	--	14	--	--	--	--	--	--	--	12,018
Designated Account Purchase Program Fund	--	--	--	--	--	--	--	--	1,724	--	--	1,724
Nonmajor Enterprise Funds	69,842	--	--	3	--	--	--	3,227	4,517	--	460	78,049
Internal Service Funds	929,529	102,675	--	37,615	--	50	88	7	4,128	19,231	10,327	1,103,650
Fiduciary Funds	64,992	3,032	--	34,033	--	8	--	--	211	1,561	66	103,903
<b>Total</b>	<b>\$ 1,441,246</b>	<b>\$ 107,798</b>	<b>\$ 63</b>	<b>\$ 295,066</b>	<b>\$ 20,133</b>	<b>\$ 58</b>	<b>\$ 88</b>	<b>\$ 3,234</b>	<b>\$ 11,074</b>	<b>\$ 28,223</b>	<b>\$ 10,853</b>	<b>\$ 1,917,836</b>

Interfund due to and due from balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Because of resource constraints in the current fiscal year, the payment time of transactions from the General Revenue Account of the General Fund was significantly slower than in previous fiscal years.

Interfund transfers activity at June 30, 2009 consisted of the following:

Transfers-In	Transfers-Out							Total
	General Fund	Road Fund	Nonmajor Governmental Funds	Unemployment Compensation Trust Fund	Prepaid Tuition Program	Nonmajor Enterprise Funds	Internal Service Funds	
General Fund	\$ --	\$ --	\$ 2,322,108	\$ --	\$ --	\$ 631,266	\$ 16,750	\$ 2,970,124
Road Fund	--	--	311,231	--	--	--	--	311,231
State Construction Account	--	--	226,509	--	--	--	--	226,509
Nonmajor Governmental Funds	4,642,617	259,016	1,101,427	13,221	32	30,315	--	6,046,628
Unemployment Compensation Trust Fund	--	--	1,519	--	--	--	--	1,519
Nonmajor Enterprise Funds	--	--	--	--	--	23,139	--	23,139
Internal Service Funds	--	--	449	--	--	--	--	449
<b>Total</b>	<u>\$ 4,642,617</u>	<u>\$ 259,016</u>	<u>\$ 3,963,243</u>	<u>\$ 13,221</u>	<u>\$ 32</u>	<u>\$ 684,720</u>	<u>\$ 16,750</u>	<u>\$ 9,579,599</u>

Note: Transfers out recorded in the Water Revolving Fund consist of \$7 of capital assets transferred to governmental funds.  
\* Transfers out for nonmajor enterprise funds also include \$42 of capital assets transferred to governmental funds.  
\*\* Transfers out for internal service funds also include \$105 of capital assets transferred to governmental funds.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts to debt service funds as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

#### INTERENTITY

The due from amounts for the State of Illinois from its component units, as of June 30, 2009, consisted of the following:

Table 5-3 (amounts expressed in thousands)

Due To	Due From								Total
	Illinois Housing Development Authority	Toll Highway Authority	Nonmajor Authorities	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois	Nonmajor Universities	
General Fund	\$ --	\$ 527	\$ 15	\$ --	\$ 7	\$ --	\$ 118	\$ 1,846	\$ 2,513
Road Fund	--	--	--	--	--	--	527	--	527
Nonmajor Governmental Funds	340,987	--	19,680	172	319	46	113	70	361,387
Unemployment Compensation Trust Fund	--	--	--	6	21	46	148	46	267
Water Revolving Fund	--	--	487	--	--	--	--	--	487
Internal Service Funds	--	2,936	748	162	24	34	14,367	246	18,517
Fiduciary Funds	--	--	--	--	--	--	1,411	--	1,411
<b>Total</b>	<u>\$ 340,987</u>	<u>\$ 3,463</u> *	<u>\$ 20,930</u>	<u>\$ 340</u>	<u>\$ 371</u>	<u>\$ 126</u>	<u>\$ 16,684</u>	<u>\$ 2,208</u>	<u>\$ 385,109</u>

\* The amounts due to the Toll Highway Authority at December 31, 2008, its fiscal year-end, were \$0.

The due to amounts for the State of Illinois to its component units, as of June 30, 2009, consisted of the following:

Table 5-4 (amounts expressed in thousands)

Due From	Due To							Total
	Toll Highway Authority	Nonmajor Authorities	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois	Nonmajor Universities	
General Fund	\$ 1	\$ 6	\$ 33,145	\$ 48	\$ 48,636	\$ 72,143	\$ 4,328	\$ 158,307
Road Fund	29	--	--	123	687	1,421	--	2,260
Nonmajor Governmental Funds	5	1,621	801	837	3,021	25,185	3,836	35,306
Water Revolving Fund	--	86,722	--	--	--	--	--	86,722
Prepaid Tuition Fund	--	--	--	--	13	--	--	13
Designated Account Purchase Program Fund	--	--	--	--	--	--	151	151
Internal Service Funds	--	--	--	--	159	1,325	--	1,484
Fiduciary Funds	25	26	--	--	--	--	--	51
<b>Total</b>	<u>\$ 60</u> *	<u>\$ 88,375</u>	<u>\$ 33,946</u>	<u>\$ 1,008</u>	<u>\$ 52,516</u>	<u>\$ 100,074</u>	<u>\$ 8,315</u>	<u>\$ 284,294</u>

\* The amounts due from the Toll Highway Authority at December 31, 2008, its fiscal year-end, were \$69,125.

Transactions between the State of Illinois and its component units consist mostly of appropriations for general administrative expenses and capital projects. In addition, most of the State’s universities receive pass-through and other grants from the State.

**6 LOANS AND NOTES RECEIVABLE**

Loans and notes receivable at June 30, 2009, consisted of the following:

Table 6-1 (amounts expressed in thousands)

	Primary Government						
	Governmental Activities			Business-type Activities			Fiduciary Funds
	General Fund	Nonmajor Governmental Funds	Total	Water Revolving Fund	Designated Account Purchase Program Fund	Total	
Student loan program	\$ 53,443	\$ 1,588	\$ 55,031	\$ --	\$ 1,250,701	\$ 1,250,701	
Local government infrastructure	--	--	--	1,758,540	--	1,758,540	--
Business loan program	29,304	--	29,304	--	--	--	--
Port district construction	14,968	--	14,968	--	--	--	--
Other	1,555	60,344	61,899	--	--	--	--
	<u>99,270</u>	<u>61,932</u>	<u>161,202</u>	<u>1,758,540</u>	<u>1,250,701</u>	<u>3,009,241</u>	<u>101</u>
Less: Allowance for uncollectible accounts	91,251	3,813	95,064	--	7,454	7,454	19
Total	<u>8,019</u>	<u>58,119</u>	<u>66,138</u>	<u>1,758,540</u>	<u>1,243,247</u>	<u>3,001,787</u>	<u>82</u>
Less: Amounts representing restricted assets	--	--	--	326,543	1,243,247	1,569,790	--
Loans and notes receivable, net	<u>\$ 8,019</u>	<u>\$ 58,119</u>	<u>\$ 66,138</u>	<u>\$ 1,431,997</u>	<u>\$ --</u>	<u>\$ 1,431,997</u>	<u>\$ 82</u>

Table 6-2 (amounts expressed in thousands)

	Major Component Units				
	Illinois Housing Development Authority	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois
Mortgage loan program	\$ 1,973,354	\$ --	\$ --	\$ --	\$ --
Student loan program	--	10,859	10,029	21,326	64,406
Other	--	--	--	252	86
	<u>1,973,354</u>	<u>10,859</u>	<u>10,029</u>	<u>21,578</u>	<u>64,492</u>
Less: Allowance for uncollectible accounts	43,630	913	141	2,395	2,800
Loans and notes receivable, net	<u>\$ 1,929,724</u>	<u>\$ 9,946</u>	<u>\$ 9,888</u>	<u>\$ 19,183</u>	<u>\$ 61,692</u>

## 7 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009, was as follows:

	Beginning Balance	Additions	Deletions	Transfers and Reclassifications	Ending Balance
<b>Primary Government</b>					
<b>Governmental activities</b>					
<b>Capital assets not being depreciated:</b>					
Land and land improvements	\$ 2,663,691	\$ 93,909	\$ 2,974	\$ 115	\$ 2,754,741
Historical treasures and works of art	38,220	97	--	48	38,365
Construction in progress	30,786	72,334	--	(53,373)	49,747
Total capital assets not being depreciated	<u>2,732,697</u>	<u>166,340</u>	<u>2,974</u>	<u>(53,210)</u>	<u>2,842,853</u>
<b>Capital assets being depreciated:</b>					
Infrastructure	22,942,095	1,175,208	650,764	3,206	23,469,745
Site improvements	740,317	13,080	64	10,262	763,595
Buildings and building improvements	4,233,902	31,463	1,495	40,325	4,304,195
Equipment	1,100,278	97,851	23,773	(45,336)	1,129,020
Historical treasures and works of art	1,100	--	--	--	1,100
Total capital assets being depreciated	<u>29,017,692</u>	<u>1,317,602</u>	<u>676,096</u>	<u>8,457</u>	<u>29,667,655</u>
<b>Less accumulated depreciation for:</b>					
Infrastructure	10,125,781	994,617	650,764	--	10,469,634
Site improvements	358,641	37,356	64	17	395,950
Buildings and building improvements	1,943,756	112,235	716	(2,549)	2,052,726
Equipment	868,351	81,405	22,992	(42,260)	884,504
Historical treasures and works of art	1,100	--	--	--	1,100
Total accumulated depreciation	<u>13,297,629</u>	<u>1,225,613</u>	<u>674,536</u>	<u>(44,792)</u>	<u>13,803,914</u>
Total capital assets being depreciated, net	<u>15,720,063</u>	<u>91,989</u>	<u>1,560</u>	<u>53,249</u>	<u>15,863,741</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 18,452,760</u>	<u>\$ 258,329</u>	<u>\$ 4,534</u>	<u>\$ 39</u>	<u>\$ 18,706,594</u>
<b>Depreciation expense for governmental activities was charged to functions as follows:</b>					
Health and social services					\$ 52,489
Education					2,931
General government					25,400
Employment and economic development					21,396
Transportation					1,030,421
Public protection and justice					37,125
Environmental and business regulation					24,189
Internal service funds					31,662
Total					<u>\$ 1,225,613</u>

Table 7-2 (amounts expressed in thousands)

	Beginning Balance	Additions	Deletions	Transfers and Reclassifications	Ending Balance
<b>Primary Government</b>					
<b>Business-type activities</b>					
<b>Water Revolving Fund:</b>					
<b>Capital assets being depreciated:</b>					
Equipment	\$ 382	\$ 111	\$ --	\$ (39)	\$ 454
Total capital assets being depreciated	382	111	--	(39)	454
<b>Less accumulated depreciation for:</b>					
Equipment	199	53	--	(32)	220
Total accumulated depreciation	199	53	--	(32)	220
Total capital assets being depreciated, net	183	58	--	(7)	234
<b>Water Revolving Fund capital assets, net</b>	183	58	--	(7)	234
<b>Designated Account Purchase Program:</b>					
<b>Capital assets being depreciated:</b>					
Equipment	514	30	--	--	544
Total capital assets being depreciated	514	30	--	--	544
<b>Less accumulated depreciation for:</b>					
Equipment	497	13	--	--	510
Total accumulated depreciation	497	13	--	--	510
Total capital assets being depreciated, net	17	17	--	--	34
<b>Designated Account Purchase Program capital assets, net</b>	17	17	--	--	34
<b>Nonmajor enterprise funds:</b>					
<b>Capital assets not being depreciated:</b>					
Land and land improvements	190	--	--	--	190
Total capital assets not being depreciated	190	--	--	--	190
<b>Capital assets being depreciated:</b>					
Buildings and building improvements	1,613	70	--	-	1,683
Equipment	6,233	1,152	294	(134)	6,957
Total capital assets being depreciated	7,846	1,222	294	(134)	8,640
<b>Less accumulated depreciation for:</b>					
Buildings and building improvements	344	53	--	--	397
Equipment	4,909	525	264	(102)	5,068
Total accumulated depreciation	5,253	578	264	(102)	5,465
Total capital assets being depreciated, net	2,593	644	30	(32)	3,175
<b>Nonmajor enterprise funds capital assets, net</b>	2,783	644	30	(32)	3,365
<b>Total Business-type activities</b>					
Capital assets not being depreciated	190	--	--	--	190
Capital assets being depreciated, net	2,793	719	30	(39)	3,443
<b>Business-type activities capital assets, net</b>	\$ 2,983	\$ 719	\$ 30	\$ (39)	\$ 3,633
<b>Depreciation expense for business-type activities was charged to functions as follows:</b>					
Water revolving					\$ 53
Designated account purchase program					13
Lottery					184
Other					394
Total					\$ 644

Table 7-3 (amounts expressed in thousands)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers and Reclassifications</u>	<u>Ending Balance</u>
<b>Fiduciary Funds</b>					
<b>Capital assets not being depreciated:</b>					
Land and land improvements	\$ 1,675	\$ --	\$ --	\$ --	\$ 1,675
Total capital assets not being depreciated	<u>1,675</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,675</u>
<b>Capital assets being depreciated:</b>					
Site improvements	418	--	--	--	418
Buildings and building improvements	14,937	1,407	--	--	16,344
Equipment	20,410	864	792	--	20,482
Total capital assets being depreciated	<u>35,765</u>	<u>2,271</u>	<u>792</u>	<u>--</u>	<u>37,244</u>
<b>Less accumulated depreciation for:</b>					
Site improvements	336	18	--	--	354
Buildings and building improvements	7,284	494	--	--	7,778
Equipment	17,613	1,093	791	--	17,915
Total accumulated depreciation	<u>25,233</u>	<u>1,605</u>	<u>791</u>	<u>--</u>	<u>26,047</u>
Total capital assets being depreciated, net	10,532	666	1	--	11,197
<b>Fiduciary funds capital assets, net</b>	<u>\$ 12,207</u>	<u>\$ 666</u>	<u>\$ 1</u>	<u>\$ --</u>	<u>\$ 12,872</u>

Table 7-4 (amounts expressed in thousands)

	<u>Beginning Balance (as restated)</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers and Reclassifications</u>	<u>Ending Balance</u>
<b>Major Component Units</b>					
<b>Illinois Housing Development Authority:</b>					
<b>Capital assets being depreciated:</b>					
Buildings and building improvements	\$ 42,626	\$ 298	\$ 1,805	\$ --	\$ 41,119
Equipment	1,965	--	102	--	1,863
Total capital assets being depreciated	<u>44,591</u>	<u>298</u>	<u>1,907</u>	<u>--</u>	<u>42,982</u>
<b>Less accumulated depreciation for:</b>					
Buildings and building improvements	13,616	800	1,805	--	12,611
Equipment	1,817	18	102	--	1,733
Total accumulated depreciation	<u>15,433</u>	<u>818</u>	<u>1,907</u>	<u>--</u>	<u>14,344</u>
Total capital assets being depreciated, net	29,158	(520)	--	--	28,638
<b>Capital assets, net</b>	<u>\$ 29,158</u>	<u>\$ (520)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 28,638</u>
<b>Toll Highway Authority:</b>					
<b>Capital assets not being depreciated:</b>					
Land and land improvements	\$ 282,677	\$ 17,034	\$ 2	\$ --	\$ 299,709
Construction in progress	660,331	1,049,128	--	(1,215,913)	493,546
Total capital assets not being depreciated	<u>943,008</u>	<u>1,066,162</u>	<u>2</u>	<u>(1,215,913)</u>	<u>793,255</u>
<b>Capital assets being depreciated:</b>					
Infrastructure	5,707,517	12,852	--	1,215,913	6,936,282
Buildings and building improvements	39,034	1,875	--	--	40,909
Equipment	168,863	19,878	7,015	--	181,726
Total capital assets being depreciated	<u>5,915,414</u>	<u>34,605</u>	<u>7,015</u>	<u>1,215,913</u>	<u>7,158,917</u>
<b>Less accumulated depreciation for:</b>					
Infrastructure	2,692,020	269,034	--	--	2,961,054
Buildings and building improvements	28,101	2,041	--	--	30,142
Equipment	107,199	7,551	6,914	--	107,836
Total accumulated depreciation	<u>2,827,320</u>	<u>278,626</u>	<u>6,914</u>	<u>--</u>	<u>3,099,032</u>
Total capital assets being depreciated, net	3,088,094	(244,021)	101	1,215,913	4,059,885
<b>Capital assets, net</b>	<u>\$ 4,031,102</u>	<u>\$ 822,141</u>	<u>\$ 103</u>	<u>\$ --</u>	<u>\$ 4,853,140</u>

Table 7-4 (continued)

(amounts expressed in thousands)

	Beginning Balance (as restated)	Additions	Deletions	Transfers and Reclassifications	Ending Balance
<b>Major Component Units, continued</b>					
<b>Illinois State University:</b>					
<b>Capital assets not being depreciated:</b>					
Land and land improvements	\$ 14,158	\$ 980	\$ --	\$ --	\$ 15,138
Construction in progress	42,346	51,743	--	(12,842)	81,247
Total capital assets not being depreciated	56,504	52,723	--	(12,842)	96,385
<b>Capital assets being depreciated:</b>					
Infrastructure	12,683	--	--	--	12,683
Site improvements	25,704	--	--	3,261	28,965
Buildings and building improvements	371,065	8,639	--	9,581	389,285
Equipment	132,734	9,295	1,539	--	140,490
Total capital assets being depreciated	542,186	17,934	1,539	12,842	571,423
<b>Less accumulated depreciation for:</b>					
Infrastructure	5,448	312	--	--	5,760
Site improvements	8,240	897	--	--	9,137
Buildings and building improvements	171,311	7,822	--	--	179,133
Equipment	102,034	8,111	1,415	--	108,730
Total accumulated depreciation	287,033	17,142	1,415	--	302,760
Total capital assets being depreciated, net	255,153	792	124	12,842	268,663
<b>Capital assets, net</b>	<b>\$ 311,657</b>	<b>\$ 53,515</b>	<b>\$ 124</b>	<b>\$ --</b>	<b>\$ 365,048</b>
<b>Northern Illinois University:</b>					
<b>Capital assets not being depreciated:</b>					
Land and land improvements	\$ 23,110	\$ --	\$ --	\$ --	\$ 23,110
Historic treasures and works of art	329	--	--	--	329
Construction in progress	21,899	27,885	--	(17,749)	32,035
Total capital assets not being depreciated	45,338	27,885	--	(17,749)	55,474
<b>Capital assets being depreciated:</b>					
Site improvements	57,865	--	--	3,048	60,913
Buildings and building improvements	455,181	--	--	10,881	466,062
Equipment	165,573	8,509	1,547	--	172,535
Intangible assets	--	--	--	3,820	3,820
Total capital assets being depreciated	678,619	8,509	1,547	17,749	703,330
<b>Less accumulated depreciation for:</b>					
Site improvements	30,314	2,131	--	--	32,445
Buildings and building improvements	218,467	10,866	--	--	229,333
Equipment	139,910	7,522	1,482	--	145,950
Intangible assets	--	764	--	--	764
Total accumulated depreciation	388,691	21,283	1,482	--	408,492
Total capital assets being depreciated, net	289,928	(12,774)	65	17,749	294,838
<b>Capital assets, net</b>	<b>\$ 335,266</b>	<b>\$ 15,111</b>	<b>\$ 65</b>	<b>\$ --</b>	<b>\$ 350,312</b>

Table 7-4 (continued)

(amounts expressed in thousands)

	Beginning Balance, (as restated)	Additions	Deletions	Transfers and Reclassifications	Ending Balance
<b>Major Component Units, continued</b>					
<b>Southern Illinois University:</b>					
<b>Capital assets not being depreciated:</b>					
Land and land improvements	\$ 21,545	\$ 315	\$ --	\$ --	\$ 21,860
Historic treasures and works of art	6,304	3,214	--	--	9,518
Construction in progress	64,633	51,681	127	(53,434)	62,753
Total capital assets not being depreciated	<u>92,482</u>	<u>55,210</u>	<u>127</u>	<u>(53,434)</u>	<u>94,131</u>
<b>Capital assets being depreciated:</b>					
Infrastructure	8,608	--	--	--	8,608
Site improvements	46,933	457	492	5,635	52,533
Buildings and building improvements	834,847	3,953	173	41,452	880,079
Equipment	302,864	19,341	6,726	6,347	321,826
Total capital assets being depreciated	<u>1,193,252</u>	<u>23,751</u>	<u>7,391</u>	<u>53,434</u>	<u>1,263,046</u>
<b>Less accumulated depreciation for:</b>					
Infrastructure	8,607	1	--	--	8,608
Site improvements	33,506	1,357	354	--	34,509
Buildings and building improvements	388,104	20,275	6	--	408,373
Equipment	244,786	17,388	6,427	--	255,747
Total accumulated depreciation	<u>675,003</u>	<u>39,021</u>	<u>6,787</u>	<u>--</u>	<u>707,237</u>
Total capital assets being depreciated, net	<u>518,249</u>	<u>(15,270)</u>	<u>604</u>	<u>53,434</u>	<u>555,809</u>
<b>Capital assets, net</b>	<u>\$ 610,731</u>	<u>\$ 39,940</u>	<u>\$ 731</u>	<u>\$ --</u>	<u>\$ 649,940</u>
<b>University of Illinois:</b>					
<b>Capital assets not being depreciated:</b>					
Land and land improvements	\$ 130,261	\$ 6,056	\$ 181	\$ 338	\$ 136,474
Historic treasures and works of art	15,474	563	48	--	15,989
Construction in progress	333,711	188,209	--	(348,448)	173,472
Other	--	130	--	--	130
Total capital assets not being depreciated	<u>479,446</u>	<u>194,958</u>	<u>229</u>	<u>(348,110)</u>	<u>326,065</u>
<b>Capital assets being depreciated:</b>					
Site improvements	626,860	--	--	30,157	657,017
Buildings and building improvements	2,982,288	7,199	521	317,953	3,306,919
Equipment	1,579,056	110,843	61,067	--	1,628,832
Total capital assets being depreciated	<u>5,188,204</u>	<u>118,042</u>	<u>61,588</u>	<u>348,110</u>	<u>5,592,768</u>
<b>Less accumulated depreciation for:</b>					
Site improvements	257,577	22,552	--	--	280,129
Buildings and building improvements	993,502	78,850	195	--	1,072,157
Equipment	1,165,884	114,774	56,412	--	1,224,246
Total accumulated depreciation	<u>2,416,963</u>	<u>216,176</u>	<u>56,607</u>	<u>--</u>	<u>2,576,532</u>
Total capital assets being depreciated, net	<u>2,771,241</u>	<u>(98,134)</u>	<u>4,981</u>	<u>348,110</u>	<u>3,016,236</u>
<b>Capital assets, net</b>	<u>\$ 3,250,687</u>	<u>\$ 96,824</u>	<u>\$ 5,210</u>	<u>\$ --</u>	<u>\$ 3,342,301</u>

## 8 CHANGES IN LONG-TERM OBLIGATIONS

Changes in long-term obligations for governmental activities for the year ended June 30, 2009 are summarized below:

	Balance July 1, 2008, as Restated	Additions	Deletions	Balance June 30, 2009	Amounts Due Within One Year
<b>Primary Government</b>					
<b>Governmental Activities</b>					
Bonds payable:					
General obligation bonds (note 9)	\$ 19,991,290	\$ 199,758 *	\$ (760,096)	\$19,430,952	\$ 750,066 ^
Special obligation bonds (note 10)	2,301,228	5,451 **	(160,165)	2,146,514	164,806 ^^
Deferred amount on refundings:					
General obligation bonds (note 9)	(51,038)	--	10,534	(40,504)	(9,702)
Special obligation bonds (note 10)	(850)	--	425	(425)	(425)
Unamortized premiums:					
General obligation bonds (note 9)	315,828	2,290	(36,574)	281,544	34,411
Special obligation bonds (note 10)	64,945	--	(6,924)	58,021	6,674
Unamortized (discounts):					
General obligation bonds (note 9)	(2,204)	--	120	(2,084)	(119)
Total bonds payable	<u>22,619,199</u>	<u>207,499</u>	<u>(952,680)</u>	<u>21,874,018</u>	<u>945,711</u>
Other long-term obligations:					
Capital lease obligations (note 13A)	9,727	63	(1,054)	8,736	907
Installment purchases (note 13C)	12,302	14,163	(7,398)	19,067	7,483
Certificates of participation (note 13B)	90,300	--	(7,405)	82,895	6,215
Cape Girardeau bridge (note 13D)	1,948	28	(1,976)	--	--
Financing payable under swap agreement (Note 14)	--	39,977	--	39,977	1,643
Workers compensation (note 19), as restated	354,496	146,405	(97,974)	402,927	113,236
Auto liability (note 19)	12,206	5,344	(3,150)	14,400	4,875
Pollution remediation obligation (note 13E)	30,015	-	-	30,015	--
Compensated absences (note 1M)	443,017	349,820	(347,351)	445,486	38,163
Net pension obligation (note 16)	19,196,055	1,778,649	--	20,974,704	--
Net other postemployment benefits obligation (note 17)	1,238,131	1,236,123	--	2,474,254	--
Other obligations (note 13H)	7,932	--	(1,554)	6,378	6,287
Total other long-term obligations	<u>21,396,129</u>	<u>3,570,572</u>	<u>(467,862)</u>	<u>24,498,839</u>	<u>178,809</u>
<b>Total Governmental Activities</b>	<u>\$ 44,015,328</u>	<u>\$ 3,778,071</u>	<u>\$ (1,420,542)</u>	<u>\$46,372,857</u>	<u>\$ 1,124,520</u>

\* Includes \$49,758 of interest accreted on capital appreciation debt.  
\*\* Includes \$5,451 of interest accreted on capital appreciation debt.  
^ \$919 of interest will be accreted on capital appreciation debt in the next year.  
^^ \$969 of interest will be accreted on capital appreciation debt in the next year.

The liabilities for governmental activities of the primary government have been liquidated in prior years as follows:

**Compensated absences, certificates of participation, and capital lease obligations (including installment purchases)** – by the applicable governmental and internal service funds that accounted for the salaries and wages of the related employees or incurred the obligation.

**Workers compensation** – by charges from the Workers' Compensation Revolving Fund, an internal service fund, to the applicable fund that would have paid the salaries and wages of the related employees.

**Net pension obligation** – by the applicable funds that accounted for the salaries and wages of the related employees who are members of the General Assembly Retirement System, the Judges' Retirement System or the State Employees' Retirement System. In addition, appropriations from the General Fund have been used to liquidate amounts for employees who are members of the Teachers' Retirement System or the State Universities Retirement System.

**Net other postemployment benefit obligation** – by the applicable funds that accounted for the salaries and wages of the related employees who are members of the State’s group insurance programs. In addition, appropriations from the General Fund are used to liquidate amounts for employees of the State’s university component units.

**Other** – by the applicable governmental funds that incurred the obligation as discussed in Note 13.

Changes in long-term obligations for business-type activities for the year ended June 30, 2009 are summarized below:

Table 8-2 (amounts expressed in thousands)

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009	Amounts Due Within One Year
<b>Primary Government</b>					
<b>Business-type Activities</b>					
<b>Business-type Activities</b>					
<b>Water Revolving Fund</b>					
Other long-term obligations:					
Capital lease obligations (note 13A)	\$ 5	\$ --	\$ (2)	\$ 3	\$ 1
Compensated absences (note 1M)	1,307	629	(600)	1,336	50
<b>Total Water Revolving Fund</b>	<u>1,312</u>	<u>629</u>	<u>(602)</u>	<u>1,339</u>	<u>51</u>
<b>Prepaid Tuition Fund:</b>					
Tuition and related accretion payable (note 13G)	1,102,406	182,096	(62,648)	1,221,854	60,000
Compensated absences (note 1M)	79	68	(79)	68	7
<b>Total Prepaid Tuition Fund</b>	<u>1,102,485</u>	<u>182,164</u>	<u>(62,727)</u>	<u>1,221,922</u>	<u>60,007</u>
<b>Designated Account Purchase Program:</b>					
Bonds and notes payable:					
Revenue bonds (note 11)	884,400	146,100	--	1,030,500	96,100
Unamortized (discounts):					
Revenue bonds (note 11)	(4,959)	(340)	2,099	(3,200)	--
Total bonds and notes payable	<u>879,441</u>	<u>145,760</u>	<u>2,099</u>	<u>1,027,300</u>	<u>96,100</u>
Other long-term obligations:					
Compensated absences (note 1M)	611	381	(393)	599	449
<b>Total Designated Account Purchase Program</b>	<u>880,052</u>	<u>146,141</u>	<u>1,706</u>	<u>1,027,899</u>	<u>96,549</u>
<b>Nonmajor Enterprise Funds:</b>					
Lottery prize awards (note 13F)	1,010	--	(44)	966	96
Compensated absences (note 1M)	6,522	3,537	(3,248)	6,811	508
Other obligations (note 13H)	10,170	1,073	(2,186)	9,057	2,300
Total Nonmajor Enterprise Funds	<u>17,702</u>	<u>4,610</u>	<u>(5,478)</u>	<u>16,834</u>	<u>2,904</u>
<b>Total Business-type Activities</b>	<u>\$ 2,001,551</u>	<u>\$ 333,544</u>	<u>\$ (67,101)</u>	<u>\$ 2,267,994</u>	<u>\$ 159,511</u>

Changes in long-term obligations for fiduciary funds for the year ended June 30, 2009 are summarized below:

Table 8-3 (amounts expressed in thousands)

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009	Amounts Due Within One Year
<b>Fiduciary Funds</b>					
Capital lease obligations (note 13A)	\$ 28	\$ --	\$ (13)	\$ 15	\$ 13
Compensated absences (note 1M)	3,460	1,751	(1,542)	3,669	31
<b>Total Fiduciary Funds</b>	<u>\$ 3,488</u>	<u>\$ 1,751</u>	<u>\$ (1,555)</u>	<u>\$ 3,684</u>	<u>\$ 44</u>

Changes in long-term obligations for component units for the year ended June 30, 2009 are summarized below:

Table 8-4 (amounts expressed in thousands)

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009	Amounts Due Within One Year
<b>Major Component Units</b>					
<b>Illinois Housing Development Authority:</b>					
Bonds and notes payable:					
Revenue bonds (note 11)	\$ 1,648,474	\$ --	\$ (116,119)	\$ 1,532,355	\$ 105,045
Notes payable (note 12)	4,566	1,667	--	6,233	--
Deferred amount on refundings (note 11)	(9,661)	--	1,336	(8,325)	(1,280)
Unamortized (discounts) (note 11)	(142)	--	3	(139)	(61)
Unamortized premiums (note 11)	1,736	--	(154)	1,582	157
Total bonds and notes payable	<u>1,644,973</u>	<u>1,667</u>	<u>(114,934)</u>	<u>1,531,706</u>	<u>103,861</u>
Other long-term obligations:					
Compensated absences (note 1M)	423	382	(122)	683	683
Other obligations (note 13H)	-	14,885	--	14,885	--
Total other long-term obligations	<u>423</u>	<u>15,267</u>	<u>(122)</u>	<u>15,568</u>	<u>683</u>
<b>Total Illinois Housing Development Authority</b>	<b><u>\$ 1,645,396</u></b>	<b><u>\$ 16,934</u></b>	<b><u>\$ (115,056)</u></b>	<b><u>\$ 1,547,274</u></b>	<b><u>\$ 104,544</u></b>
<b>Illinois State Toll Highway Authority:</b>					
Bonds and notes payable:					
Revenue bonds (note 11)	\$ 3,035,060	\$ 1,116,200	\$ (758,370)	\$ 3,392,890	\$ 97,150
Deferred amount on refundings (note 11)	(17,955)	(39,720)	4,212	(53,463)	(3,641)
Unamortized (discounts) (note 11)	--	(9,079)	--	(9,079)	(378)
Unamortized premiums (note 11)	97,419	--	(30,223)	67,196	5,275
Total bonds and notes payable	<u>3,114,524</u>	<u>1,067,401</u>	<u>(784,381)</u>	<u>3,397,544</u>	<u>98,406</u>
Other long-term obligations:					
Accrued self-insurance (note 19)	10,689	5,439	(5,250)	10,878	10,878
Compensated absences (note 1M)	6,252	6,149	(5,179)	7,222	4,189
Other obligations (note 13H)	41	--	(34)	7	7
Total other long-term obligations	<u>16,982</u>	<u>11,588</u>	<u>(10,463)</u>	<u>18,107</u>	<u>15,074</u>
<b>Total Illinois State Toll Highway Authority</b>	<b><u>\$ 3,131,506</u></b>	<b><u>\$ 1,078,989</u></b>	<b><u>\$ (794,844)</u></b>	<b><u>\$ 3,415,651</u></b>	<b><u>\$ 113,480</u></b>
<b>Illinois State University:</b>					
Bonds and notes payable:					
Revenue bonds (note 11)	\$ 112,274	\$ 1,256	\$ (5,330)	\$ 108,200	\$ 5,246 <sup>^</sup>
Unamortized premiums (note 11)	340	--	(56)	284	56
Unamortized (discounts) (note 11)	(925)	--	50	(875)	(50)
Total bonds and notes payable	<u>111,689</u>	<u>1,256</u>	<u>(5,336)</u>	<u>107,609</u>	<u>5,252</u>
Other long-term obligations:					
Capital lease obligations (note 13A)	128	--	(128)	--	--
Certificates of participation (note 13B)	22,230	--	--	22,230	825
Unamortized (discounts) (note 13B)	(93)	--	5	(88)	(5)
Installment purchase obligations (note 13C)	--	3,300	(52)	3,248	61
Compensated absences (note 1M)	18,233	1,612	(1,748)	18,097	1,761
Other obligations (note 13H)	338	16	--	354	34
Total other long-term obligations	<u>40,836</u>	<u>4,928</u>	<u>(1,923)</u>	<u>43,841</u>	<u>2,676</u>
<b>Total Illinois State University</b>	<b><u>\$ 152,525</u></b>	<b><u>\$ 6,184</u></b>	<b><u>\$ (7,259)</u></b>	<b><u>\$ 151,450</u></b>	<b><u>\$ 7,928</u></b>

<sup>^</sup> \$134 of interest will be accreted on capital appreciation debt in the next year.

Table 8-4 (continued)  
(amounts expressed in thousands)

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009	Amounts Due Within One Year
<b>Major Component Units, continued</b>					
<b>Northern Illinois University:</b>					
Bonds and notes payable:					
Revenue bonds (note 11)	\$ 105,242	\$ 1,450	\$ (6,060)	\$ 100,632	\$ 6,059 <sup>^</sup>
Notes payable (note 12)	626	--	(37)	589	119
Total bonds and notes payable	<u>105,868</u>	<u>1,450</u>	<u>(6,097)</u>	<u>101,221</u>	<u>6,178</u>
Other long-term obligations:					
Capital lease obligations (note 13A)	20,629	--	(368)	20,261	388
Certificates of participation (note 13B)	4,920	--	(365)	4,555	390
Compensated absences (note 1M)	24,020	8,609	(8,896)	23,733	1,535
Other obligations (note 13H)	20,460	4,005	(1,862)	22,603	2,210
Total other long-term obligations	<u>70,029</u>	<u>12,614</u>	<u>(11,491)</u>	<u>71,152</u>	<u>4,523</u>
<b>Total Northern Illinois University</b>	<b><u>\$ 175,897</u></b>	<b><u>\$ 14,064</u></b>	<b><u>\$ (17,588)</u></b>	<b><u>\$ 172,373</u></b>	<b><u>\$ 10,701</u></b>
<b>Southern Illinois University:</b>					
Bonds and notes payable:					
Revenue bonds (note 11)	\$ 256,352	\$ 58,119	\$ (12,815)	\$ 301,656	\$ 13,056 <sup>^^</sup>
Notes payable (note 12)	88	1,100	(88)	1,100	--
Deferred amount on refundings (note 11)	(2,033)	--	248	(1,785)	(248)
Unamortized premiums (note 11)	6,296	226	(313)	6,209	322
Total bonds and notes payable	<u>260,703</u>	<u>59,445</u>	<u>(12,968)</u>	<u>307,180</u>	<u>13,130</u>
Other long-term obligations:					
Capital lease obligations (note 13A)	1,411	142	(1,135)	418	231
Certificates of participation (note 13B)	28,360	--	(2,670)	25,690	2,770
Unamortized (discounts) (note 13B)	(69)	--	3	(66)	(4)
Accrued self-insurance (note 19)	15,688	11,610	(9,570)	17,728	9,140
Compensated absences (note 1M)	47,967	5,568	(3,432)	50,103	3,713
Other obligations (note 13H)	4,993	1,725	(2,205)	4,513	591
Total other long-term obligations	<u>98,350</u>	<u>19,045</u>	<u>(19,009)</u>	<u>98,386</u>	<u>16,441</u>
<b>Total Southern Illinois University</b>	<b><u>\$ 359,053</u></b>	<b><u>\$ 78,490</u></b>	<b><u>\$ (31,977)</u></b>	<b><u>\$ 405,566</u></b>	<b><u>\$ 29,571</u></b>
<b>University of Illinois:</b>					
Bonds and notes payable:					
Revenue bonds (note 11)	\$ 1,118,061	\$ 148,760	\$ (193,855)	\$ 1,072,966	\$ 32,767 <sup>^^^</sup>
Deferred amount on refundings (note 11)	(19,153)	(1,762)	1,210	(19,705)	(1,231)
Unamortized premiums (note 11)	33,388	2,185	(1,237)	34,336	1,342
Total bonds and notes payable	<u>1,132,296</u>	<u>149,183</u>	<u>(193,882)</u>	<u>1,087,597</u>	<u>32,878</u>
Other long-term obligations:					
Capital lease obligations (note 13A)	22,639 <sup>*</sup>	772	(6,909)	16,502	5,283
Certificates of participation (note 13B)	588,690	113,230	(131,400)	570,520	233,160
Deferred amount on refundings (note 13B)	(14,805)	(416)	1,952	(13,269)	(9,199)
Unamortized premiums (note 13B)	16,072	381	(1,739)	14,714	1,520
Financing payable under swap (note 14)	--	3,665	--	3,665	212
Accrued self-insurance (note 19)	177,168	77,348	(72,689)	181,827	54,311
Compensated absences (note 1M)	214,344	23,043	(18,737)	218,650	18,706
Other obligations (note 13H)	65,823	48	(16,001)	49,870	6,115
Total other long-term obligations	<u>1,069,931</u>	<u>218,071</u>	<u>(245,523)</u>	<u>1,042,479</u>	<u>310,108</u>
<b>Total University of Illinois</b>	<b><u>\$ 2,202,227</u></b>	<b><u>\$ 367,254</u></b>	<b><u>\$ (439,405)</u></b>	<b><u>\$ 2,130,076</u></b>	<b><u>\$ 342,986</u></b>

<sup>^</sup> \$116 of interest will be accreted on capital appreciation debt in the next year.<sup>^^</sup> \$134 of interest will be accreted on capital appreciation debt in the next year.<sup>^^^</sup> \$838 of interest will be accreted on capital appreciation debt in the next year.

**9 GENERAL OBLIGATION BONDS**

General obligation bonds outstanding and bonds authorized but unissued at June 30, 2009 are as follows:

Table 9-1 (amounts expressed in thousands)

Governmental Activities						
	Original Issue Amount	Final Maturity	Interest Rate Ranges	Anti-Pollution	Capital Development	Coal Development
<b>General:</b>						
1984-W	\$ 20,000	9/1/2009	8.75%	\$ 800	\$ --	\$ --
<b>Multiple Purpose Series:</b>						
November 1989	250,000	8/1/2010	Accreted*	1,189	33,773	--
November 1990	250,000	8/1/2011	Accreted*	--	43,674	--
September 1991	209,793	8/1/2012	Accreted*	687	45,205	1,248
October 1992	249,991	8/1/2013	Accreted*	1,397	67,901	1,109
October 1993	169,399	8/1/2015	Accreted*	6,517	25,661	384
October 1994	209,816	8/1/2016	Accreted*	9,589	76,643	2,785
December 1995	315,795	12/1/2011	5.125%	--	--	--
December 1995	184,205	12/1/2020	5.125% to 5.25%	--	32,298	--
February 1997	84,945	2/1/2011	5.125% to 5.15%	--	--	--
February 1997	165,055	2/1/2012	5.125% to 5.2%	2,623	12,690	--
July 1997	100,000	7/1/2022	4.8% to 5.25%	11,375	20,853	--
November 1997	168,330	8/1/2019	Accreted*	--	120,244	--
April 1998	119,850	4/1/2012	5.0% to 5.5%	--	--	--
April 1998	130,150	4/1/2023	5.0% to 5.5%	--	79,884	3,189
June 1998	200,000	6/1/2023	4.75% to 5.0%	--	36,300	--
November 1998	122,334	8/1/2020	Accreted*	--	54,243	--
March 1999	169,255	3/1/2013	5.0% to 5.125%	--	--	--
March 1999	230,745	3/1/2024	4.75% to 5.125%	2,833	60,113	1,115
June 1999	250,000	6/1/2024	5.0% to 5.375%	--	110,693	--
October 1999	100,000	10/1/2017	5.875% to 6.0%	--	852	2,137
January 2000	160,000	1/1/2020	5.375% to 6.1%	--	24,150	--
April 2000	300,000	4/1/2025	5.0% to 5.7%	--	57,600	--
June 2000	300,000	6/1/2019	5.25% to 5.7%	600	20,400	--
August 2000	300,000	8/1/2025	5.375% to 5.625%	--	41,250	--
October 2000	101,855	8/1/2022	Accreted*	--	29,667	--
December 2000	300,000	12/1/2025	5.375% to 5.75%	3,766	90,384	1,000
April 2001	112,810	4/1/2016	5.25% to 5.375%	--	--	--
April 2001	163,190	4/1/2021	5.25% to 5.375%	4,017	29,210	1,460
May 2001	300,000	5/1/2026	5.125% to 5.5%	--	110,683	2,290
August 2001	375,000	8/1/2026	5.0% to 5.5%	5,841	64,255	2,921
November 2001	375,000	11/1/2026	5.0% to 6.0%	6,347	75,652	--
December 2001	318,775	10/1/2014	5.0% to 5.375%	--	--	--
February 2002	375,000	2/1/2027	4.6% to 5.5%	7,200	90,000	--
March 2002	375,000	4/1/2027	5.1% to 5.5%	--	91,800	--
April 2002	79,695	4/1/2013	5.5%	--	--	--
July 2002	395,000	7/1/2027	5.0% to 5.375%	5,210	61,405	2,233
August 2002	564,900	8/1/2019	5.25% to 5.5%	--	--	--
October 2002	395,000	10/1/2027	4.75% to 5.25%	--	72,911	--
October 2002	62,079	8/1/2024	Accreted*	3,552	10,710	1,421
December 2002	400,000	12/1/2027	5.0% to 5.375%	4,579	170,662	2,081
June 2003	460,000	6/1/2028	4.25% to 5.0%	10,592	109,452	--
June 2003	10,000,000	6/1/2033	3.3% to 5.1%	--	--	--
A-October 2003	363,000	10/1/2020	4.0% to 5.25%	4,500	23,540	--
B-October 2003	40,170	10/1/2021	Variable**	--	--	--
B-October 2003	559,830	10/1/2033	Variable**	18,990	104,965	--
A-March 2004	484,400	3/1/2034	5.0%	13,385	130,170	--
B-March 2004	344,775	3/1/2014	5.0%	--	--	--
September 2004	285,000	9/1/2029	4.5% to 5.0%	--	37,800	--
November 2004	275,000	11/1/2029	5.0%	4,200	98,805	--
April 2005	315,000	4/1/2030	5.0%	--	71,400	--
September 2005	300,000	9/1/2030	3.25% to 5.0%	--	104,720	--
January 2006	325,000	1/1/2031	5.0% to 5.5%	--	103,840	2,640
June 2006	274,950	1/1/2021	5.0%	--	--	--
A-June 2006	285,000	6/1/2031	5.0%	--	164,560	3,335
B-June 2006	15,000	6/1/2011	4.25%	--	6,000	--
April 2007	150,000	4/1/2032	4.5% to 5.0%	--	87,400	--
A-June 2007	108,000	6/1/2025	4.5% to 5.5%	--	37,794	--
B-June 2007	329,000	1/1/2021	4.25% to 5.25%	--	--	--
April 2008	125,000	4/1/2033	4.0% to 5.0%	--	96,000	--
April 2009	150,000	4/1/2034	3.0% to 5.25%	--	65,000	25,000
<b>Total</b>	<b>\$ 24,642,092</b>			<b>\$ 129,789</b>	<b>\$ 3,103,212</b>	<b>\$ 56,348</b>
<b>Authorized but Unissued</b>				<b>\$ 23,554</b>	<b>\$ 758,446</b>	<b>\$ 571,894</b>

\* Accreted bonds are shown at their accreted values as of 6/30/09. Imputed interest rates on these capital appreciation bonds range from 3.45% to 7.2%.

\*\* See Note 14--Derivatives for details on the variable rate bonds.

Table 9-1 (amounts expressed in thousands)  
(continued)

Pension	School Construction	Transportation "A"	Transportation "B"	Refunding	Principal Outstanding June 30, 2009	Amount Related to Capital Assets
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 800	\$ --
--	1,427	11,892	11,178	--	59,459	9,649
--	--	20,721	15,301	--	79,696	15,086
--	1,153	19,154	18,053	--	85,500	17,499
--	3,321	19,415	29,005	9,213	131,361	27,885
--	88	24,034	11,171	--	67,855	16,087
--	--	14,102	15,230	--	118,349	22,136
--	--	--	--	1,046	1,046	690
--	606	--	4,281	--	37,185	21,653
--	--	--	--	1,552	1,552	1,026
--	1,089	--	5,246	--	21,648	8,671
--	--	--	5,687	--	37,915	8,854
--	--	--	18,078	--	138,322	50,121
--	--	--	--	13,276	13,276	8,007
--	--	--	--	--	83,073	58,197
--	26,400	--	3,300	--	66,000	23,236
--	1,333	--	14,274	--	69,850	19,463
--	--	--	--	80,495	80,495	55,650
--	58,546	--	14,898	--	137,505	34,330
--	9,307	--	--	--	120,000	70,842
--	20,325	3,587	2,989	--	29,890	4,439
--	21,000	7,000	3,850	--	56,000	18,193
--	48,000	28,800	9,600	--	144,000	65,536
--	18,000	17,000	4,000	--	60,000	30,927
--	27,500	55,000	41,250	--	165,000	79,711
--	45,877	--	--	--	75,544	14,864
--	66,250	--	--	--	161,400	49,707
--	--	--	--	110,615	110,615	62,052
--	13,944	10,954	--	--	59,585	22,058
--	53,433	53,433	9,160	--	228,999	113,041
--	64,255	67,175	14,603	--	219,050	97,054
--	95,644	38,080	22,277	--	238,000	76,519
--	--	--	--	169,340	169,340	97,564
--	108,000	36,000	28,800	--	270,000	68,524
--	88,400	40,800	34,000	--	255,000	88,580
--	--	--	--	38,165	38,165	28,957
--	126,532	87,456	11,165	--	294,001	117,190
--	--	--	--	455,620	455,620	256,153
--	145,823	47,393	21,873	--	288,000	79,506
--	--	24,861	3,552	--	44,096	21,729
--	51,615	62,438	41,625	--	333,000	137,724
--	112,983	70,614	21,184	--	324,825	122,717
9,900,000	--	--	--	--	9,900,000	--
--	48,010	41,660	9,040	220,725	347,475	173,690
--	--	--	--	40,170	40,170	20,738
--	211,945	183,945	39,985	--	559,830	238,074
--	134,840	144,115	27,890	--	450,400	203,170
--	--	--	--	214,300	214,300	113,364
--	84,000	100,800	16,800	--	239,400	110,483
--	69,930	47,040	11,025	--	231,000	69,357
--	68,880	102,480	21,840	--	264,600	139,546
--	81,840	51,040	26,400	--	264,000	82,131
--	87,120	53,680	38,720	--	286,000	92,629
--	--	--	--	219,960	219,960	116,306
--	18,480	30,105	34,320	--	250,800	120,199
--	--	--	--	--	6,000	6,000
--	21,160	10,120	19,320	--	138,000	58,590
--	9,246	12,000	36,960	--	96,000	35,299
--	--	--	--	282,000	282,000	146,409
--	--	9,600	14,400	--	120,000	47,589
--	--	--	60,000	--	150,000	32,051
<b>\$ 9,900,000</b>	<b>\$ 2,046,302</b>	<b>\$ 1,546,494</b>	<b>\$ 792,330</b>	<b>\$ 1,856,477</b>	19,430,952	3,927,452
<b>\$ --</b>	<b>\$ 183,584</b>	<b>\$ 2,099,204</b>	<b>\$ 1,184,082</b>	<b>\$ 2,988,399</b>		
			Deferred amount on refundings		(40,504)	(21,856)
			Unamortized premiums		281,544	119,270
			Unamortized (discounts)		(2,084)	--
			<b>Total</b>		<b>\$ 19,669,908</b>	<b>\$ 4,024,866</b>

General obligation bonds have been authorized and issued primarily to provide funds for acquisition and construction of capital facilities for higher education, public and mental health, correction, and conservation purposes and for maintenance and construction of highway and waterway facilities. Bonds have been issued to provide assistance to municipalities for construction of sewage treatment facilities, port districts, aquarium facilities, local schools, mass transportation and aviation purposes, and to fund research and development of coal as an energy source. Bonds were also issued for the purpose of making contributions to the following designated retirement systems: State Employees' Retirement System of Illinois; Teachers' Retirement System of the State of Illinois; State Universities Retirement System; Judges' Retirement System of Illinois; and General Assembly Retirement System. In addition, bonds have been authorized to refund any general obligation bonds outstanding.

The State Constitution provides that the State may issue general obligation bonds for specific purposes in such amounts as provided either by the General Assembly with a three-fifths vote of each house or by a majority of voters in a general election. The enabling acts pursuant to which the bonds are issued provide that all bonds issued thereunder shall be direct obligations of the State of Illinois and pledge the full faith and credit of the State. Effective July 30, 2004, general obligation bonds are to be redeemed over a period not to exceed 25 years from available resources in the debt service funds. Previously, bonds have been issued which mature in varying amounts over periods not exceeding 30 years. With the exception of anti-pollution bonds, Illinois offerings generally have a call option of the State. Calls can begin 10 years following the date of issuance, in whole or in part, in such order as the State shall determine and at a redemption price not to exceed par value.

The following Public Acts, passed by the General Assembly, amended the General Obligation Bond Act (30 ILCS 330 et seq.): Public Act 95-1026, effective January 12, 2009, increased the authorized bond limits for Coal Development to \$698.2 million; Public Act 96-5, effective April 3, 2009, increased the authorized bond limits for Transportation 'A' bonds to \$5.432 billion and Transportation 'B' bonds to \$2.881 billion; Public Act 96-18, effective June 26, 2009 increased the amount of Refunding bonds that could be outstanding at any one time to \$4.839 billion.

Changes in general obligation bonds during the year ended June 30, 2009, are summarized in Note 8. Future general obligation debt service requirements at June 30, 2009 are as follows:

Table 9-2 (amounts expressed in thousands)

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2010	\$ 750,985	\$ 944,734	\$ 1,695,719
2011	739,795	916,999	1,656,794
2012	722,440	891,170	1,613,610
2013	709,920	863,759	1,573,679
2014	688,595	836,047	1,524,642
2015-2019	3,332,590	3,707,830	7,040,420
2020-2024	3,653,305	2,881,859	6,535,164
2025-2029	4,529,815	1,860,392	6,390,207
2030-2034	4,465,230	590,626	5,055,856
	19,592,675	<u>\$ 13,493,416</u>	<u>\$ 33,086,091</u>
Less: Unaccreted appreciation	(161,723)		
	19,430,952		
Deferred amount on refundings	(40,504)		
Unamortized premiums	281,544		
Unamortized (discounts)	(2,084)		
<b>Total</b>	<u>\$ 19,669,908</u>		

The State has issued \$600 million in variable rate general obligation bonds. Information regarding the June 30, 2009 valuations and risks associated with these bonds are included in Note 14—Derivatives.

**10 SPECIAL OBLIGATION BONDS**

Special obligation bonds have been authorized and issued to provide funds for the Build Illinois Program and the State’s Metropolitan Civic Center Support Program, and to refund any bonds previously issued under these programs.

The Build Illinois Program was implemented to expand the State’s efforts in economic development by providing financing in certain areas. These areas include construction, reconstruction, modernization and extension of the State’s infrastructure; development and improvement of educational, scientific, technical and vocational programs and facilities; expansion of health and human services in the State; protection, preservation, restoration and conservation of the State’s environmental and natural resources; and provision of incentives for the location and expansion of businesses in Illinois resulting in increased employment.

The State has pledged the following portions of the State’s tax revenues, net of related expenses, to annually repay the debt service requirements of the remaining principal and interest of \$2.9 billion in special obligation bonds related to the Build Illinois Program:

Table 10-1 (amounts expressed in thousands)

	Annual Revenue Amount	Total Revenue for Source
4.44% of general sales tax revenues plus \$37.8 million	\$ 428,577	\$ 9,156,235
50% of hotel operators tax	97,182	193,937
\$5 million of vehicle use tax	5,000	32,463
Total	<u>\$ 530,759</u>	<u>\$ 9,382,635</u>
Principal and interest requirements	<u>\$ 265,264</u>	
Percentage to principal and interest requirements	<u>200%</u>	

The annual revenue amounts are generally consistent year to year with increases or decreases related to economic conditions in the State. Additional issuances of bonds for the Build Illinois Program cannot be undertaken if the debt service exceeds 5% of the State’s total sales tax revenues.

The State’s Metropolitan Civic Center Support Program was implemented to provide funding for single or multi-purpose projects. The primary function of which is to provide public entertainment, exhibitions or conventions, or to provide parking facilities related thereto. Also, a portion (not to exceed \$10 million) is authorized for the purpose of making construction and improvement grants by the Secretary of State, as State Librarian, to public libraries and library systems.

The State originally pledged a portion of the State’s horse racing privilege tax to repay the principal and interest of \$160 million in special obligation bonds related to the State’s Metropolitan Civic Center Support Program. Upon the abolishment of the horse racing privilege tax, the State annually uses amounts from the General Revenue Account, a sub-account of the

General Fund, to pay the debt service of the special obligation bonds related to the State's Metropolitan Civic Center Support Program.

Effective July 30, 2004, special obligation bonds are to be redeemed over a period not to exceed 25 years. Previously, bonds have been issued which mature in varying amounts over periods not exceeding 30 years. Additionally, these bonds have call provisions providing for early redemption at the option of the State, beginning 10 years following the date of issuance, in whole or in part, in such order as the State shall determine and within any maturity by lot at varying premiums which decrease periodically.

Special obligation bonds outstanding and bonds authorized but unissued for governmental activities at June 30, 2009, are as follows:

Governmental Activities	Original Issue Amount	Final Maturity	Interest Rate Ranges	Build Illinois		
				Public Infrastructure	Business Development	Education
Series 1990-B	4,601	12/15/2019	Accreted*	\$ --	\$ --	\$ --
Series L	52,001	6/15/2015	Accreted*	50,306	2,381	5,889
Series 1991	74,895	12/15/2020	6.25%	--	--	--
Series O	22,711	6/15/2013	Accreted*	--	--	--
Series P	100,000	6/15/2022	6.5%	49,582	--	14,364
Series Q	416,890	6/15/2012	6.0%	--	--	--
Series S	256,815	6/15/2010	5.1%	--	--	--
Series S	74,830	6/15/2018	5.1% to 5.25%	6,992	--	4,880
Series U	100,000	6/15/2019	5.0%	19,479	--	20,414
Series W	80,000	6/15/2016	5.0%	26,904	--	11,226
Series X	60,000	6/15/2017	5.3% to 5.6%	25,770	--	4,946
Series Y	145,475	6/15/2018	4.9% to 5.25%	--	--	--
Series 1998	37,590	12/15/2015	4.75% to 5.25%	--	--	--
Series Z	60,000	6/15/2019	4.5% to 5.0%	24,269	--	3,932
Series 2000	50,280	12/15/2015	5.25% to 5.5%	--	--	--
Series of May 2000	125,000	6/15/2020	6.0% to 6.25%	47,520	13,200	2,640
Series of March 2001	125,165	6/15/2016	5.5%	--	--	--
Series of June 2001	125,000	6/15/2021	5.125% to 5.5%	61,200	10,800	10,800
Series of September 2001	110,450	6/15/2020	4.5% to 5.375%	--	--	--
Series of April 2002	150,000	6/15/2027	5.5% to 6.0%	50,667	8,000	18,667
Series of May 2002	50,310	6/15/2014	5.5%	--	--	--
Second Series of May 2002	94,815	6/15/2020	5.5% to 5.75%	--	--	--
Series of November 2002	182,225	6/15/2022	5.0% to 5.25%	111,907	12,696	25,390
Series of December 2002	54,350	6/15/2018	5.0% to 5.25%	--	--	--
Series of March 2003	75,775	6/15/2015	5.0% to 5.25%	--	--	--
Series of July 2003	150,000	6/15/2028	4.5% to 5.25%	86,613	17,323	25,984
Series of March 2004	200,000	6/15/2028	5.0%	90,677	14,318	76,360
Series of February 2005	75,000	6/15/2029	3.0% to 5.0%	22,656	25,000	14,063
Series of June 2005	125,000	6/15/2030	5.0% to 5.25%	91,560	--	13,440
Series of March 2006	65,000	6/15/2026	4.0% to 5.0%	30,600	3,400	15,300
Series of June 2006	150,000	6/15/2031	4.25% to 5.0%	92,400	--	39,600
Series of July 2007	50,000	6/15/2027	4.5% to 5.0%	26,550	--	9,450
<b>Total</b>	<b>\$ 3,444,178</b>			<b>\$ 915,652</b>	<b>\$ 107,118</b>	<b>\$ 317,345</b>
<b>Authorized but Unissued</b>				<b>\$ 115,329</b>	<b>\$ 2,699</b>	<b>\$ 293,670</b>
* Accreted bonds are shown at their accreted values as of 6/30/09. Inputted interest rates on these capital appreciation bonds range from 7.0% to 7.4%.						

Table 10-2 (amounts expressed in thousands)  
(continued)

Environment	Refunding	Civic Centers			Principal Outstanding June 30, 2009	Amount Related to Capital Assets
		Civic Centers	Libraries	Refunding		
\$ --	\$ --	\$ 18,544	\$ --	\$ --	\$ 18,544	\$ --
319	--	--	--	--	58,895	9,556
--	--	40,780	6,285	--	47,065	--
--	47,725	--	--	--	47,725	4,743
1,189	--	--	--	--	65,135	21,053
--	64,390	--	--	--	64,390	23,826
--	6,820	--	--	--	6,820	2,079
118	--	--	--	--	11,990	210
107	--	--	--	--	40,000	584
110	--	--	--	--	38,240	1,190
704	--	--	--	--	31,420	905
--	80,500	--	--	--	80,500	27,922
--	--	--	--	13,860	13,860	--
8,439	--	--	--	--	36,640	1,211
--	--	--	--	34,485	34,485	--
2,640	--	--	--	--	66,000	1,393
--	75,165	--	--	--	75,165	19,295
7,200	--	--	--	--	90,000	7,098
--	81,385	--	--	--	81,385	2,214
2,666	--	--	--	--	80,000	4,795
--	50,310	--	--	--	50,310	18,616
--	94,815	--	--	--	94,815	35,084
4,232	--	--	--	--	154,225	10,012
--	48,125	--	--	--	48,125	7,157
--	75,775	--	--	--	75,775	19,833
14,435	--	--	--	--	144,355	9,061
9,545	--	--	--	--	190,900	13,230
781	--	--	--	--	62,500	10,537
--	--	--	--	--	105,000	61,114
5,950	--	--	--	--	55,250	20,004
--	--	--	--	--	132,000	48,804
9,000	--	--	--	--	45,000	3,748
<u>\$ 67,435</u>	<u>\$ 625,010</u>	<u>\$ 59,324</u>	<u>\$ 6,285</u>	<u>\$ 48,345</u>	2,146,514	385,274
<u>\$ 10,064</u>	<u>Unlimited</u>	<u>\$ 144,619</u>	<u>\$ 3,715</u>	<u>Unlimited</u>		
			Deferred amount on refundings		(425)	(12)
			Unamortized premiums		58,021	11,263
			<b>Total</b>		<u>\$ 2,204,110</u>	<u>\$ 396,525</u>

Changes in special obligation bonds during the year ended June 30, 2009, are summarized in Note 8. Future special obligation debt service requirements at June 30, 2009, are as follows:

Table 10-3 (amounts expressed in thousands)

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2010	\$ 165,775	\$ 111,247	\$ 277,022
2011	167,569	103,127	270,696
2012	168,066	94,875	262,941
2013	170,185	86,507	256,692
2014	170,460	77,915	248,375
2015-2019	742,470	257,539	1,000,009
2020-2024	377,465	105,830	483,295
2025-2029	192,635	29,306	221,941
2030-2031	17,000	1,150	18,150
	<u>2,171,625</u>	<u>\$ 867,496</u>	<u>\$ 3,039,121</u>
Less: Unaccreted appreciation	(25,111)		
	2,146,514		
Deferred amount on refundings	(425)		
Unamortized premiums	58,021		
<b>Total</b>	<u>\$ 2,204,110</u>		

**11 REVENUE BONDS**

The State Constitution empowers certain State agencies and authorities to issue bonds that are not supported by the full faith and credit of the State. The bond indentures include a pledge from these agencies and authorities that income derived from acquired or constructed assets be used to retire the debt and service related interest. Bonds outstanding at June 30, 2009 (except for the Illinois State Toll Highway Authority which is as of December 31, 2008), net of unamortized discounts, unamortized deferred amount on bond refunding, and unamortized bond premiums are as follows:

Table 11-1 (amounts expressed in thousands)

Fund Type/Agency	Amount Outstanding	Outstanding Interest Rates	Annual Maturity To
<b>Primary Government Business-type Activities</b>			
Major Funds:			
Designated Account Purchase Program	\$ 1,027,300	1.918% to 17.000%	2045
<b>Major Component Units</b>			
Illinois Housing Development Authority	1,525,473	2.400% to 12.000%	2048
Illinois State Toll Highway Authority	3,397,544	3.764% to 6.300%	2033
Illinois State University	107,609	3.500% to 5.000%	2033
Northern Illinois University	100,632	4.000% to 6.550%	2029
Southern Illinois University	306,080	2.500% to 6.200%	2036
University of Illinois	1,087,597	2.000% to 12.000%	2038

Changes in revenue bonds during the year ended June 30, 2009 are summarized in Note 8. Revenue bond debt service requirements, principal and interest as of June 30, 2009, are as follows:

Table 11-2 (amounts expressed in thousands)

Year Ending June 30	Business-type Activities Designated Account	
	Purchase Program	
	Principal	Interest
2010	\$ 96,100	\$ 18,345
2011	--	17,257
2012	--	17,257
2013	--	17,257
2014	50,000	17,257
2015-2019	--	78,412
2020-2024	--	78,412
2025-2029	--	78,412
2030-2034	--	78,412
2035-2039	--	78,412
2040-2044	284,400	72,369
2045-2049	600,000	7,672
	<u>1,030,500</u>	<u>\$559,474</u>
Unamortized (discounts)	(3,200)	
<b>Total</b>	<u><b>\$1,027,300</b></u>	

Table 11-3 (amounts expressed in thousands)

Year Ending June 30	Illinois Housing Development Authority		Illinois Toll Highway Authority		Illinois State University	
	Principal	Interest	Principal	Interest	Principal	Interest
	2010	\$ 105,045	\$ 67,197	\$ 97,150	\$ 146,672	\$ 5,380
2011	45,685	64,840	1,065	151,582	6,280	3,839
2012	48,545	63,044	49,910	148,902	6,190	3,758
2013	49,550	61,078	53,040	145,752	6,330	3,618
2014	50,805	59,739	56,365	142,383	6,625	3,347
2015-2019	250,415	260,194	512,670	641,860	24,640	14,759
2020-2024	227,870	206,348	670,430	501,692	20,160	11,203
2025-2029	279,175	146,434	1,047,560	316,735	22,590	6,618
2030-2034	266,030	84,139	904,700	110,133	14,645	1,456
2035-2039	165,310	29,041	--	--	--	--
2040-2044	32,155	6,993	--	--	--	--
2045-2049	11,780	1,050	--	--	--	--
	<u>1,532,365</u>	<u>\$1,050,097</u>	<u>3,392,890</u>	<u>\$2,305,711</u>	<u>112,840</u>	<u>\$ 52,492</u>
Less: Unaccrued appreciation	(10)		--		(4,640)	
	<u>1,532,355</u>		<u>3,392,890</u>		<u>108,200</u>	
Deferred amount on refundings	(8,325)		(53,463)		--	
Unamortized premiums	1,582		67,196		284	
Unamortized (discounts)	(139)		(9,079)		(875)	
<b>Total</b>	<u><b>\$1,525,473</b></u>		<u><b>\$3,397,544</b></u>		<u><b>\$ 107,609</b></u>	

Table 11-3 (continued)  
(amounts expressed in thousands)

**Major Component Units, continued**

Year Ending June 30	Northern Illinois University		Southern Illinois University		University of Illinois	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 6,175	\$ 3,977	\$ 13,190	\$ 10,693	\$ 33,605	\$ 44,868
2011	6,300	3,857	16,120	10,661	35,495	43,836
2012	5,760	3,738	16,520	10,301	38,350	42,847
2013	5,860	3,638	17,105	9,905	40,795	41,682
2014	5,969	3,532	17,065	9,478	42,665	40,462
2015-2019	32,245	15,249	87,910	40,470	239,970	183,149
2020-2024	26,710	7,416	81,395	27,021	248,245	142,986
2025-2029	16,965	3,208	75,260	14,580	220,790	95,208
2030-2034	--	--	22,225	4,787	198,815	44,000
2035-2039	--	--	6,755	462	63,190	4,350
	105,984	\$ 44,615	353,545	\$ 138,358	1,161,920	\$ 683,388
Less: Unaccreted appreciation	(5,352)		(51,889)		(88,954)	
	100,632		301,656		1,072,966	
Deferred amount on refundings	--		(1,785)		(19,705)	
Unamortized premiums	--		6,209		34,336	
<b>Total</b>	<b>\$ 100,632</b>		<b>\$ 306,080</b>		<b>\$ 1,087,597</b>	

All but \$310 thousand of the \$1.525 billion of outstanding Illinois Housing Development Authority (“IHDA”) revenue bonds do not require the Governor to include in the State budget the amount necessary for payment of principal and interest. Payment of principal and interest on IHDA bonds are debt of various entities and are guaranteed from pledged revenues of the properties and assets within its issuance resolutions. Furthermore, a portion of the IHDA bonds are additionally secured by a form of credit enhancement such as a municipal bond insurance policy or a direct pay letter of credit on its payment of principal and interest.

#### A. Demand and Variable Rate Bonds

##### Primary Government

##### Designated Account Purchase Program (“IDAPP”)

Included within IDAPP’s \$1.027 billion of outstanding revenue bonds at June 30, 2009 are \$980.5 million in variable rate bonds that have their interest rates reset periodically. These bonds carry a maximum interest rate ranging from 10% to 17%. The average interest rate in effect for 2009 was used in calculating future interest payments for the Union Bank of Switzerland (UBS) debt (\$884.4 million). Actual interest rates were used for the portion of the debt related to the Credit Union Indenture (\$96.1 million).

##### Major Component Units

##### Illinois Housing Development Authority (“IHDA”)

Included within the IHDA’s outstanding revenue bonds are \$46.7 million of Homeowner Mortgage Revenue Bonds Series 2004A3, 2004C3, and 2005A3 and \$63.6 million of Housing Bonds Series 2004B, 2008A, 2008B, and 2008C which are variable rate demand bonds. Interest rates on these bonds are determined weekly at a rate established by the remarketing agent on each rate determination date. In addition, \$17.2 million of Homeowner Mortgage Revenue Bonds

Series 2001D, 2001F, and 2002B are also variable rate, but not demand bonds. Interest rates on these bonds are based on a floating rate determined on a monthly basis and paid either monthly or semi-annually. On the variable rate demand bonds, IHDA has agreements with liquidity providers to purchase any bonds tendered for purchase in accordance with the indentures. For additional security, IHDA has entered into risk management agreements to hedge against interest rate risks on 2 series of bonds and wrapped credit enhancements on 4 series of bonds (see Note 14—Derivatives). The IHDA has a commitment to reimburse the provider of the credit enhancer for any advancement of principal and interest payments made.

#### ***Illinois State Toll Highway Authority (“THA”)***

As of December 31, 2008, the THA had outstanding variable rate demand bonds in the amount of \$80.5 million for the Series 1993B bonds, \$123.1 million for the Series 1998B bonds, \$700.0 million for the 2007 A-1 and A-2 bonds, and \$766.2 million for the Series 2008 A-1 and A-2 bonds. These bonds have final maturities in 2010, 2017, 2030, and 2031, respectively, and bear interest rates as determined by the remarketing agents on each rate determination date not to exceed 22%, 25%, 15%, and 12%, respectively. These bonds are subject to redemption if tendered by the holder at a price equal to the principal plus accrued interest upon notice and delivery to the remarketing agent. The THA has agreements with liquidity providers to purchase any bonds so tendered for purchase in accordance with the indentures with respect to which the Trustee does not, on the date any such tendered bonds are required to be purchased, have sufficient funds to make such purchase. The THA has obtained a financial guarantee insurance policy to guarantee the payment of principal and interest on the scheduled maturity dates. The THA has an obligation to reimburse the insurer for any such payments made.

#### ***University of Illinois (“U of I”)***

The U of I had outstanding variable rate demand bonds in the amount of \$19.4 million for the Series 1997B bonds and \$115.9 million for the three Series 2008 bonds. These bonds have final maturities in 2026, 2038, 2026, and 2022, respectively, and bear interest rates as determined by the remarketing agents on each rate determination date not to exceed 12% on all of the bond series. These bonds are subject to redemption if tendered by the holder at a price equal to the principal plus accrued interest upon notice and delivery to the remarketing agent. The U of I has agreements with liquidity or credit providers to purchase any bonds so tendered for purchase in accordance with the indentures with respect to which the Trustee does not, on the date any such tendered bonds are required to be purchased, have sufficient funds to make such purchase. The U of I has obtained a letter of credit or relies on its own credit to guarantee the payment of principal and interest on the scheduled maturity dates. The U of I has an obligation to reimburse the letter of credit issuer for any such payments made.

#### ***Derivatives***

IHDA, THA, and U of I all have entered into various interest rate swap agreements. Details of these agreements are discussed in Note 14—Derivatives.

**B. Conduit Debt (not included in financial statements)**

The State of Illinois, by action of the General Assembly, created various authorities for the express purpose of providing private entities with an available low cost source of capital financing for construction of facilities deemed to be in the public interest. Fees are assessed to recover related processing and application costs incurred. Bonds issued by the authorities represent limited obligations payable solely from payments made by the borrowing entities. The majority of the bonds are secured by the property financed. Upon repayment of a bond, ownership of acquired property transfers to the entity served by the bond issuance. The State has no obligation for this debt. Accordingly, these bonds are not reflected in the accompanying financial statements.

At June 30, 2009, recorded amounts of revenue bonds, net of defeased bonds, and notes outstanding as reported by authority officials are as follows:

Table 11-4 (amounts expressed in thousands)

<u>Authority</u>	<u>Amount Outstanding</u>	<u>Annual Maturity To</u>
Illinois Finance Authority	\$ 23,823,741	2048
Illinois Housing Development Authority	370,021	2048
Southwestern Illinois Development Authority	536,030	2037
Upper Illinois River Valley Development Authority	135,369	2042
Will-Kankakee Regional Development Authority	38,210	2042
Illinois Medical District Commission	27,315	2032
Quad Cities Regional Economic Development Authority	47,365	2041
Southeastern Illinois Economic Development Authority	9,762	2031
Western Illinois Economic Development Authority	20,385	2037
Total	<u>\$ 25,008,198</u>	

**12 NOTES/GENERAL OBLIGATION CERTIFICATES PAYABLE**

**A. Notes Payable**

The State’s major component units have obtained notes payable, normally secured by specific revenue sources, to provide financing. Outstanding notes payable at June 30, 2009 were as follows:

Table 12-1 (amounts expressed in thousands)

<u>Fund Type/Agency</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>	<u>Annual Maturity To</u>
<b>Major Component Units</b>			
Illinois Housing Development Authority	\$ 6,233	4.18% to 5.45%	2012
Northern Illinois University	589	2.50%	2012
Southern Illinois University	1,100	3.95%	2013

Changes in notes payable during the year ended June 30, 2009 are summarized in Note 8. Future notes payable debt service requirements as of June 30, 2009, are as follows:

Table 12-2 (amounts expressed in thousands)

**Major Component Units**

Year Ending June 30	Illinois Housing Development Authority		Northern Illinois University		Southern Illinois University	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ --	\$ 306	\$ 119	\$ 16	\$ --	\$ 43
2011	--	306	65	12	--	43
2012	6,233	268	405	10	--	43
2013	--	--	--	--	1,100	43
	<u>\$ 6,233</u>	<u>\$ 880</u>	<u>\$ 589</u>	<u>\$ 38</u>	<u>\$ 1,100</u>	<u>\$ 172</u>

### B. General Obligation Certificates Payable

The State is authorized to borrow up to 5% of the State's appropriations in a fiscal year to meet deficits in anticipated revenues. All such debt shall be retired from the revenues received in that fiscal year.

On December 22, 2008, the State issued \$1.400 billion of general obligation certificates, which matured on various dates throughout the fiscal year, with an interest rate of 4.5%. The certificates were issued to meet significant timing variations between disbursement and receipt of budgeted funds during the fiscal year. Proceeds from the certificates were deposited as follows: \$1.400 billion into the General Revenue Account, a sub-account of the General Fund, and \$2.850 million of bond issuance premium (net of issuance costs) into the General Obligation Bond Retirement and Interest Fund, a nonmajor governmental fund.

The State is also authorized to borrow up to 15% of the State's appropriations in a fiscal year to meet deficits caused by emergencies or failures of revenue. All monies borrowed must be repaid within one year of the date of issuance.

On May 21, 2009, the State issued \$1 billion of general obligation certificates, of which \$500 million is scheduled to mature on April 26, 2010, with an interest rate of 4.0% and \$500 million is scheduled to mature on May 20, 2010, with an interest rate of 4.0%. The certificates were issued to supplement revenues during fiscal year 2009. The proceeds were deposited into the General Revenue Account, a sub-account of the General Fund, to relieve general cash flow pressures. Proceeds from the certificates were deposited as follows: \$1 billion into the General Revenue Account, a sub-account of the General Fund, and \$20.195 million of bond issuance premium (net of issuance costs) into the General Obligation Bond Retirement and Interest Fund, a nonmajor governmental fund.

Changes in general obligation certificates payable during the year ended June 30, 2009 are as follows:

Table 12-3 (amounts expressed in thousands)

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General obligation certificates payable	\$ --	\$ 2,400,000	\$ (1,400,000)	\$ 1,000,000
Unamortized premiums	--	25,826	(3,936)	21,890
<b>Total Governmental Activities</b>	<b>\$ --</b>	<b>\$ 2,425,826</b>	<b>\$ (1,403,936)</b>	<b>\$ 1,021,890</b>

### C. *Short-Term Borrowings*

#### **Primary Government – Business-type Activities**

The Designated Account Purchase Program (“IDAPP”) has a \$500 million short-term revolving credit line agreement. The revolving credit line was used to purchase eligible student loans (guaranteed or insured or an eligible loan under the Higher Education Act). The credit line expired on September 8, 2008 resulting, by terms of the Indenture, in the commencement of the Liquidation Period. The Liquidation Period continues, by its term, until July 27, 2010, at which point any amounts not paid are due and payable.

The terms of the credit line are during the Liquidation Period, costs of borrowing will not exceed the lender’s commercial paper rate. In addition, the financing institution receives 43 basis points on the outstanding debt for providing the bank credit facility and for serving as the administrative agent. As of June 30, 2009, \$395.957 million outstanding under this line is shown as current for fiscal year 2009.

Also, on December 22, 2008, IDAPP executed a \$7 million credit line and security agreement. This revolving credit line was used for the purchase or origination of student loans under the Capstone program established in 2007. This credit line currently has an interest rate of 5.0% and matures on December 22, 2010. As of June 30, 2009, \$2.990 million outstanding under this line is shown as current for fiscal year 2009.

#### **Major Component Units**

##### *Northern Illinois University (“NIU”)*

On September 30, 2008, the NIU Research Foundation established a credit agreement not to exceed \$15 million. The purpose of the credit agreement is to provide the NIU Research Foundation with short-term financing as preparations are made to issue long-term debt for a major project. As of June 30, 2009, interest is payable monthly at a variable rate of the London Interbank Offered Rate (LIBOR) plus 2%. In addition, as of June 30, 2009, \$7.250 million outstanding under this agreement is shown as current for fiscal year 2009.

The NIU Research Foundation has two outstanding irrevocable letters of credit, in the amounts of \$75 thousand in favor of the DuPage Airport Authority (DAA) and \$804 thousand in favor of the City of West Chicago, to guarantee the installation and design of public improvements. The letters of credit expire on September 10, 2009 and August 8, 2010, respectively. The DAA and City of West Chicago have not drawn against the letters of credit; therefore, no liability has been recorded at June 30, 2009.

**Southern Illinois University ("SIU")**

On March 1, 2008, the SIU at Edwardsville Foundation entered into a note payable that was due July 2, 2008. The purpose of the note was for refinancing the construction of an office building. The note was refinanced on July 2, 2008 to a five year note.

**University of Illinois ("U of I")**

The U of I has a \$15 million line of credit to a bank, due on demand, with a negotiated interest rate in irregular intervals (1.25% at June 30, 2009). The line of credit is unsecured. The line of credit is to be used to purchase property that is to be held by the U of I. As of June 30, 2009, \$7.3 million outstanding under this line is shown as current for fiscal year 2009.

Changes in short-term borrowing during the year ended June 30, 2009 are as follows:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
<b>Primary Government</b>				
<b>Business-type Activities</b>				
Major Funds:				
Designated Account Purchase Program	\$ 390,770	\$ 51,737	\$ (43,560)	\$ 398,947
<b>Major Component Units</b>				
Northern Illinois University	\$ --	\$ 7,250	\$ --	\$ 7,250
Southern Illinois University	\$ 1,100	\$ --	\$ (1,100)	\$ --
University of Illinois	\$ 7,214	\$ 263	\$ (185)	\$ 7,292

**13 OTHER LONG-TERM OBLIGATIONS**

Other long-term obligations reported in the government-wide statements and disclosed below are as follows:

Description	Reference	Governmental Activities	Business-type Activities			Fiduciary Funds
			Water Revolving Fund	Prepaid Tuition Fund	Nonmajor Enterprise Funds	
Capital lease obligations	(A)	\$ 8,736	\$ 3	\$ --	\$ --	\$ 15
Certificates of participation	(B)	82,895	--	--	--	--
Installment purchase obligations	(C)	19,067	--	--	--	--
Cape Girardeau Bridge - State of Illinois/ State of Missouri Joint Agreement	(D)	--	--	--	--	--
Pollution remediation obligation	(E)	30,015	--	--	--	--
Obligations to Lottery Prize Winners	(F)	--	--	--	966	--
Prepaid Tuition Fund obligations	(G)	--	--	1,221,854	--	--
Other obligations	(H)	6,378	--	--	9,057	--
<b>Total Other Long-Term Obligations</b>		<b>\$ 147,091</b>	<b>\$ 3</b>	<b>\$ 1,221,854</b>	<b>\$ 10,023</b>	<b>\$ 15</b>

Table 13-2 (amounts expressed in thousands)

Major Component Units		Toll	Illinois	Illinois	Northern	Southern	University
Description	Reference	Highway	Housing	State	Illinois	Illinois	of
		Authority	Development	University	University	University	Illinois
Capital lease obligations	(A)	\$ --	\$ --	\$ --	\$ 20,261	\$ 418	\$ 16,502
Installment purchase obligations	(C)	--	--	3,248	--	--	--
Certificates of participation	(B)	--	--	22,142	4,555	25,624	571,965
Other obligations	(H)	7	14,885	354	22,603	4,513	49,870
<b>Total Other Long-Term Obligations</b>		<b>\$ 7</b>	<b>\$ 14,885</b>	<b>\$ 25,744</b>	<b>\$ 47,419</b>	<b>\$ 30,555</b>	<b>\$638,337</b>

### A. Lease Commitments

The State has entered into various capital leases for land, office facilities, office and computer equipment, and other assets. Although lease terms vary, certain leases are renewable subject to appropriation by the General Assembly. If renewal is reasonably assured, leases requiring appropriation by the General Assembly are considered noncancelable leases for financial reporting purposes. Information regarding operating leases is included in Note 20.

At June 30, 2009, assets capitalized under capitalized leases are as follows:

Table 13-3 (amounts expressed in thousands)

Primary Government	Governmental	Business-	Fiduciary
	Activities	type	Funds
		Activities	
Buildings and building improvements	\$ 14,386	\$ --	\$ --
Equipment	1,296	6	38
	15,682	6	38
Less: Accumulated depreciation	7,622	3	11
	<b>\$ 8,060</b>	<b>\$ 3</b>	<b>\$ 27</b>

Table 13-4 (amounts expressed in thousands)

Major Component Units		Northern	Southern	University
		Illinois	Illinois	of
		University	University	Illinois
Land	\$ --	\$ --	\$ --	--
Buildings and building improvements	20,368	--	--	--
Equipment	816	977	29,808	
	21,184	977	29,808	
Less: Accumulated depreciation	1,289	434	16,005	
	<b>\$ 19,895</b>	<b>\$ 543</b>	<b>\$ 13,803</b>	

Future minimum commitments for non-cancelable capital leases as of June 30, 2009 are as follows:

Table 13-5 (amounts expressed in thousands)

Year Ending June 30	Primary Government					
	Governmental Activities		Capitalized Leases Business-type Activities		Fiduciary Funds	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 907	\$ 769	\$ 1	\$ --	\$ 13	\$ 1
2011	863	687	2	--	2	--
2012	898	605	--	--	--	--
2013	989	524	--	--	--	--
2014	984	430	--	--	--	--
2015-2019	4,095	729	--	--	--	--
Total minimum lease payments	\$ 8,736	\$ 3,744	\$ 3	\$ --	\$ 15	\$ 1

Table 13-6 (amounts expressed in thousands)

Year Ending June 30	Major Component Units					
	Northern Illinois University		Southern Illinois University		University of Illinois	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 388	\$ 1,143	\$ 231	\$ 14	\$ 5,283	\$ 683
2011	408	1,123	157	6	4,937	420
2012	432	1,100	10	1	2,164	245
2013	455	1,076	6	1	1,788	163
2014	480	1,052	7	--	1,755	93
2015-2019	2,307	4,879	7	--	575	32
2020-2024	2,907	4,154	--	--	--	--
2025-2029	3,470	3,245	--	--	--	--
2030-2034	4,626	2,090	--	--	--	--
2035-2039	4,788	585	--	--	--	--
Total minimum lease payments	\$ 20,261	\$ 20,447	\$ 418	\$ 22	\$ 16,502	\$ 1,636

## B. Certificates of Participation

**State-issued Certificates of Participation** - The State is authorized to issue certificates of participation ("Certificates") representing the right to receive a proportionate share in lease-purchase or installment purchase payments to be made for the benefit of State agencies for the acquisition or improvement of real or personal property, refinancing of such property, payment of expenses of such property or payment of expenses related to the issuance. The outstanding balance of the State-issued Certificates included in the governmental activities financial statements as of June 30, 2009 was \$22.3 million.

Certain major component units have also issued Certificates representing the right to receive a proportionate share of lease-purchase or installment payments. All of these Certificates issued by major component units are considered State-issued. The outstanding balance of these Certificates as of June 30, 2009 was \$624.3 million, which includes unamortized premiums of \$14.7 million, unamortized discounts of \$0.2 million and deferred amounts on refunding of \$13.3 million and is included in the component unit financial statements.

**Non-State-issued Certificates of Participation** - The State also finances the purchase of certain State-owned real and personal property through third party (non-State-issued) Certificates. These

non-State-issued Certificates are sold by private concerns and are repaid by State agency appropriations pursuant to installment purchase agreements. The outstanding balance of non-State-issued Certificates included in the governmental activities financial statements as of June 30, 2009 was \$60.6 million.

Future commitments by the State to make installment payments to pay for the assets acquired and related financing costs for State-issued and non-State-issued Certificates at June 30, 2009 are as follows:

Table 13-7 (amounts expressed in thousands)

Year Ending June 30	Certificates of Participation					
	State-Issued		Non-State-Issued		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 1,945	\$ 1,278	\$ 4,270	\$ 3,175	\$ 6,215	\$ 4,453
2011	2,055	1,162	6,085	3,069	8,140	4,231
2012	2,170	1,038	6,425	2,724	8,595	3,762
2013	2,305	906	6,775	2,357	9,080	3,263
2014	2,440	764	7,160	1,966	9,600	2,730
2015-2019	11,395	1,438	27,125	4,504	38,520	5,942
2020-2024	--	--	2,745	80	2,745	80
	<u>\$22,310</u>	<u>\$ 6,586</u>	<u>\$60,585</u>	<u>\$ 17,875</u>	<u>\$82,895</u>	<u>\$24,461</u>

Table 13-8 (amounts expressed in thousands)

Year Ending June 30	Certificates of Participation							
	Illinois State University		Northern Illinois University		Southern Illinois University		University of Illinois	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 825	\$ 892	\$ 390	\$ 235	\$ 2,770	\$ 1,121	\$233,160	\$ 22,579
2011	855	867	410	214	2,875	1,015	10,330	16,488
2012	875	839	435	191	2,105	899	12,515	15,961
2013	910	811	465	167	2,190	813	18,575	15,231
2014	935	779	485	141	1,760	734	26,540	14,139
2015-2019	5,250	3,335	2,370	235	5,780	2,809	113,765	52,465
2020-2024	6,410	2,189	--	--	8,210	1,372	88,680	28,525
2025-2029	6,170	701	--	--	--	--	66,955	6,456
	22,230	<u>\$ 10,413</u>	4,555	<u>\$ 1,183</u>	25,690	<u>\$ 8,763</u>	570,520	<u>\$ 171,844</u>
Deferred amount on refundings	--	--	--	--	--	--	(13,269)	--
Unamortized premiums	--	--	--	--	--	--	14,714	--
Unamortized (discounts)	(88)	--	--	--	(66)	--	--	--
	<u>\$22,142</u>	<u>\$ 10,413</u>	<u>\$ 4,555</u>	<u>\$ 1,183</u>	<u>\$25,624</u>	<u>\$ 8,763</u>	<u>\$571,965</u>	<u>\$ 171,844</u>

### C. Installment Purchase Obligations

The State has acquired certain land, office facilities, office and computer equipment, and other assets through installment purchase arrangements. Future commitments under installment purchase contracts as of June 30, 2009 are as follows:

Table 13-9 (amounts expressed in thousands)

**Primary Government**

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2010	\$ 7,483	\$ 564	\$ 8,047
2011	5,238	335	5,573
2012	4,764	139	4,903
2013	1,582	26	1,608
2014	-	-	-
	<u>\$19,067</u>	<u>\$ 1,064</u>	<u>\$ 20,131</u>

Table 13-10 (amounts expressed in thousands)

**Major Component Unit**

Year Ending June 30	Illinois State University		
	Principal	Interest	Total
2010	\$ 61	\$ 209	\$ 270
2011	65	205	270
2012	69	201	270
2013	74	196	270
2014	78	192	270
2015-2019	2,901	723	3,624
	<u>\$3,248</u>	<u>\$1,726</u>	<u>\$4,974</u>

**D. Cape Girardeau Bridge - State of Illinois/State of Missouri Joint Agreement**

The State of Illinois entered into an agreement with the State of Missouri for the construction of the Cape Girardeau Bridge. The agreement required that the State of Illinois reimburse the State of Missouri for 40% of the costs incurred for bridge construction. In accordance with a pre-established payment plan, the State of Illinois repaid one-quarter of its annual obligation each year for four years following the year costs were incurred. Each year, the State of Missouri incurred costs and each year, the State of Illinois made payments on costs incurred in prior years (unless such costs have been totally reimbursed) subject to the same one-quarter reimbursement arrangement. The State of Missouri assessed 5.3% interest on the unpaid balance. On September 29, 2008, the State of Illinois chose to pay the remaining debt and accrued interest on the agreement.

**E. Pollution Remediation Obligation**

Tracts of land near Ottawa, Illinois were donated to the State more than 50 years ago for public purposes. Several years later, the State discovered that other parties had dumped radioactive waste on the land, before it was donated to the State. The State advised the United States Environmental Protection Agency (“USEPA”) of the situation and the land was transferred to the Illinois Emergency Management Agency for clean-up.

Although the State was not culpable for the creation of the hazard, federal law makes it, as the owner, a potentially responsible party along with the corporations that did the dumping. These corporations are defunct and in recognition of the State’s lack of culpability, the USEPA has currently estimated the clean-up to the site and adjacent property to cost approximately \$60 million. The State has estimated its portion of the liability for the clean-up to be \$30.015 million.

**F. Obligations to Lottery Prize Winners**

The State has obligations to certain lottery prize winners for awards payable in annual installments ranging from nineteen years to the life of the prize winner, with the first payment being made after the claim is presented for payment.

For certain prize winners, annuities were purchased in the name of the State for which the State has retained the rights of ownership. Effective July 30, 1985, State law provides that the State Treasurer, with the consent of the Director of the Department of Revenue, may contract to invest in securities, which provide payments corresponding to its obligation to these winners. The present value of these annuities and the related liabilities owed to prize winners, approximating \$966 thousand, have been reported in the financial statements of the State Lottery Fund, a nonmajor enterprise fund.

In addition to the prize obligations discussed above, the State has provided for other payments corresponding to its obligation to prize winners through the purchase of direct obligations of the federal government, primarily in the form of United States Treasury zero coupon bonds. As established by State law, such securities shall be maintained in the Deferred Lottery Prize Winners Trust Fund, a special trust fund separate and apart from all public money or funds of the State. These investments are purchased in amounts to provide for annual annuity payments to the prize winner(s) of each qualifying individual drawing. Since these monies are invested by the State on behalf of external legally separate entities (the prize winners), with specific investments being acquired for these individual entities for which the income from and changes in the value of the investments affect only the prize winners for whom they were acquired, in accordance with the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Deferred Lottery Prize Winners Trust Fund is reported as an investment trust fund. The investments of the fund are reported at fair value, which approximated \$485.4 million at year-end, and the net assets are reported as reserved for external investment pool participants.

**G. Prepaid Tuition Fund Obligations**

Tuition payable in the Illinois Prepaid Tuition Fund, a major enterprise fund, as of June 30, 2009, represents net principal payments received for contracts held by the fund in the amount of \$884.485 million, of which \$55.050 million is considered current. In addition, an accretion payable recorded in the same fund in the amount of \$337.369 million of which \$4.950 million is considered current, is the present value of payments to be made in excess of the principal payments received from investments of the tuition contracts. The accretion expense is estimated as a percentage of net tuition costs paid to date.

The rate for fiscal year 2009 is 8.25% based on the actuarial reporting. The accretion expense is calculated on a monthly basis on the balance in the tuition payable account.

**H. Other Obligations****Primary Government - Governmental Activities**

The Tax Reform Act of 1986 requires issuers of state and local government bonds to rebate to the federal government arbitrage profits earned on those bonds under certain circumstances. In accordance with that, it was determined that there was an arbitrage rebate liability of \$91

thousand as of June 30, 2009. The Build Illinois Bond Retirement and Interest Fund, a nonmajor governmental fund, is expected to be used to repay the liability from future resources of this fund.

A lawsuit against the City of Chicago and the Illinois State Board of Education (“ISBE”) has resulted in a settlement requiring the ISBE to pay \$19.250 million over seven years to Chicago Public School District #299 (“District”) to assist the District in providing special education services to identified eligible children within the least restrictive environment. The settlement, reached in July 1999, required the ISBE to pay \$2.750 million per year through January 2006. Due to the District’s failure to disburse an adequate amount of ISBE’s portion of the settlement for the intended purpose, ISBE has only paid \$12.963 million of the settlement amount through June 30, 2009. In fiscal year 2005, a federal judge extended the ruling through the end of the 2009-2010 school year. This ruling allowed ISBE to restructure the remaining payments due the District through fiscal year 2010. The ISBE Federal Department of Education Fund, a nonmajor governmental fund, is expected to be used to repay the liability of \$6.287 million from future resources of this fund.

### **Primary Government - Business-type Activities**

Other nonmajor enterprise funds presented other obligations in the amount of \$9.1 million. These obligations, consisting mostly of future workers’ compensation benefit payments for self insured companies, are expected to be paid with current resources of the reporting fund.

### **Major Component Units**

Major component units presented other miscellaneous obligations in the amount of \$92.2 million. These obligations will be liquidated from resources of the reporting major component unit.

## **14 DERIVATIVES**

The State and its component units have entered into various debt-related derivatives as of June 30, 2009. The objectives of the derivatives are as follows:

### **Primary Government - Governmental Activities**

On October 30, 2003, the State of Illinois issued a total of \$963 million of tax exempt general obligation new and refunding bonds in two series: \$363 million fixed rate bonds maturing through 2020 (2003A bonds) and \$600 million variable rate demand bonds maturing in years 2020 through 2033 (2003B bonds). To assure the continuing ability to place the variable rate demand bonds with investors, the State secured a liquidity facility from Depfa Bank, PLC for the principal amount and 35 days interest on the 2003B bonds.

Pursuant to Public Act 93-9, the State simultaneously entered into Interest Rate Exchange Agreements (“Agreements”) with five counterparties under substantially identical terms, to create a net fixed rate debt service obligation on the 2003B bonds. The Agreements together with the issuance of the 2003B bonds as variable rate debt were entered into to produce a lower total cost of debt service than if the financing plan had been sold as all fixed rate debt.

The Agreements were entered into pursuant to the Interest Rate Risk Management Policy (“Policy”), as required by the General Obligation Bond Act, 30 ILCS 330/9, *et seq.* Pursuant to the Policy, the Agreements and the 2003B bonds in combination are not counted against the variable rate debt limit of the State, since amounts paid on the 2003B bonds and receipts under

the Agreements are substantially similar and canceling, resulting in a net synthetic fixed rate obligation.

Subject to continuing basis performance monitoring between the Agreements and the 2003B bonds (certain basis risks described herein), the savings to the State afforded by the net synthetic fixed rate bond structure versus a traditional fixed rate bond structure was approximately 0.71% per year, or a net present value of approximately \$50 million as of June 30, 2009.

The Agreements provide for the State to pay a monthly fixed rate of interest (3.890%) and receive a monthly floating rate of interest based on 67% of the one month London Interbank Offered Rate (“LIBOR”) or the Securities Industry and Financial Market Association (“SIFMA”) index, depending on whether one month LIBOR is above or below 2.5%. The payments are computed on a combined Agreement amount which is equal to the 2003B bonds’ principal outstanding and reduces as the 2003B bonds’ principal is repaid.

Lehman Brothers Commercial Bank (LBCB) was the counterparty on \$384 million of the 2003B bonds swap agreements. In September 2008, Lehman Brothers Holdings, Inc. (LBHI), the parent of LBCB filed for protection under Chapter 11 of the bankruptcy code. This caused an event of default under the Series 2003B interest rate swap agreement by and between LBCB and the State. The State entered into a novation agreement which terminated the swap between LBCB and entered into a new interest rate swap agreement with a different counterparty with the same terms and conditions that were present in the original agreement. On November 24, 2008, Deutsche Bank AG replaced LBCB as the counterparty on the \$384 million piece of the interest rate swap agreement. The value of the swap on that date, which was the price that Deutsche Bank AG paid to LBCB, was \$39.977 million. \$(39.977) million is recorded as a prepaid expense and a liability on the Statement of Net Assets representing the mark-to-market value of the swap at the date the transaction was negotiated between LBCB and Deutsche Bank AG.

### **Major Component Units**

#### ***Illinois Housing Development Authority (“IHDA”)***

To protect against the potential of rising interest rates, IHDA has entered into two pay-fixed, receive variable, interest rate swap agreements, the objectives of which are to achieve a synthetic fixed interest rate on the underlying bonds at a cost anticipated to be less than the amounts paid had IHDA issued fixed-rate debt. In addition, IHDA has entered into four interest rate cap agreements, the objectives of which are to establish a maximum debt service which may be paid over the life of the underlying bonds.

Since interest rates have declined since the implementation of the swap agreements, both had negative fair values as of June 30, 2009. The negative fair values may be countered by reductions in total interest payments required under the variable rate bonds, creating lower synthetic interest rates. Since the coupons on IHDA’s variable rate bonds adjust to changing interest rates, the bonds do not have corresponding fair value changes.

#### ***Illinois State Toll Highway Authority (“THA”)***

To achieve lower fixed rate borrowing costs, the THA issued variable rate debt and entered into variable-to-fixed rate swap agreements. The objective was to obtain a synthetic fixed interest rate on the underlying bonds at a cost anticipated to be less than the amounts paid had the THA issued fixed rate debt.

The THA has entered into variable-to-fixed rate swap agreements (“Agreements”) on the entire amount of the Series 1993B (\$178 million), Series 1998B (\$123 million), Series 2007 A-1 (\$350 million), Series 2007 A-2 (\$350 million), Series 2008 A-1 (\$383.1 million) and Series 2008 A-2 (\$383.1 million) bond issues. Under the terms of Series 1993B Agreement, the THA each June 30 and December 31, beginning June 1993 and ending with maturity in December 2009, pays a fixed synthetic rate of 4.920% and receives a floating rate equal to the variable interest rate on the outstanding bonds, except that beginning August 20, 2008, the THA receives a floating rate equal to the SIFMA 7-day Municipal Swap Index; such change was due to a bond insurer downgrade. Under the terms of the two Series 1998B Agreements, the THA each January 1 and July 1, beginning July 1998 and ending with maturity in January 2017, pays a fixed synthetic rate of 4.325% and receives a floating rate equal to the variable interest rate on the outstanding bonds. Under the terms of the two Series 2007 A-1 Agreements, the THA each January 1 and July 1, beginning January 2008 and ending with maturity of the Agreements in July 2030, pays a fixed rate of 3.972% and on the first business day of each month receives a floating rate equal to the SIFMA 7-day Municipal Swap Index. Under the terms of the two Series 2007 A-2 Agreements, the THA each January 1 and July 1, beginning January 2008 and ending with maturity of the Agreements in July 2030, pays a fixed rate of 3.9925% and on the first business day of each month receives a floating rate equal to the SIFMA 7-day Municipal Swap Index. Under the terms of the two Series 2008 A-1 Agreements, on the first business day of each month beginning March 2008 and ending with maturity of the Agreements in January 2031, the THA pays a fixed rate of 3.774% and receives a floating rate equal to the SIFMA 7-day Municipal Swap Index. Under the terms of the two Series 2008 A-2 Agreements, on the first business day of each month beginning March 2008 and ending with maturity of the Agreements in January 2031, the THA pays a fixed rate of 3.764% and receives a floating rate equal to the SIFMA 7-day Municipal Swap Index.

#### *University of Illinois (“U of I”)*

To facilitate the advance refunding of the UIC South Campus Development Project Series 1999 Bonds and, as a means to lower its borrowing costs when compared against fixed rate bonds at the time of issuance in February 2006, the U of I entered into two interest rate swap agreements in connection with its \$54 million Series 2006A variable rate bonds for the UIC South Campus Development Project. The intention of the swaps was to effectively change the U of I’s variable interest rate on the Bonds to a synthetic fixed rate of 1.03% through August 2007 and 4.292% thereafter, which includes the Bonds’ current liquidity facility fee of 0.2%. In addition, there is a 0.08% current remarketing fee. In July 2008, the Series 2006A bonds were refunded by the Series 2008 bonds. The purpose of the refunding was to replace the Dexia liquidity facility with a JPMorgan Chase direct pay letter of credit. The letter of credit increased the liquidity facility fee to 0.55%. The notional amount, variable rate leg, and fixed rate leg of the interest rate swap with JPMorgan Securities remained the same. The notional amount of the interest rate swap with Morgan Stanley increased to \$27.4 million to hedge the additional bonds issued for the cost of issuance. The variable rate leg remained the same. The fixed rate leg declined to 4.086%.

The Bonds and related swap agreements mature in January 2022, and the swaps’ initial notional amount matches the variable rate Bonds (\$54 million). The swaps were entered into at the same time as the Bonds were issued in February 2006. Starting in fiscal year 2011, the notional value of the swaps and the principal amount of the associated Bonds begin to mature. Under the swaps, the U of I pays counterparties a fixed payment of 0.83% through August 2007 and 4.092% thereafter and receives a variable payment equal to its cost-of-funds through February 2010. Thereafter, the U of I receives a variable payment equal to 68% of one-month LIBOR. In February 2008, the variable payment that the U of I received changed from its cost-of-funds to the SIFMA Index plus 0.05% through February 2010.

In April 2007, the U of I entered into a variable-to-fixed interest rate swap agreement. The purpose of this interest rate swap was to hedge Series 2007 variable rate demand revenue refunding bonds for the Health Services Facility System (HSFS) issued in July 2007. The notional amount of the interest rate swap was \$41 million and equal to the par amount of the bonds issued. The U of I pays monthly payments to the counterparty equal to 3.534% times the notional amount and receives monthly payments from the counterparty equal to 68% of one-month LIBOR, commencing in October 2007. In June 2008, the U of I issued variable rate demand Health Services Facilities System Revenue Bonds, Series 2008. The proceeds from these bonds were invested in U.S. Treasury, State, and Local Government Securities until July 2008. In July 2008, the Series 2007 bonds were redeemed. The interest rate swap agreement with Lehman Brothers Commercial Bank (LBCB) transferred to the Series 2008 bonds in July 2008; \$340 thousand of this bond is not covered by the swap agreement. In September 2008, Lehman Brothers Holdings, Inc. (LBHI), the parent of LBCB filed for protection under Chapter 11 of the bankruptcy code. This caused an event of default under the HSFS Series 2008 interest rate swap agreement dated April 2, 2007, by and between LBCB and U of I. The U of I entered into a novation agreement which terminated the swap between LBCB and entered into a new interest rate swap agreement with a different counterparty with the same terms and conditions that were present in the April 2, 2007, agreement. On November 19, 2008, LBHI managed the bidding process for this interest rate swap. Loop Financial Products I LLC (Loop) won the bid at \$3.099 million, plus \$100 thousand to reimburse the U of I for expenses. The transaction closed on December 2, 2008 with Loop paying \$3.099 million to LBCB and \$100 thousand to the U of I. The U of I's expenses related to this transaction only included legal counsel and financial advisory services. \$3.665 million is recorded as a prepaid expense and a liability on the Statement of Net Assets representing the mark-to-market value of the swap at the date the transaction was negotiated between LBCB and Loop.

Additionally, to facilitate the advance refunding of the Series 2001 A and B Certificates of Participation for Utility Infrastructure Projects and, as a means to lower its borrowing costs when compared against fixed rate bonds at the time of issuance in March 2004, the U of I entered into an interest rate swap in connection with its \$144 million variable rate Series 2004 Certificates of Participation for Utility Infrastructure Projects ("Certificates"). The intention of the swap was to effectively change the U of I's variable interest rate on the Certificates to a synthetic fixed rate of 3.855%, which includes the Certificates' current liquidity facility fee of 0.09%. In addition, the current remarketing fee was increased from 0.05% to 0.10% in January 2009 by the remarketing agent.

The Certificates and related swap agreement mature in August 2021 and the swap's initial notional amount matches the variable rate Certificates (\$144 million). The swap was entered into at the same time as the Certificates were issued (March 2004). During fiscal year 2006, the notional value of the swap and the principal amount of the associated Certificates began to mature. Under the swap, the U of I pays the counterparty a fixed payment of 3.765% and receives a variable payment computed as 100% of the SIFMA Index. Conversely, the Certificates' variable interest rates are expected to approximate the SIFMA Index. For fiscal year 2009, the Certificates' average variable interest rate was approximately .09% below the SIFMA Index.

## **Risks**

### ***Credit risk***

The State is subject to credit risk should the credit ratings of either the State or the Liquidity Provider deteriorate. The amount of the floating rate of interest on the 2003B general obligation

bonds may increase relative to the amount of the floating index received under the Agreements, thus requiring the State to pay any difference or shortfall. Conversely, if ratings of the State and Liquidity Provider improve relative to the market, the amount of the floating index received under the Agreements may exceed the amount of interest required for the 2003B bonds, resulting in additional receipts to the State.

As of June 30, 2009, IHDA was not exposed to credit risk because of the negative fair values of the swaps. Should interest rates change and the fair values become positive, IHDA would be exposed to credit risk in the amount of the swaps' fair value. Fair value is a factor only upon termination.

The THA has required counterparty ratings of at least 'A-1' from Moody's Investors Service and 'A+' from Standard & Poor's Corporation to enter into a swap agreement. Additionally, the THA has the right to terminate its swap agreements at any time. As of December 31, 2008, (the THA's fiscal year-end), eight of the eleven counterparties have credit ratings that equal or exceed the minimum credit rating that was required to enter into the Agreement. If the counterparties, for the Series 1993B, Series 1998B, Series 2007 A-1, Series 2007 A-2, Series 2008 A-1 and Series 2008 A-2 Agreements, are downgraded below acceptable levels, the agreements require that the counterparties post suitable and adequate collateral. The notional amount of the agreements equals the principal amount of the bonds of the Series 1993B, Series 1998B, Series 2007 A-1, Series 2007 A-2, Series 2008 A-1 and Series 2008 A-2 bond obligations.

For the U of I Series 2008 (South Campus) bonds, the credit ratings for the first counterparty by Standard & Poor's Corporation and Moody's Investors Service were AA- and Aa1, respectively. The credit ratings for the second counterparty by Standard & Poor's Corporation and Moody's Investors Service were A and A2, respectively. For the U of I Series 2008 (HSFS) bonds, the counterparty credit ratings by Standard & Poor's Corporation and Moody's Investors Service were A+ and Aa1, respectively. For the U of I Series 2004 Certificates of Participation, the counterparty credit ratings by Standard & Poor's Corporation and Moody's Investors Service were A and A2, respectively. To mitigate the potential for credit risk, if both credit ratings of the counterparties fall below BBB+ and Baa1 (Standard & Poor's Corporation and Moody's Investors Service, respectively), the fair value of the swap will be collateralized by the counterparty with U.S. Treasury Securities, Agency Notes and Municipal Securities. Collateral would be posted with a third party custodian.

### ***Basis risk***

Since the floating index under the Agreement is based on LIBOR, the State bears exposure to changing interest rate relationships between tax exempt and taxable debt markets. Should the value of tax exempt interest decrease in relation to taxable interest (as a result of a further lowering of income tax rates among other causes), tax exempt interest rates may rise (which the State pays on its 2003B general obligation bonds in the form of SIFMA) in relation to the floating interest rate index (which the State receives under the Agreements in the form of 67% of one month LIBOR when the Agreement is in LIBOR mode). If this were to occur, the State would pay any difference or shortfall. Conversely, if the value of tax exempt interest relative to taxable interest were to increase such that tax exempt interest rates decrease when compared to 67% of one month LIBOR (when the Agreements are in LIBOR mode), the floating index received under the Agreements could exceed the amount of interest required for the 2003B bonds, resulting in additional receipts for the State.

IHDA would be exposed to basis risk on its swap agreements should the variable payment received be based on an index other than the index on the underlying bonds. Should the

relationship between the indexes converge, the expected cost savings may not be realized. IHDA believes its swap agreements have been structured to minimize or eliminate this risk.

The THA has implemented a strategy on the agreements associated with the Series 1993B, Series 1998B, Series 2007 A-1, Series 2007 A-2, Series 2008 A-1, and Series 2008 A-2 bonds, which was designed to provide a synthetic fixed rate below the traditional fixed interest rate available at the time of the financings, producing interest rate savings to the THA. The agreements expose the THA to basis risk should the variable interest rate on the bonds and the SIFMA Index diverge. If an unfavorable divergence occurs, the expected cost savings may not be realized. As of December 31, 2008 (THA's fiscal year-end), the SIFMA rate in effect for the agreements was 1.25%.

To minimize the potential for basis risk for the Series 2008 (South Campus) and Series 2008 (HSFS) bonds and Series 2004 Certificates of Participation, the U of I engaged a third party consultant to calculate the "mark-to-market" or "market value" of the swap transactions. As of June 30, 2009, the combined mark-to-market value of the two swaps associated with the Series 2008 (South Campus) bonds were \$(7.0) million, the mark-to-market value of the Series 2008 (HSFS) bond was \$(90) thousand and the mark-to-market value of the swap associated with the Series 2004 Certificates of Participation was \$(9.4) million. The negative amounts represent an approximation of the amount of money the U of I may have to pay a swap provider to terminate the swap. In accordance with governmental accounting standards, these amounts are not required to be included in the accompanying financial statements.

#### ***Termination risk***

Should the State or a counterparty fail to perform under the terms of the Agreement, there may be a termination of the Agreement. In such an event the State may incur an unhedged variable rate position with its 2003B general obligation bonds and potentially owe a net termination payment if the market value of the contract is against the State. Posting collateral by the counterparty (in the form of cash, unconditional Treasury obligations or Treasury guaranteed agency securities), if required by the credit rating of the counterparty, protects the State's interest against the counterparty's failure when the market value is in favor of the State. The State is never required to post collateral when the value is in favor of the counterparty (as is the case as of June 30, 2009).

IHDA or the counterparty may terminate any of the swap agreements if the other party fails to perform under the terms of the swap agreements. If a swap is insured, a termination event occurs if the insurer fails to meet its obligations under the agreement. On October 5, 2008, the counterparty to a swap agreement entered into on April 10, 2002, in connection with IHDA's Homeowner Mortgage Revenue Bonds 2002 Series B filed bankruptcy, which constituted a default under the swap agreement and triggered a termination of the agreement. On November 24, 2008, as required under the swap agreement, IHDA issued a Notice of an Event of Default to the counterparty setting an early termination date of November 24, 2008. IHDA is obligated to pay a settlement amount under the agreement and as of June 30, 2009, has recorded a liability of \$429 thousand for such settlement.

The THA may terminate any of the swap agreements at any time, and the counterparty may, under certain circumstances, terminate if the THA fails to perform under the terms of the swap agreements. On a current mark-to-market basis, using December 31, 2008 (THA's fiscal year-end) as a termination date, the net present value of each of the swaps would require the THA to make an estimated combined termination payment, in the event that the outstanding swaps were terminated, of approximately \$1.7 million, \$17.2 million, \$59.8 million, \$60.9 million, \$54.7

million, and \$54.2 million for Series 1993B, Series 1998B, Series 2007 A-1, Series 2007 A-2, Series 2008 A-1, and Series 2008 A-2 bonds, respectively.

The U of I has the option to terminate all of their swaps early. The U of I or the counterparties may terminate the swaps if the other party fails to perform under the terms of the agreement. The U of I may also terminate the individual swaps if both credit ratings of the counterparties fall below BBB+ as issued by Standard and Poor's Corporation and Baa1 as issued by Moody's Investors Service. If the swaps are terminated, the variable rate Bonds or Certificates would no longer carry a synthetic fixed interest rate. Also, if at the time of termination the swaps have a negative fair value, the U of I would be liable to the counterparties for a payment equal to the swaps' fair value.

***Rollover risk***

All of the swap agreements discussed above have been structured to protect the issuing agency from exposure to rollover risk.

Details of the various debt related derivative agreements in effect as of June 30, 2009 (except for the THA which is as of December 31, 2008) are as follows:



As of June 30, 2009 (except for THA which is as of December 31, 2008), debt service requirements of outstanding variable rate debt and net swap payments, assuming current interest rates remain the same, for their terms are as follows:

Table 14-2 (amounts expressed in thousands)								
<b>Swap Payments and Associated Debt</b>								
<b>Variable Rate Debt</b>								
<b>Primary Government</b>								
Year Ending June 30	Governmental Activities							
	Principal	Interest	Interest Rate Swaps, Net	Total				
2010	\$ --	\$ 21,000	\$ 21,240	\$ 42,240				
2011	--	21,000	21,240	42,240				
2012	--	21,000	21,240	42,240				
2013	--	21,000	21,240	42,240				
2014	--	21,000	21,240	42,240				
2015-2019	--	105,000	106,200	211,200				
2020-2024	243,000	89,912	90,939	423,851				
2025-2029	217,100	50,216	50,790	318,106				
2030-2034	139,900	11,965	12,101	163,966				
<b>Total</b>	<b>\$ 600,000</b>	<b>\$ 362,093</b>	<b>\$ 366,230</b>	<b>\$ 1,328,323</b>				
<b>Major Component Units</b>								
Year Ending June 30	Illinois Housing Development Authority				Illinois State Toll Highway Authority			
	Principal	Interest	Interest Rate Swaps, Net	Total	Principal	Interest	Interest Rate Swaps, Net	Total
2010	\$ 2,305	\$ 387	\$ 618	\$ 3,310	\$ 36,100	\$ 55,117	\$ 42,610	\$ 133,827
2011	2,450	371	590	3,411	44,400	54,340	40,981	139,721
2012	2,605	355	589	3,549	--	54,340	40,981	95,321
2013	1,860	340	589	2,789	--	54,340	40,981	95,321
2014	1,970	331	589	2,890	--	54,340	40,981	95,321
2015-2019	18,335	1,442	2,329	22,106	126,900	264,768	198,580	590,248
2020-2024	17,360	903	177	18,440	21,800	253,983	190,048	465,831
2025-2029	22,350	460	--	22,810	885,900	177,370	134,708	1,197,978
2030-2034	2,785	138	--	2,923	554,700	20,735	14,972	590,407
2035-2039	1,485	40	--	1,525	--	--	--	--
2040-2044	805	6	--	811	--	--	--	--
<b>Total</b>	<b>\$ 74,310</b>	<b>\$ 4,773</b>	<b>\$ 5,481</b>	<b>\$ 84,564</b>	<b>\$ 1,669,800</b>	<b>\$ 989,333</b>	<b>\$ 744,842</b>	<b>\$ 3,403,975</b>
Year Ending June 30	University of Illinois--Revenue Bonds				University of Illinois--Certificates of Participation			
	Principal	Interest	Interest Rate Swaps, Net	Total	Principal	Interest	Interest Rate Swaps, Net	Total
2010	\$ --	\$ 314	\$ 3,350	\$ 3,664	\$ 139,765	\$ 584	\$ 4,915	\$ 145,264
2011	245	314	3,347	3,906	--	--	--	--
2012	1,705	309	3,309	5,323	--	--	--	--
2013	4,315	300	3,207	7,822	--	--	--	--
2014	6,530	283	3,025	9,838	--	--	--	--
2015-2019	38,085	1,058	11,305	50,448	--	--	--	--
2020-2024	34,685	369	3,948	39,002	--	--	--	--
2025-2029	9,895	17	450	10,362	--	--	--	--
<b>Total</b>	<b>\$ 95,460</b>	<b>\$ 2,964</b>	<b>\$ 31,941</b>	<b>\$ 130,365</b>	<b>\$ 139,765</b>	<b>\$ 584</b>	<b>\$ 4,915</b>	<b>\$ 145,264</b>

As rates vary, variable rate bond interest payments and net swap payments will vary.

## 15 REFUNDINGS OF LONG-TERM OBLIGATIONS

### A. Advance Refundings

During the year ended June 30, 2009 (except for the Illinois State Toll Highway Authority which is as of December 31, 2008), the State issued advanced refunding debt to lower interest rates. This debt was issued to refund portions of earlier issues. The principal of the refunded debt will be redeemed on various dates through 2016 at a redemption price of 100%. Proceeds from the sales, together with other funds, were placed in irrevocable trusts that are used to service the future debt requirements of the old debt. As a result, the refunded debt is considered to be defeased and the liability for this debt has been removed from the financial statements of the State. At June 30, 2009, the outstanding balance of the defeased debt was \$708.3 million. Advance refunding debt issued during fiscal year 2009 was as follows:

Table 15-1 (amounts expressed in millions)

	Par Value of Refunding Issue	Refunding Issue Interest Rates	Par Value of Bonds Refunded	Interest Rates of Bonds Refunded	Debt Service Decreased by Refunding	Refunding Economic Gain	Accounting (Loss)
<b>Major Component Units</b>							
<b>Revenue Bonds:</b>							
Illinois State Toll Highway Authority 2008 Series A-1 and A-2	\$ 766.2	Variable	\$ 708.3	5.00%	\$ 47.1	\$ 29.6	\$ (39.7)

### B. Current Refundings

During the year ended June 30, 2009, the State issued current refunding debt to defease bonds and certificates of participation which were currently outstanding. Proceeds from the sale of these revenue bonds, together with other funds, were used to currently refund earlier issues maturing on dates ranging from April 1, 2009 through April 1, 2035 at a redemption price of 100%. Current refunding debt issued during fiscal year 2009 was as follows:

Table 15-2 (amounts expressed in millions)

	Par Value of Refunding Issue	Refunding Issue Interest Rates	Par Value of Bonds Refunded	Interest Rates of Bonds Refunded	Debt Service (Increased)/ Reduced by Refunding	Refunding Economic Gain/ (Loss)	Accounting (Loss)
<b>Major Component Units</b>							
<b>Revenue Bonds:</b>							
University of Illinois							
Health Services Facilities Series 2008	\$ 41.2	Variable	\$ 40.9	Variable	\$ --	\$ --	\$ (3.1)
UIC South Campus Series 2008	54.2	Variable	53.7	Variable	(2.6)	(2.0)	(4.1)
Series 2009A	84.1	2.00% to 5.75%	67.0	Variable	(2.0)	(0.7)	(0.6)
	<u>\$ 179.5</u>		<u>\$ 161.6</u>		<u>\$ (4.6)</u>	<u>\$ (2.7)</u>	<u>\$ (7.8)</u>
<b>Certificates of Participation:</b>							
University of Illinois							
Series 2009A and 2009B	\$ 113.2	(1) and (2)	\$ 112.8	Variable	\$ 18.3	\$ 14.4	\$ (0.4)

(1) Interest rates on the Certificates of Participation Series 2009A range from 3.00% to 5.25%.  
(2) Series 2009B are variable rate Certificates of Participation.

**C. Prior Year Refundings**

In prior years, the State defeased certain callable maturities of general obligation, special obligation, and revenue bonds and certificates of participation by placing the proceeds of new debt in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the State’s financial statements. At June 30, 2009, the outstanding balances of prior year defeased debt were as follows:

Table 15-3 (amounts expressed in thousands)

	Primary Government		Major Component Units			
	Governmental Activities	Illinois Housing Development Authority	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois
General obligation bonds	\$ 614,125	\$ --	\$ --	\$ --	\$ --	\$ --
Special obligation bonds	19,500	--	--	--	--	--
Revenue bonds	--	38,770	10,522	1,825	12,090	200,765
Certificates of participation	--	--	--	--	--	224,245
	<u>\$ 633,625</u>	<u>\$ 38,770</u>	<u>\$ 10,522</u>	<u>\$ 1,825</u>	<u>\$ 12,090</u>	<u>\$ 425,010</u>

**16 RETIREMENT SYSTEMS**

**Plan Descriptions.** The State of Illinois sponsors five public employee retirement systems that are included in the State’s financial statements as pension trust funds.

The General Assembly Retirement System (“GARS”), Judges’ Retirement System (“JRS”), and State Employees’ Retirement System (“SERS”) are the administrators of single-employer defined benefit pension plans. The GARS, JRS, and SERS are governed by articles 2, 18, and 14, respectively, of the Illinois Pension Code (40 ILCS 5/1, et. al.).

The Teachers’ Retirement System (“TRS”) is the administrator of a cost-sharing multiple-employer public employee defined benefit pension plan with a “special funding situation” as described below. It provides coverage to teachers employed by public school districts in Illinois (excluding Chicago) even though most covered employees are not State employees. There are 867 local school districts, 140 special districts, and 23 other State agencies that contribute to the TRS plan. At June 30, 2009, the TRS had outstanding receivables of \$24.808 million for payroll deduction agreements with members for optional services, refund repayments, and upgrade balances owed to the TRS.

The State Universities Retirement System (“SURS”) is the administrator of a cost-sharing multiple-employer public employee defined benefit pension plan and a defined contribution plan with a “special funding situation” as described below. The SURS provides coverage to faculty and staff of State universities, community colleges, and related agencies, of which some covered employees are not State employees. There are 9 universities, 39 community college districts, and 15 other State agencies that contribute to the SURS plan.

The State of Illinois is legally mandated to make contributions to the TRS and SURS. Because the State contributes most of the TRS and SURS employer contributions, the single employer

provisions of GASB Statement No. 27 have been followed for reporting those systems in the statewide CAFR. The TRS and SURS are governed by articles 16 and 15, respectively, of the Illinois Pension Code.

Effective January 1, 1998, legislation established an alternative defined benefit program known as the Portable Benefit Option Plan within the SURS. This option is offered in addition to the existing traditional benefit option. All members who are eligible for the traditional benefit option are eligible for the portable option. New and existing members are provided a window period in which to make an irrevocable election. The portable option provides an enhanced refund at termination for those who leave SURS with at least five years of service. Offsetting this additional cost is the elimination of the survivor benefit package. This program is designed to be cost-neutral in relation to the traditional option. Approximately 19 thousand of the approximately 84 thousand members have chosen this option.

Legislation, effective January 1, 1998, also required the SURS to offer a Self-Managed Plan. This is a defined contribution plan and is offered to employees of all SURS employers who elect to participate. All but two SURS employers participate in the Self-Managed Plan. The Self-Managed Plan is a qualified money purchase plan under Section 401(a) of the Internal Revenue Code. The assets are maintained under a trust administered by the SURS Board of Trustees in accordance with the Illinois Pension Code. Approximately 10 thousand of the approximately 84 thousand active members have chosen this option. \$573.595 million of the \$11.607 billion total net assets relate to the Self-Managed Plan. Plan member contributions were \$48.825 million and the State contributions, along with employer consisting of grant reimbursements, were \$38.265 million for the year ended June 30, 2009.

Each of the five State-sponsored retirement systems provide retirement, death, and disability benefits to members and beneficiaries. Each plan also issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained by writing or calling the plan as follows:

- General Assembly Retirement System and Judges' Retirement System, 2101 South Veterans Parkway, PO Box 19255, Springfield, Illinois, 62794-9255, (217) 782-8500.
- State Employees' Retirement System, 2101 South Veterans Parkway, PO Box 19255, Springfield, Illinois, 62794-9255, (217) 785-2340.
- Teachers' Retirement System, 2815 West Washington Street, PO Box 19253, Springfield, Illinois, 62794-9253, (217) 753-0311.
- State Universities Retirement System, 1901 Fox Drive, Champaign, Illinois, 61820-7333, (217) 378-8800.

**Funding Policy and Annual Pension Cost.** Member contributions are based on fixed percentages set by statute ranging from 4.0% to 12.5%. The State's funding requirements have been established by statute (Public Act 88-593) effective July 1, 1995 and provide for a systematic 50-year funding plan with an ultimate goal to achieve "90% funding" of the systems' liabilities. In addition, the funding plan provides for a 15-year phase-in period to allow the State to adapt to the increased financial commitment. Once the 15-year phase-in period is complete, the State's contribution will then remain at a level percentage of payroll for the next 35 years until the 90% funded level is achieved. However, Public Act 94-0004 decreased the required funding levels for fiscal years 2006 and 2007 to \$938.400 million and \$1.375 billion, respectively, and requires the State's contribution to increase in equal annual increments from fiscal years 2008 to 2010 to ensure that the fiscal year 2006 and 2007 decreases have no long-term effect on contributions. In addition, pursuant to Public Act 93-0002, the State made a

contribution from general obligation bond proceeds of \$7.3 billion to the retirement systems to fund a portion of the State's unfunded liability. The State met its funding requirement established by *statutory law* for the fiscal year ended June 30, 2009. Actual contributions varied slightly from contributions required by statute mainly because of differences between estimated and actual federal contributions.

The current statutory law includes a "continuing appropriation," which means that the State must automatically provide funding to the pension systems based on actuarial cost requirements and amortization of the unfunded liability without being subject to the General Assembly's appropriation process.

This statutory funding requirement differs significantly from the annual pension cost ("APC") because the statutory plan does not conform to the GASB Statement No. 27 accounting parameters. The State's APC for the current year and related information for each plan is included in Table 16-1.

	GARS	JRS	SERS	TRS	SURS
Actuarially required contribution ("ARC")	\$ 11,129	\$ 78,386	\$ 1,003,433	\$ 2,109,480	\$ 874,039
Plus: Interest on net pension obligation ("NPO")	4,399	30,881	132,143	941,435	520,287
Adjustment to the ARC	(3,569)	(25,100)	(100,776)	(571,005)	(329,542)
Annual pension cost ("APC")	11,959	84,167	1,034,800	2,479,910	1,064,784
Employer contributions	8,856	59,983	774,910	1,601,605	451,617
Increase in NPO	3,103	24,184	259,890	878,305	613,167
NPO at June 30, 2008	55,447	389,260	1,554,625	11,075,702	6,121,021
NPO at June 30, 2009	\$ 58,550	\$ 413,444	\$ 1,814,515	\$ 11,954,007	\$ 6,734,188

The annual pension cost, the percentage of annual pension cost contributed for the year, and the net pension obligation at the end of the year for the current fiscal year and the two preceding fiscal years are presented in Table 16-2:

	GARS	JRS	SERS	TRS	SURS
<b>Annual Pension Cost ("APC")</b>					
6/30/2009	\$ 11,959	\$ 84,167	\$ 1,034,800	\$ 2,479,910	\$ 1,064,784
6/30/2008	\$ 12,298	\$ 86,569	\$ 1,006,815	\$ 2,274,402	\$ 881,513
6/30/2007	\$ 11,296	\$ 81,425	\$ 835,452	\$ 2,279,188	\$ 861,306
<b>% of APC Contributed</b>					
6/30/2009	74.05%	71.27%	74.89%	64.58%	42.41%
6/30/2008	55.37%	54.27%	58.38%	51.43%	39.13%
6/30/2007	48.42%	43.28%	42.95%	35.83%	30.32%
<b>Net Pension Obligation</b>					
6/30/2009	\$ 58,550	\$ 413,444	\$ 1,814,515	\$ 11,954,007	\$ 6,734,188
6/30/2008	\$ 55,447	\$ 389,260	\$ 1,554,625	\$ 11,075,702	\$ 6,121,021
6/30/2007	\$ 49,959	\$ 349,669	\$ 1,135,543	\$ 9,971,073	\$ 5,584,453

**Funded Status.** The funded status and funding progress of the State's retirement systems is presented in Table 16-3.

Table 16-3 (amounts expressed in thousands)

Plan	Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability ("AAL") Projected Unit Credit	(c) Unfunded AAL ("UAAL") (b-a)	(d) Funded Ratio (a/b)	(e) Covered Payroll	(f) UAAL as a Percentage of Covered Payroll (c/e)
GARS	6/30/2009	\$ 71,574	\$ 245,226	\$ 173,652	29.2%	\$ 14,728	1179.1%
JRS	6/30/2009	\$ 616,849	\$ 1,548,509	\$ 931,660	39.8%	\$ 155,645	598.6%
SERS	6/30/2009	\$ 10,999,954	\$ 25,298,346	\$ 14,298,392	43.5%	\$ 4,027,263	355.0%
TRS	6/30/2009	\$ 38,026,044	\$ 73,027,198	\$ 35,001,154	52.1%	\$ 8,945,021	391.3%
SURS	6/30/2009	\$ 14,281,998	\$ 26,316,231	\$ 12,034,233	54.3%	\$ 3,463,922	347.4%

**Actuarial Methods and Assumptions.** Actual valuations of an ongoing retirement system involve estimates and calculations of the value of reported amounts and assumptions about the probability of occurrence of events on a long-term perspective. Examples include assumptions about future employment and mortality. Amounts determined regarding the funded status of the retirement systems and the annual required contributions of the State are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress of the State’s retirement systems, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the retirement systems’ assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the types of benefits provided and the cost sharing between the employer and plan members at the time of each valuation and do not include the potential effects of legal or contractual funding. Information about actuarial methods and assumptions used in the actuarial valuation of the plan is presented in Table 16-4.

Table 16-4 (amounts expressed in thousands)

	GARS	JRS	SERS	TRS	SURS
Required contribution amounts/rates:					
Statutory required contribution *	\$ 8,847	\$ 59,983	\$ 769,852	\$ 1,556,737	\$ 451,617
Members	11.5%	11%	4%-12.5%	9.4%	8%-9.5%
Actuarial valuation date of the ARC	6/30/2007	6/30/2007	6/30/2007	6/30/2007	6/30/2008
Actuarial valuation date of the UAAL	6/30/2009	6/30/2009	6/30/2009	6/30/2009	6/30/2009
Actuarial cost method	Proj. Unit Credit	Proj. Unit Credit	Proj. Unit Credit	Proj. Unit Credit	Proj. Unit Credit
Amortization method	Level % of pay	Level % of pay	Level % of pay	Level % of pay	Level % of pay
Remaining amortization period	30 years. Open	30 years. Open	30 years. Open	30 years. Open	30 years. Open
Asset valuation method **	5-Year Smoothed	5-Year Smoothed	5-Year Smoothed	5-Year Smoothed	5-Year Smoothed
Actuarial assumptions:					
Investment rate of return ***	8%	8%	8.5%	8.5%	8.5%
Projected salary increases ***	5%	5%	4% - 8.35%	6% - 11.1% ****	5% - 10%
Postretirement benefit increases	3%	3%	3%	3%	3%
Inflation rate	4%	4%	3%	3.5%	3.75%
* Public Act 88-593 provides for 50-year funding including 15-year phase-in of employer contributions as a percentage of active member payroll increasing until fiscal year 2010, and remaining at that level until fiscal year 2045 when the Systems' funded ratios will be 90%. Public Act 94-004 amended Public Act 88-593 by reducing contributions for fiscal years 2006 and 2007 and requiring incremental increases for fiscal years 2008 through 2010 in order that the funded ratio in fiscal year 2011 will not be impacted.					
** The asset valuation method was changed during the current fiscal year from fair value to a methodology which smoothes investment gains and losses over a five year period.					
*** Includes inflation rate listed					
**** Composite, approximately 7.0%					
Note: The above actuarial assumptions are the actuarial assumptions used at June 30, 2007 to calculate the ARC for the year ended June 30, 2009. The actuarial assumptions used at June 30, 2009 to calculate the actuarial accrued liability as reported in the required supplementary information were the same except for the following:					
Projected salary increases			SERS 4% - 8.35%	TRS 6% - 11.1% ****	
***** Composite, approximately 7%					

**17 POSTEMPLOYMENT BENEFITS**

**Plan Description.** The State Employees Group Insurance Act of 1971 (“Act”), as amended, authorizes the State to provide health, dental, vision, and life insurance benefits for certain retirees and their dependents. Substantially all State and university component unit employees become eligible for these other postemployment benefits (“OPEB”) if they eventually become annuitants of one of the State sponsored pension plans. The Department of Healthcare and Family Services and the Department of Central Management Services administer these benefits for annuitants with the assistance of the public retirement systems sponsored by the State (General Assembly Retirement System, Judges Retirement System, State Employees Retirement System, Teachers Retirement System, and the State Universities Retirement System). The portions of the Act related to OPEB establishes a cost-sharing multiple-employer defined benefit OPEB plan with a special funding situation for employees of the State’s component unit universities. The plan does not issue a stand-alone financial report.

The health, dental, and vision benefits provided to and contribution amounts required from annuitants are the result of collective bargaining between the State and the various unions representing the State’s and the university component units’ employees in accordance with limitations established in the Act. Therefore, the benefits provided and contribution amounts are subject to periodic change. The Act requires the State to provide life insurance benefits for annuitants equal to their annual salary as of the last day of employment until age 60, at which time the benefit amount becomes \$5,000.

**Funding Policy and Annual OPEB Cost.** In accordance with the Act, the State contributes toward the cost of an annuitant’s coverage under the basic program of group health, dental, and vision benefits an amount equal to five percent of that cost for each full year of creditable service up to a maximum of one hundred percent for an annuitant with twenty or more years of creditable service. For fiscal year 2009, the annual cost of the basic program of group health, dental, and vision benefits before the State’s contribution was \$6,322.32 (\$2,383.20 if Medicare eligible) if the annuitant chose benefits provided by a health maintenance organization and \$9,389.52 (\$2,371.44 if Medicare eligible) if the annuitant chose other benefits. The State is not required to fund the plan other than the pay-as-you-go amount necessary to provide the current benefits to retirees.

For current employees, contributions are dependent upon annual salary and whether or not the employee chooses to receive benefits through a health maintenance organization. Current employee contribution rates to the plan are presented in Table 17-1.

Employee Annual Salary	Annual Employee Health, Dental, and Vision Contribution Requirements	
	Benefits Through a Health Maintenance Organization	Benefits Provided Through Other Than a Health Maintenance Organization
	\$29,500 and below	\$582
\$29,501 - \$44,600	\$642	\$942
\$44,601 - \$59,300	\$672	\$972
\$59,301 - \$74,300	\$702	\$1,002
\$74,301 and above	\$732	\$1,032

The State’s lack of funding requirement differs significantly from the annual OPEB cost (“AOPEBC”) as pay-as-you-go does not conform to the GASB Statement No. 45 accounting

parameters. The State’s AOEBC for the current year and related information is included in Table 17-2.

Actuarially required contribution ("ARC")	\$ 1,825,283
Plus: Interest on net other postemployment benefits obligation ("NOPEBO")	55,716
Adjustment to the ARC	(41,271)
Annual other postemployment benefits cost	<u>1,839,728</u>
Benefits paid during the year	<u>603,605</u>
Increase in NOPEBO	1,236,123
NOPEBO at June 30, 2008	<u>1,238,131</u>
NOPEBO at June 30, 2009	<u>\$ 2,474,254</u>

The annual pension cost, the percentage of annual pension cost contributed for the year, and the net pension obligation at the end of the year for the current fiscal year and the preceding fiscal year are presented in the following Table 17-3.

	<u>6/30/2009</u>
<b>Annual Other Postemployment Benefits Cost (AOPEBC)</b>	
6/30/08	\$ 1,775,991
6/30/09	\$ 1,839,728
<b>% of AOPEBC Contributed</b>	
6/30/08	30.29%
6/30/09	32.81%
<b>Net Other Postemployment Benefits Obligation</b>	
6/30/08	\$ 1,238,131
6/30/09	\$ 2,474,254

**Funded Status.** The funded status and funding progress of the State’s OPEB is presented in Table 17-4.

	(a)	(b)	(c)	(d)	(e)	(f)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability ("AAL") Projected Unit Credit	Unfunded AAL ("UAAL") (b-a)	Funded Ratio (a/b)	Covered Payroll	UAAL as a Percentage of Covered Payroll (c/e)
6/30/2009	\$ -	\$ 27,124,061	\$ 27,124,061	0.0%	\$ 7,091,656	382.5%

**Actuarial Methods and Assumptions.** Actuarial valuations of an ongoing plan involve estimates and calculations on the value of reported amounts and assumptions about the probability of occurrence of events on a long-term perspective. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual

revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress of the State’s OPEB plan, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the types of benefits provided and the cost sharing between the employer and plan members at the time of each valuation and do not include the potential effects of legal or contractual funding limitations. Information about actuarial methods and assumptions used in the actuarial valuation of the plan is presented in Table 17-5.

Actuarial valuation date of the actuarial required contribution	6/30/2009
Actuarial valuation date of the unfunded actuarial accrued liability	6/30/2009
Actuarial cost method	Proj. Unit Credit
Amortization method	Level % of pay
Remaining amortization period	30 years. Open
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return *	4.5%
Projected salary increases *	4.5%
Inflation rate	3.5%
Healthcare cost trend rate:	
Medical	9.0% grading down .5% per year over 8 years to 5.0%
Dental	8.0% grading down .5% per year over 6 years to 5.0%
Vision	6% for next year with 3% for subsequent years
* Includes inflation rate listed	

**Plans Administered for Other Governments.** The State also administers cost-sharing OPEB plans for teachers at school districts in Illinois (excluding Chicago) and for teachers at community colleges in Illinois. Financial statements for these plans may be obtained from the Department of Healthcare and Family Services (“Department”), 201 South Grand Avenue East, Springfield, Illinois 62763. The State Group Insurance Act of 1971 (“Act”), as amended, establishes the benefits provided to retirees; the rates of contribution for active employees, employers, and the State; and the process, if any, to amend rates of contribution for both plans with a funding policy of pay-as-you-go. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

The Teacher Health Insurance Security Fund was established to provide health insurance for retirees of school districts in Illinois (excluding Chicago) who are annuitants or dependent beneficiaries of the Teachers’ Retirement System (“TRS”). As of June 30, 2009, there were 1,007 school districts participating with 65,543 retirees and dependent beneficiaries receiving benefits. The Department works in conjunction with the Department of Central Management Services (“CMS”) and TRS to administer this cost-sharing multiple-employer defined benefit OPEB plan. The Act requires every active contributor of TRS and for every employer to make contributions to the plan at rates not to exceed 105% of the previous year. For fiscal year 2009, contributors to TRS contributed .84% of salary and employers contributed .63% of wages. The

Act also requires the State to contribute the amount of remaining funds estimated necessary to fund current expenditures as certified by the Director of the Department. At the time of the most recent amendments to the Act, this amount was expected to be approximately .84% of contributors' wages. The Director of the Department can amend the contribution rates of employers and employees annually subject to a limitation of 5% pursuant to the Act. The amount of the State's required contribution was \$75.474, \$68.596, and \$62.839 million for fiscal years 2009, 2008, and 2007 respectively. The State contributed the entire contribution in each year and contributed an additional \$13.000 million in fiscal year 2007.

The Community College Health Insurance Security Fund was established to provide health, vision, and dental insurance for Illinois community college retirees and dependent beneficiaries. As of June 30, 2009, there were 38 community college districts (all of the State's districts except the City Colleges of Chicago District) and 1 community college association participating with 5,539 retirees and dependent beneficiaries receiving benefits. The Department works in conjunction with the Department of CMS and the State Universities Retirement System ("SURS") to administer this cost-sharing multiple-employer defined benefit OPEB plan. The Act requires every active contributor of SURS who is a full-time employee of a community college district or an association of community college boards to make contributions to the plan at the rate of .5% of wages and every community college district or association of community college boards to contribute to the plan an amount equal to .5% of the wages paid to its full-time employees who are required to contribute to the plan. The State Pension Funds Continuing Appropriation Act (40 ILCS 15/1.4) requires the State to make an annual appropriation to the fund to cover any expected expenditures in excess of the contributions by active employees and employers in an amount certified by the SURS Board of Trustees. The amount of the State's required contribution and the amount contributed was \$3.916, \$4.740, and \$3.707 million for fiscal years 2009, 2008, and 2007, respectively.

## **18 FUND DEFICITS**

### **Primary Government - Governmental Activities**

#### ***Major Governmental Funds***

The State's General Fund, from which a significant portion of day to day operating expenditures are paid, has a GAAP deficit aggregating \$7.682 billion at June 30, 2009. This deficit results from spending in excess of revenues recognized.

#### ***Nonmajor Governmental Funds***

The Early Intervention Services Revolving Fund of the Department of Human Services; the Drivers Education Fund of the State Board of Education; the Build Illinois Bond Fund of the Department of Commerce and Economic Opportunity; the Transportation Bond Series A and Transportation Bond Series B Funds of the Department of Transportation; and the Capital Development Fund of the Capital Development Board have deficits at June 30, 2009, aggregating \$2.238 million, \$16.654 million, \$4.020 million, \$2.661 million, \$2.557 million, and \$5.110 million, respectively, resulting from spending in excess of revenues recognized.

The Low Income Home Energy Assistance Block Grant Fund and the Job Training Partnership Fund of the Department of Commerce and Economic Opportunity; the State and Local Sales Tax Reform Fund, the County and Mass Transit District Fund, the Local Government Tax Fund, and

the Personal Property Tax Replacement Fund of the Department of Revenue; the Federal/Local Airport Fund of the Department of Transportation; the Public Health Services Fund of the Department of Public Health; and the Criminal Justice Trust Fund of the Criminal Justice Information Authority have deficits at June 30, 2009, aggregating \$80 thousand, \$8.669 million, \$1.028 million, \$1.051 million, \$4.377 million, \$121.812 million, \$15.324 million, \$282 thousand, and \$21 thousand, respectively, resulting from the recognition of fund liabilities in excess of accrued revenues on the modified accrual basis.

## **19 RISK MANAGEMENT**

### **Primary Government**

The State is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers compensation and natural disasters. The State retains the risk of loss (i.e. self insured) for these risks except minimal commercial insurance. There were no significant reductions in insurance coverage from the prior fiscal year. The amount of settlements has not exceeded insurance coverage in the past three fiscal years. In addition, the State is exposed to various risks of loss related to employee health and dental insurance programs as described below.

Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claims liabilities are based upon the estimated ultimate cost of settling the claims including specific, incremental claim adjustment expenses, salvage, and subrogation and considering the effects of inflation and recent claim settlement trends including frequency and amount of payouts and other economic and social factors. Nonincremental claims adjustment expenses have not been included as part of the liability.

The State's risk financing of auto liability has been determined using an estimate of claims outstanding. Matured claims have been recorded as a liability in the General Fund and in the Road Fund in the amounts of \$103 thousand and \$506 thousand, respectively. The remaining portion of the liability is included in the government-wide financial statements and is expected to be paid from future resources of the General Fund and Road Fund in the amount of \$1.766 million and \$12.025 million, respectively.

The workers compensation liability has been determined using claims outstanding and a projection of claims to be submitted, based upon prior years experience of the State. Matured claims have been recorded as a liability in the Workers' Compensation Revolving Fund and the Health Insurance Reserve Fund, internal service funds, in the amounts of \$397.935 million and \$4.992 million, respectively. Payments to the Workers' Compensation Revolving Fund are based on estimates of amounts needed to pay current year claims and are made from the applicable fund that would have paid the salaries and wages of the related employees.

The State uses the Health Insurance Reserve Fund to account for employee health and dental insurance benefit programs, which are partially self-funded. Employees may obtain health care services through participation in the State's group health insurance plan or through membership in one of eight health maintenance organization plans under contract with the State. The State maintains the risk of insurance for employees who participate in the State's group health insurance plan. Expenses and liabilities for claims, which include incurred but not reported or not processed benefit claims, have been recorded as liabilities in the amount of \$283.089 million.

Payments to the Health Insurance Reserve Fund are based on estimates of amounts needed to pay prior year unprocessed and current year claims and are made from the applicable fund that paid the salaries and wages of the related employee.

The following is a reconciliation of the State's claims liabilities for the year ended June 30, 2009:

Year Ended June 30	Changes in Claims Liability Balances			
	Beginning Balance	Current Year Claims and Changes in Estimates	Claim Payments	Ending Balance
Primary Government-Governmental Activities:				
2008				
Auto Liability	\$ 9,308	\$ 6,514	\$ (3,616)	\$ 12,206
Workers' Compensation	307,562	169,277	(122,343)	354,496
Health Insurance	112,116	545,252	(500,454)	156,914
Total	<u>\$ 428,986</u>	<u>\$ 721,043</u>	<u>\$ (626,413)</u>	<u>\$ 523,616</u>
2009				
Auto Liability	\$ 12,206	\$ 5,344	\$ (3,150)	\$ 14,400
Workers' Compensation	354,496	146,405	(97,974)	402,927
Health Insurance	156,914	633,120	(506,945)	283,089
Total	<u>\$ 523,616</u>	<u>\$ 784,869</u>	<u>\$ (608,069)</u>	<u>\$ 700,416</u>
Component Units, (Information for the Toll Highway Authority is as of December 31):				
2008				
Toll Highway Authority	\$ 8,618	\$ 6,765	\$ (4,694)	\$ 10,689
Southern Illinois University	12,699	10,460	(7,471)	15,688
University of Illinois	156,178	65,165	(44,175)	177,168
Total	<u>\$ 177,495</u>	<u>\$ 82,390</u>	<u>\$ (56,340)</u>	<u>\$ 203,545</u>
2009				
Toll Highway Authority	\$ 10,689	\$ 5,439	\$ (5,250)	\$ 10,878
Southern Illinois University	15,688	11,610	(9,570)	17,728
University of Illinois	177,168	77,348	(72,689)	181,827
Total	<u>\$ 203,545</u>	<u>\$ 94,397</u>	<u>\$ (87,509)</u>	<u>\$ 210,433</u>

The State administers a public entity risk pool offering health insurance to local governments in the Local Government Health Insurance Reserve Fund, a nonmajor enterprise fund. The financial statements of the fund can be obtained from the Department of Healthcare and Family Services, 201 South Grand Avenue, Springfield, Illinois, 62763.

### Component Units

The Toll Highway Authority, a major component unit, records an accrued self-insurance liability which covers workers' compensation liability and auto liability. The Authority's accrued self-insurance liability was \$10.878 million at December 31, 2008.

Southern Illinois University, a major component unit, records an accrued self-insurance liability which covers general and professional liability and limited student health care liability in excess of costs not covered by other primary provider plans. The University's accrued self-insurance liability was \$17.728 million at June 30, 2009.

The University of Illinois, a major component unit, records an accrued self-insurance liability which covers hospital patient liability, hospital and medical professional liability, estimated general and contract liability, and workers' compensation liability related to employees paid by the University. The University's accrued self-insurance liability was \$181.827 million at June 30, 2009.

Illinois State University, Northern Illinois University, Southern Illinois University, and the University of Illinois have contracted with commercial carriers to provide excess insurance coverage. These coverages have been considered in determining the accrued self-insurance

liability, where applicable. There were no settlements which exceeded insurance coverage during the last three years.

The nonmajor component unit universities carry excess general liability coverage. The deductible portion of this coverage is covered by the State University Risk Management Association, a self-insurance pool.

## 20 COMMITMENTS AND CONTINGENCIES

### A. Construction Commitments

The Department of Transportation has outstanding construction commitments for highway improvement programs of \$2.166 billion as of June 30, 2009 which will be financed through State reappropriations. Also, the Capital Development Board has outstanding construction commitments for building and building additions and improvements of \$181.122 million as of June 30, 2009, which will be financed through State reappropriations. The Illinois State Toll Highway Authority, reported on a December 31st year-end, has entered into commitments for road construction of \$999.600 million as of December 31, 2008. The University of Illinois has outstanding construction commitments for various building and building improvement projects of \$90.427 million as of June 30, 2009.

### B. Operating Leases

The State has entered into various operating leases for land, office facilities, office and computer equipment, and other assets. Although lease terms vary, certain leases are renewable subject to appropriation by the General Assembly. If renewal is reasonably assured, leases requiring appropriation by the General Assembly are considered noncancelable leases for financial reporting purposes. Any operating leases with scheduled rent increases are considered immaterial to the future minimum lease payments and current rental expenditures.

Future minimum commitments for non-cancelable operating leases as of June 30, 2009 are as follows:

Year Ending June 30	Primary Government	Major Component Units				
		Housing Development Authority	Toll Highway Authority	Illinois State University	Northern Illinois University	University of Illinois
2010	\$ 95,455	\$ 843	\$ 238	\$ 1,074	\$ 1,241	\$ 9,263
2011	84,617	869	--	731	1,001	7,009
2012	65,280	895	--	682	846	5,287
2013	47,330	922	--	655	838	4,137
2014	31,036	948	--	608	751	3,545
2015-2019	64,185	1,976	--	2,160	2,796	9,011
2020-2024	--	--	--	--	--	78
2025-2029	--	--	--	--	--	23
Total minimum lease payments	<u>\$ 387,903</u>	<u>\$ 6,453</u>	<u>\$ 238</u>	<u>\$ 5,910</u>	<u>\$ 7,473</u>	<u>\$ 38,353</u>

Rental payments for operating leases charged to operations during the year ended June 30, 2009, aggregated \$317.805 million for the governmental and business-type activities and \$640 thousand

for fiduciary funds. Illinois Housing Development Authority, Toll Highway Authority, Illinois State University, Northern Illinois University, Southern Illinois University, and the University of Illinois (major component units) had rental payments charged to operations during the year ended June 30, 2009 of \$1.619 million, \$233 thousand, \$995 thousand, \$1.427 million, \$16.074 million, and \$11.585 million, respectively.

**C. Tax Litigation**

At June 30, 2009, the State of Illinois has \$438.266 million in payments received related to protested tax cases which have not been adjudicated. In addition, the State defends many lawsuits challenging reasons for denial of tax refunds in relation to tax payments already received. The ultimate disposition of these protested tax payments received and claims for tax refunds is not determinable at this time.

**D. Federal Funding**

The State receives federal grants which are subject to review and audit by federal grantor agencies. Certain costs could be questioned as not being an eligible expenditure under the terms of the grants. At June 30, 2009, there were no material questioned costs that have not been resolved with the federal awarding agencies. However, questioned costs could still be identified during audits to be conducted in the future. Management of the State believes there will be no material adjustments to the federal grants and, accordingly, has not recorded a provision for possible repayment.

**E. Tobacco Settlement**

A Master Settlement Agreement (“MSA”) was executed in November of 1998 between five tobacco companies and 46 states, including the State of Illinois. The MSA called for, among other things, the payment of more than \$200 billion allocated to the states in installments payable until the year 2025 with additional payments continuing thereafter in perpetuity. The payments are subject to various adjustments such as those for volume shipped, inflation, and the success of litigation by other governmental units and could amount to less than the expected amounts. Various aspects of the MSA have been challenged in court both locally and nationally. The State has received approximately \$3 billion in payments from the MSA through June 30, 2009. The State’s share was originally expected to be \$9.119 billion through 2025 before adjustments. However, the State’s cumulative adjusted payments have been 13.75% less than the original estimate. Because of the novelty of the MSA, the many related claims against various aspects of the MSA, and the uncertainty inherent in the calculation of payments under the MSA, it is not possible to accurately predict the amount of money that will actually be received by the State with reasonable certainty.

**F. Legal Proceedings**

A suit filed by the Chicago Urban League (Chicago Urban League v. Illinois State Board of Education) alleges the State’s system of funding public schools violates the Illinois Civil Rights Act of 2003 and various clauses of the Illinois Constitution. The Circuit Court has dismissed all claims in the suit except a claim in relation to the Illinois Civil Rights Act of 2003. The case is in the pre-trial discovery stage.

A class action suit has been filed against the State (Munguia v. State of Illinois) which alleges that the State’s system of funding and implementing public transportation is discriminatory. No rulings have been made on the State’s motion to dismiss.

The State, its units and employees are also party to numerous other legal proceedings, many of which normally recur, in governmental operations. In addition, the State and its units are involved in certain other legal proceedings, which, if decided adversely to the State, may require the State to make material future expenditures for expanded services or capital facilities or may impair future revenue sources. It is neither possible to determine the outcome of these proceedings nor to estimate the possible effects adverse decisions may have on future expenditures or revenue sources.

**G. *Illinois Housing Development Authority Bonds (“IHDA”)***

The IHDA, a component unit of the State, has a portion of its revenue bonds that are moral obligations of the State. In the event that the IHDA determines that funds will not be sufficient for the payment of principal and interest on these bonds, the Chairman of the IHDA shall certify to the Governor as soon as practicable the amount required by the IHDA to enable it to pay such principal and interest. The Governor shall include the amount so certified in the State budget; however, the General Assembly has no obligation to appropriate funds to the IHDA. As of June 30, 2009, the outstanding balance of bonds, which the State is morally obligated to repay is \$310 thousand.

**H. *Metropolitan Pier and Exposition Authority (“The Authority”)***

The Authority, not a part of the State of Illinois reporting entity, is authorized by the Metropolitan Pier and Exposition Authority Act to issue bonds in the principal amount of \$312.5 million, excluding refunding bonds issued after January 1, 1986. These bonds were issued (1) to pay construction costs of completing the McCormick Place expansion, (2) to pay the construction costs of projects authorized by the Illinois General Assembly in the future, (3) to refund any outstanding bonds of the McCormick Place that were issued prior to July 1, 1984, and (4) to provide for the acquisition and improvement of Navy Pier in Chicago. In order to provide funding for the debt service requirements on these bonds, the Illinois General Assembly amended tax laws to provide for 1.75% of total State sales tax revenues, 3% of 94% of total hotel room rental receipts, and \$1.7 million per year out of 7% of State racing tax revenues to be deposited into the Build Illinois Fund, a nonmajor governmental fund. Within the Build Illinois Fund are credits to separate accounts, of which one is the “McCormick Place Account” and has first priority credit of the amounts collected.

The bonds are special obligations of the Authority and are payable from and secured by a pledge of revenues derived from dedicated state taxes, discussed above, imposed and collected by the State of Illinois. For State fiscal years in which these bonds are outstanding, the State shall transfer from the McCormick Place Account in the Build Illinois Fund to the Metropolitan Fair and Exposition Authority Improvement Bond Fund, a nonmajor governmental fund, an amount equal to 150% of the Authority’s certified amount for that fiscal year divided by the number of months during that fiscal year in which bonds of the Authority are outstanding. The maximum amount in any fiscal year shall not exceed \$33.5 million or a lesser sum as is actually necessary and required to pay the debt service requirements for that fiscal year after giving effect to net operating revenues of the Authority available for that purpose as certified by the Authority. During fiscal year 2009, debt service requirements were \$31.6 million. However, the amount paid to the Authority based on their annual certification was \$30.8 million, which is below the authorized amount of \$33.5 million.

The Authority is also authorized to issue an additional \$2.107 billion of bonds, excluding refunding bonds, to finance the McCormick Place expansion and certain other improvements to its facilities and Navy Pier. These bonds are special, limited obligations of the Authority and are payable from and secured by a pledge of revenues derived from Authority taxes and State sales tax deposits. For State fiscal years when these bonds are outstanding, monthly deposits of Authority taxes to the McCormick Place Expansion Project Fund, an agency fund, are required to be made in an amount equal to 1/8 of the annual debt service as specified in the Authority's Annual Certification plus any prior months' deficiencies in transfers. To the extent that Authority taxes are not sufficient to satisfy the requirements of the Authority's Annual Certification, State sales taxes are deposited into the McCormick Place Expansion Project Fund. The maximum amount that can be deposited into the McCormick Place Expansion Project Fund from the State sales taxes shall not exceed \$132 million in fiscal year 2009, \$139 million in fiscal year 2010, \$146 million in fiscal year 2011, \$153 million in fiscal year 2012, \$161 million in fiscal year 2013, and graduating to \$275 million in fiscal year 2023 until fiscal year 2042. During fiscal year 2009, debt service requirements for these bonds were \$132.0 million. The amount paid to the Authority based on their annual certification was \$131.0 million. During fiscal year 2009, deposits from the Authority's taxes were not sufficient to pay for the debt service requirements; \$53.3 million in State sales tax was transferred for deposit into the McCormick Place Expansion Project Fund of which a net of \$18.8 million was not reimbursed by June 30, 2009.

**I. *Regional Transportation Authority ("RTA")***

The RTA, not a part of the State of Illinois reporting entity, was authorized by the Regional Transportation Authority Act to issue bonds in the principal amount of \$100 million on or after January 1, 1990 with an additional \$100 million per year authorized to be issued on or after January 1<sup>st</sup> of each year until January 1, 1994, for a total authorization of \$500 million used for Strategic Capital Improvement Projects ("SCIP"). Effective July 1, 1999, Public Act 91-37 authorized the RTA to issue additional bonds in the principal amount of \$260 million on or after January 1, 2000 with an additional \$260 million per year authorized to be issued on or after January 1<sup>st</sup> of each year until January 1, 2004 for an additional authorization of \$1,300 million to be used for SCIP. Public Act 91-37 also authorized the issuance of refunding SCIP bonds. The proceeds of SCIP bonds were used to acquire, repair, or replace public transportation facilities in the metropolitan region as approved by the Governor.

The bonds are general obligations of the RTA to which the full faith and credit of the RTA is pledged. However, for State fiscal years in which the SCIP bonds are outstanding, the State's assistance shall be transferred monthly from the General Fund to the Public Transportation Fund, a nonmajor governmental fund, for payment in an amount equal to the lesser of monthly debt service on the SCIP bonds or one-twelfth of the amount of the State's assistance as provided in the authorization. The authorization currently provides for \$155 million each fiscal year. During fiscal year 2009, the State provided \$121.8 million to the RTA, which is below the authorized amount of \$155 million. Although the amount of the State's assistance is measured by the debt service on the SCIP bonds, the assistance is not pledged for payment of, or security for, the SCIP bonds. The State's assistance is paid directly to the Authority and may be spent by the Authority at its discretion.

**J. *Illinois Sports Facilities Authority ("ISFA")***

The ISFA, not a part of the State of Illinois reporting entity, was authorized by the Illinois Sports Facilities Act to issue bonds and notes in the principal amount not to exceed 1) \$150 million in connection with facilities owned by the ISFA, 2) \$399 million in connection with facilities owned

by a governmental owner other than the ISFA, and 3) to refund, advance refund or refinance any of its bonds then outstanding.

The bonds are secured by payments from the Illinois Sports Facilities Fund, a nonmajor governmental fund, from collections of 1) the State's Hotel Operator's Occupation Tax in an amount equal to the applicable advance amount plus \$5 million and 2) the City of Chicago's share of the Local Government Distributive Fund, a nonmajor governmental fund, in the amount of \$5 million. This advance amount is required to be repaid by the ISFA from collections of the ISFA's Hotel Tax to the State's General Fund by the end of the fiscal year. In the event of a deficiency in the Hotel Tax, amounts otherwise payable to the City of Chicago from the Local Government Distributive Fund should be used for the repayment.

Annually, the ISFA is required to certify to the State Comptroller and the State Treasurer their requirements for the next fiscal year. This certification shall be the lesser of 1) the advance amount plus \$10 million and 2) the amount to pay principal and interest and other payments relating to its obligations issued or to be issued during the fiscal year plus the amount anticipated to pay obligations under provisions of any management agreement with respect to facilities owned by the ISFA or any assistance agreement with respect to any facility for which financial assistance is provided under the Act plus an amount to pay other capital or operating expenses of the ISFA. Pursuant to the certification, the maximum advance amount for fiscal year 2009 was \$32.515 million plus \$10 million for a total of \$42.515 million.

The ISFA's annual certification for fiscal year 2009 was in the amount of \$39.5 million, which is below the maximum amount authorized. Payments related to the annual certification, which are subject to appropriation by the General Assembly, were paid to the ISFA. The ISFA repaid the advance amount by the end of the fiscal year.

In future years, the advance amount increases by 105.615% of the preceding advance amount through fiscal year 2032. Including the additional \$10 million, the maximum which could be certified each year is \$44.341 million in fiscal year 2010, \$46.270 million in fiscal year 2011, \$48.307 million in fiscal year 2012, \$50.458 million in fiscal year 2013 and graduating to \$124.252 million in fiscal year 2032. Of these amounts, only \$5 million per year is the State's share.

***K. Southwestern Illinois Development Authority ("SWIDA") Revenue Bonds***

The SWIDA, a nonmajor component unit of the State, has issued revenue bonds. The proceeds of these bonds were loaned to several companies for the acquisition of land and construction of various types of facilities. These companies are primarily liable for repayment of the bonds, which are secured by SWIDA loan agreements with the companies. These bonds bear interest at rates ranging from 4.55% to 9.25% and mature annually through 2025. The State has accepted a moral obligation to repay the bonds in the event the SWIDA and the companies are unable to meet the bonds' repayment commitments. As of June 30, 2009 the outstanding balance of bonds, which the State is morally obligated to repay, is \$37.1 million.

***L. Upper Illinois River Valley Development Authority ("UIRVDA") Revenue Bonds***

The UIRVDA, which is a component unit of the State, has issued revenue bonds. The proceeds of which were loaned to various companies to provide permanent financing for the acquisition and construction of various types of facilities. These companies are primarily liable for repayment of the bonds, which are secured by an assignment and a pledge of revenues derived

from a separate loan agreement between the UIRVDA and these companies. These bonds mature annually through 2030 and bear interest in varying rates between 5.90% and 8.85%. The State has accepted a moral obligation to repay the bonds in the event the UIRVDA and the companies are unable to meet the bonds' repayment commitments. At June 30, 2009 the outstanding balance, which the State is morally obligated to repay, is \$21.5 million.

**M. Illinois Housing Development Authority Loans**

The Illinois Housing Development Authority has entered into commitments aggregating \$48.8 million for the purchase of various home loans as of June 30, 2009.

**N. Illinois Finance Authority ("IFA") Revenue Bonds**

The IFA, a nonmajor component unit of the State, has a portion of its revenue bonds that are moral obligations of the State. A portion of these bonds were issued on behalf of the Illinois Medical District Commission ("Commission"), a nonmajor component unit of the State, of which the proceeds were used to finance the costs of the acquisition, construction, renovation, reconstruction, installation, and equipping of certain facilities in the City of Chicago. These bonds bear interest rates ranging from 4.125% to 5.33% and mature on various dates through 2031. The State has accepted a moral obligation to repay the bonds in the event the Commission is unable to meet the bonds' repayment commitments. As of June 30, 2009 the outstanding balance of these bonds, which the State is morally obligated to repay, is \$40 million.

In addition, the IFA has issued revenue bonds on-behalf of municipalities as authorized by the Illinois Financially Distressed City Law (65 ILCS 5/8-12-1 et seq.) to assist the City of East St. Louis with its debt restructuring. These bonds bear interest at rates ranging from 2.75% to 5% and mature annually through 2013. The State has accepted a moral obligation to repay the bonds in the event the City of East St. Louis is unable to meet the bonds' repayment commitments. As of June 30, 2009 the outstanding balance of these bonds, which the State is morally obligated to repay, is \$8.6 million.

## **21 SEGMENT INFORMATION**

### **Major Component Units**

Segments are identifiable activities reported as or within a component unit for which bonds or other debt is outstanding and a revenue stream has been pledged in support of that debt. In addition, to qualify as a segment, an activity must be subject to an external requirement to separately account for the revenues, expenses, gains and losses, assets, and liabilities of the activity. All of the activities reported in the condensed financial information meet these requirements. The following paragraphs describe the various component units' segments.

#### **Southern Illinois University ("SIU")**

SIU has issued revenue bonds with the net revenues from two segments pledged to pay the bond interest and principal. The Housing and Auxiliary Facilities System segment is comprised of university owned housing units, student centers, recreation and athletic facilities, and similar auxiliary enterprise units. The Medical Facilities System segment is comprised of clinical facilities used to provide patient care at the School of Medicine in Springfield.

## University of Illinois ("U of I")

U of I has issued revenue bonds with the net revenues from two segments pledged to pay the bond interest and principal. The Auxiliary Facilities System segment is comprised of university owned housing units, student unions, recreation and athletic facilities and similar auxiliary service units, including parking. The Health Services Facilities System segment is comprised of the U of I Hospital and associated clinical facilities providing patient care.

The following are the condensed financial statements at June 30, 2009 for the segments described above:

Major Component Units	Southern Illinois University		University of Illinois	
	Housing and Auxiliary Facilities System	Medical Facilities System	Auxiliary Facilities System	Health Services Facilities System
<b>Condensed Statement of Net Assets:</b>				
<b>Assets</b>				
Current assets	\$ 113,680	\$ 8,497	\$ 174,743	\$ 179,673
Noncurrent assets:				
Capital assets, net of accumulated depreciation	206,321	35,351	941,071	159,059
Other noncurrent assets	8,140	390	20,803	6,316
<b>Total assets</b>	<b>328,141</b>	<b>44,238</b>	<b>1,136,617</b>	<b>345,048</b>
<b>Liabilities</b>				
Current liabilities	30,069	2,047	82,000	81,473
Noncurrent liabilities	277,571	20,033	949,460	92,094
<b>Total liabilities</b>	<b>307,640</b>	<b>22,080</b>	<b>1,031,460</b>	<b>173,567</b>
<b>Net Assets (Deficit)</b>				
Invested in capital assets, net of related debt	(28,925)	16,833	2,855	91,206
Restricted-other expendable purposes	35,035	1,072	22,341	2,488
Unrestricted	14,391	4,253	79,961	77,787
<b>Total net assets (deficit)</b>	<b>\$ 20,501</b>	<b>\$ 22,158</b>	<b>\$ 105,157</b>	<b>\$ 171,481</b>
<b>Condensed Statement of Revenues, Expenses and Changes in Net Assets:</b>				
Operating revenues	\$ 96,548	\$ 39,403	\$ 289,998	\$ 521,462
Operating expenses	(83,471)	(48,116)	(245,852)	(578,579)
Depreciation expense	(9,513)	(658)	(24,845)	(21,087)
Operating income (loss)	3,564	(9,371)	19,301	(78,204)
Nonoperating revenues (expenses)	3,396	9,425	(22,029)	85,905
Other revenues	1,260	372	--	--
<b>Increase (decrease) in net assets</b>	<b>8,220</b>	<b>426</b>	<b>(2,728)</b>	<b>7,701</b>
Net assets (deficit), July 1, 2008	12,281	21,732	107,885	163,780
<b>Net assets (deficit), June 30, 2009</b>	<b>\$ 20,501</b>	<b>\$ 22,158</b>	<b>\$ 105,157</b>	<b>\$ 171,481</b>
<b>Condensed Statement of Cash Flows:</b>				
Net cash flows provided (used) by operating activities	\$ 22,953	\$ (979)	\$ 63,103	\$ 20,396
Net cash flows provided (used) by noncapital financing activities	3,017	--	(88)	98
Net cash flows provided (used) by capital and related financing activities	4,358	(2,117)	(141,490)	(65,391)
Net cash flows provided (used) by investing activities	(24,977)	82	22,055	(1,178)
Net increase (decrease) in cash and cash equivalents	5,351	(3,014)	(56,420)	(46,075)
Cash and cash equivalents, July 1, 2008	44,350	7,189	204,959	132,202
<b>Cash and cash equivalents, June 30, 2009</b>	<b>\$ 49,701</b>	<b>\$ 4,175</b>	<b>\$ 148,539</b>	<b>\$ 86,127</b>

## 22 SPECIAL ITEM

On December 16, 2008, the Designated Account Purchase Program (“IDAPP”) entered into an agreement with Guaranty Bank to settle a difference regarding the loan purchase agreement between the two parties. As part of the loan purchase agreement, Guaranty Bank was holding approximately \$4.700 million in deposited funds. The settlement agreement stipulated that Guaranty Bank would disburse \$2 million to IDAPP.

## 23 SUBSEQUENT EVENTS

### A. Debt issues

Subsequent to June 30, 2009, the State of Illinois’ primary government and its major component units have issued the following debt instruments:

Series	Date of Issue	Amount of Issue	Interest Rates	Annual Maturity To
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General obligation certificates:				
August, Series 2009	8/27/2009	\$ 1,250.0	2.0%	2010
General obligation bonds:				
September, Series 2009-A	9/23/2009	\$ 400.0	3.5% to 5.0%	2034
January, Taxable Series 2010	1/15/2010	\$ 3,466.0	1.823% to 4.421%	2015
Taxable Build America Bonds, Series 2010-1	2/4/2010	\$ 1,000.0	1.395% to 6.630%	2035
February, Refunding Series 2010	3/3/2010	\$ 1,501.3	2.0% to 5.0%	2025
April, Series 2010	4/12/2010	\$ 246.1	2.50%	2011
Taxable Build America Bonds, Series 2010-2	4/26/2010	\$ 300.0	1.45% to 6.90%	2035
March, Taxable Series 2010	4/26/2010	\$ 56.0	1.45% to 6.90%	2035
Taxable Build America Bonds, Series 2010-3	4/26/2010	\$ 700.0	1.578% to 6.725%	2035
Special obligation bonds:				
December, Series 2009-A	12/23/2009	\$ 154.9	3.5% to 5.0%	2034
December, Series 2009-B	12/23/2009	\$ 375.0	2.50% to 5.25%	2034
June, Junior Refunding Series 2010	6/25/2010	\$ 455.1	3.0% to 5.0%	2021
<b>Major Component Units:</b>				
Revenue bonds:				
Illinois Housing Development Authority				
Multi-Family Initiative Bonds				
Series 2009A	12/30/2009	\$ 184.1	Variable	2051
Homeowner Mortgage Revenue Bonds				
Series 2009B	12/30/2009	\$ 200.0	Variable	2041
Multi-Family Housing Revenue Bonds				
Series 2010 (Willow Heights Apartments)	2/25/2010	\$ 2.6	Variable	2042
Illinois State Toll Highway Authority*				
Series 2009 A (Toll Highway Senior Priority-Build America Bonds -- Direct Payment)	5/21/2009	\$ 500.0	5.293% to 6.184%	2034
Series 2009 B (Toll Highway Senior Priority-Build America Bonds -- Direct Payment)	12/8/2009	\$ 280.0	5.851%	2034

\* Illinois State Toll Highway Authority fiscal year-end is 12/31/08

**B. Retirement System Benefit Changes**

On April 14, 2010, the Governor signed into law P.A. 96-0889 which amended the pension benefits to be provided to new members to the State's retirement systems after December 31, 2010. Major provisions of the law increased the retirement age and years of service required for unreduced retirement benefits from age sixty with eight years of service to age sixty-seven with ten years of service, changed postretirement benefit increases from 3% to the lesser of 3% or one-half of the consumer price index, changed the calculation of the compensation used for calculation of benefits from the average of the highest amount in 48 months of consecutive service within the last 120 months of service to the average of the highest amount in 96 months of consecutive service within the last 120 months of service, set a limit on the compensation used for calculation of benefits to the social security wage base, and eliminated the ability to receive pension benefits from one retirement system while working full-time within another retirement system.

**C. Unemployment Compensation Trust Fund Advances**

In July of 2009, the State began receiving repayable advances in the Unemployment Compensation Trust Fund from the federal government. The Unemployment Compensation Trust Fund, from which funds are drawn to pay unemployment benefits to claimants, was depleted due to the increased level of unemployment benefit payments required from the extended high unemployment rates during the course of the current recession without a corresponding increase in unemployment tax revenues. At June 30, 2010, the State had \$2.240 billion in outstanding repayable advances. The advances are interest free through the end of calendar year 2010. Absent a robust economic recovery and/or legislative changes, the Department of Employment Security projects that there will be a deficit in the Unemployment Compensation Trust Fund through the at least 2012.

**24 CONTRACTUAL VIOLATION**

The Designated Account Purchase Program ("IDAPP") was not in compliance with a debt covenant relating to a revolving credit agreement and with a debt covenant relating to a loan agreement. As a result of the violations, the banks involved with the agreements had certain remedies available, including the right to call the loan and take possession of the portion of the student loan portfolio provided as collateral for the loan. The bank providing the revolving credit agreement has acknowledged the violation and sent a notice letter dated May 5, 2010 but has not exercised any remedies available. The bank which provided the loan agreement has granted IDAPP a deferment for exercising remedies in connection with the violation until July 31, 2010.

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# **Required Supplementary Information**

State of Illinois

**Budgetary Comparison Schedule  
Major Governmental Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	General Funds				Road Fund			
	Original Budget	Final Budget	Actual	Variance Over (Under)	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>								
Income taxes	\$ 12,182,000	\$ 12,182,000	\$ 10,932,843	\$ (1,249,157)	\$ -	\$ -	\$ -	\$ -
Sales taxes	7,297,000	7,297,000	6,772,799	(524,201)	-	-	-	-
Public utility taxes	1,110,000	1,110,000	1,167,764	57,764	-	-	-	-
Federal government	5,029,000	5,029,000	6,495,655	1,466,655	1,211,013	1,211,013	1,283,192	72,179
Other	2,287,000	2,287,000	2,113,206	(173,794)	1,017,443	1,017,443	992,090	(25,353)
Less:								
Refunds		15,609	15,515	(94)		2,333	2,287	(46)
<b>Total revenues</b>	<b>27,905,000</b>	<b>27,889,391</b>	<b>27,466,752</b>	<b>(422,639)</b>	<b>2,228,456</b>	<b>2,226,123</b>	<b>2,272,995</b>	<b>46,872</b>
<b>EXPENDITURES:</b>								
Current:								
Health and social services	14,030,577	15,597,275	15,399,280	(197,995)	142,997	142,997	142,997	-
Education	11,173,466	11,461,904	11,340,428	(121,476)	129,920	129,912	129,574	(338)
General government	737,770	754,641	710,927	(43,714)	1,900	1,900	1,900	-
Employment and economic development	135,069	140,315	126,464	(13,851)				
Transportation	32,016	32,036	25,486	(6,550)	4,533,027	1,914,749	1,851,857	(62,892)
Public protection and justice	2,084,063	2,125,001	2,050,915	(74,086)	114,678	114,678	114,677	(1)
Environment and business regulation	85,896	89,160	84,144	(5,016)				
Capital outlays	27,453	24,419	20,373	(4,046)	84,755	56,441	37,312	(19,129)
<b>Total expenditures</b>	<b>28,306,310</b>	<b>30,224,751</b>	<b>29,758,017</b>	<b>(466,734)</b>	<b>5,007,277</b>	<b>2,360,677</b>	<b>2,278,317</b>	<b>(82,360)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(401,310)</b>	<b>(2,335,360)</b>	<b>(2,291,265)</b>	<b>44,095</b>	<b>(2,778,821)</b>	<b>(134,554)</b>	<b>(5,322)</b>	<b>129,232</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>								
Proceeds from short-term borrowings		2,400,000	2,400,000	-	-	-	-	-
Transfers-in	6,151,663	6,151,663	6,151,663	-	342,028	317,323	317,323	-
Transfers-out	(9,098,735)	(9,098,735)	(9,098,735)	-	(279,091)	(279,091)	(279,091)	-
<b>Total other sources (uses) of financial resources</b>	<b>(2,947,072)</b>	<b>(547,072)</b>	<b>(547,072)</b>	<b>-</b>	<b>62,937</b>	<b>38,232</b>	<b>38,232</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(3,348,382)</b>	<b>(2,882,432)</b>	<b>(2,838,337)</b>	<b>44,095</b>	<b>(2,715,884)</b>	<b>(96,322)</b>	<b>32,910</b>	<b>129,232</b>
Budgetary fund balances, July 1, 2008	(834,491)	(834,491)	(834,491)	-	323,368	323,368	323,368	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (4,182,873)</b>	<b>\$ (3,716,923)</b>	<b>\$ (3,672,828)</b>	<b>\$ 44,095</b>	<b>\$ (2,392,516)</b>	<b>\$ 227,046</b>	<b>\$ 356,278</b>	<b>\$ 129,232</b>

State Construction Account			
Original Budget	Final Budget	Actual	Variance Over (Under)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
506,834	506,834	488,793	(18,041)
-	-	-	-
506,834	506,834	488,793	(18,041)
-	-	-	-
-	-	-	-
-	-	-	-
1,706,084	946,387	946,302	(85)
-	-	-	-
-	-	-	-
-	-	-	-
1,706,084	946,387	946,302	(85)
(1,199,250)	(439,553)	(457,509)	(17,956)
-	-	-	-
237,000	215,317	215,317	-
(28)	(28)	(28)	-
236,972	215,289	215,289	-
-	-	-	-
(962,278)	(224,264)	(242,220)	(17,956)
414,366	414,366	414,366	-
\$ (547,912)	\$ 190,102	\$ 172,146	\$ (17,956)

**Notes to Budgetary Comparison Schedule – Budget and Actual  
– Major Governmental Funds**

For the Year Ended June 30, 2009

## A. Budgetary Basis of Accounting

The State Constitution requires the Governor to prepare and submit to the General Assembly an Executive Budget for the ensuing fiscal year. The budget covers most funds held by the State, but excludes all locally held funds and various treasury held funds which are not subject to appropriation pursuant to State law. The General Assembly enacts the budget through passage of specific line-item appropriations (i.e., personal services, contractual services, equipment, etc.), the sum of which must not exceed estimated revenues pursuant to the State Constitution. The Governor has the power to approve, reduce, or veto each appropriation passed by the General Assembly. Transfers-in and transfers-out contained in the Executive Budget are not a part of the General Assembly's appropriation process. The actual amounts are determined either by State law or by discretionary action available to the Governor. The Statewide Accounting Management System controls expenditures by line-item as established in approved appropriation bills and ensures that appropriated expenditure amounts are not exceeded.

The level of legal control is at the line-item appropriation level as reported in a publication titled *Illinois Detailed Annual Report of Revenues and Expenditures*. A separate document is necessary due to the State's large amount of appropriated line-items. Generally, administrative transfers between transferable appropriation line-items within the same treasury held fund cannot exceed 2% of the aggregate amount appropriated to those line-items for an agency from that fund. Examples of appropriation line-items with a 2% transfer limit are Contractual Services, Travel, Commodities, Printing, and Equipment. As an additional restriction, Personal Services appropriation line-items generally cannot be reduced. Legislative action is required for more substantial transfers. Unexpended appropriations at June 30 are available for subsequent expenditure to the extent that encumbrances have been incurred at June 30, provided the expenditure is presented for payment during the succeeding two month "lapse period." An exception to the lapse period requirements are expenditures described in Section 25 of the State Finance Act (30 ILCS 105/25). These Section 25 expenditures, mostly related to the reimbursement of hospitals, physicians, and pharmacists for Medicaid patients, are allowed to be paid in the following fiscal year. Certain appropriations referred to as "reappropriations" represent the continuation of a prior year's program that requires additional time for completion.

The original budgeted revenues represent estimates while original budgeted expenditures represent original and continuing appropriations enacted into law by appropriation bills. Generally accepted accounting principles (GAAP) require the final legal budget be reflected in the final budget column, therefore, updated revenue estimates have been reported. Final expenditure budgets represent original and continuing appropriations modified by supplemental and amendatory appropriations. The State's basis of budgeting is essentially on the cash basis, modified for expenditures during the lapse period (beginning and end of year) as described in the preceding paragraph.

The State Budget Law (15 ILCS 20) requires the budget for certain funds, called budgeted funds which include the General Revenue, Common School, and Educational Assistance subaccounts of the General Fund and the Road Fund, to be prepared:

“. . . on the basis of revenue and expenditure measurement concepts that are in concert with generally accepted accounting principles for governments . . .

. . . The revenue estimates used in the State budget for the budgeted funds shall include the estimated beginning fund balance, plus revenues estimated to be received during the budgeted year, plus the estimated receipts due the State as of June 30 of the budgeted year that are expected to be collected during the lapse period following the budgeted year, minus the receipts collected during the first 2 months of the budgeted year that became due to the State in the year before the budgeted year. Revenues shall also include estimated federal reimbursements associated with the recognition of Section 25 of the State Finance Act liabilities. For any budgeted fund for which current year revenues are anticipated to exceed expenditures, the surplus shall be considered to be a resource available for expenditure in the budgeted fiscal year.

Expenditure estimates for the budgeted funds included in the State budget shall include the costs to be incurred by the State for the budgeted year, to be paid in the next fiscal year, excluding costs paid in the budgeted year which were carried over from the prior year, where the payment is authorized by Section 25 of the State Finance Act. For any budgeted fund for which expenditures are expected to exceed revenues in the current fiscal year, the deficit shall be considered as a use of funds in the budgeted fiscal year.

Revenues and expenditures shall also include transfers between funds that are based on revenues received or costs incurred during the budget year.”

The State has not presented revenue and expenditure estimates in accordance with these provisions. Also, because of cash management decisions and prioritization required due to the lack of available cash in the State Treasury for the General Revenue Account, a subaccount of the General Fund, statutorily mandated transfers from the General Revenue Account to other funds were not made by the Office of the Comptroller within statutorily prescribed timelines. The timing of the payment of the transfers does not impact the amounts reported in the budgetary schedules.

The State’s General Fund has a perspective difference for financial reporting as the General Fund reported for financial reporting purposes includes amounts which are reported as a part of the State’s Special State Funds as classified for budgetary purposes.

The Budgetary Comparison Schedule – Major Governmental Funds presents the original legally adopted budget, as well as comparisons of the final legally adopted budget with actual data on a budgetary basis for the State’s major governmental funds: the General Fund, the Road Fund, and the State Construction Account.

The supplementary portion of this report includes a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for all funds of the State with annual budgets as classified for budgetary purposes. Those schedules only include the final appropriated budget.

#### B. Budgetary-GAAP Reporting Reconciliation

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a

reconciliation of differences between budgetary and GAAP presentations for the year ended June 30, 2009 is presented below for the major governmental funds (amounts expressed in thousands):

	<b>MAJOR GOVERNMENTAL FUNDS</b>		
	<b>General Fund</b>		
	<b>General Fund</b>	<b>Road Fund</b>	<b>State Construction Account</b>
Table 1-1 (amounts expressed in thousands)			
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources (budgetary basis)	\$ (2,838,337)	\$ 32,910	\$ (242,220)
Reclassifications:			
Budgetary Special State Funds reported as part of the General Fund for GAAP reporting	211,576	-	-
Adjustments:			
To adjust revenues, related receivables and deferred revenue	(270,807)	308,981	6,210
To adjust expenditures and related liabilities	(726,704)	(66,740)	5,767
To adjust for lapse period expenditures which were not recorded as liabilities	(18,537)	(223)	-
Excess (deficiency) of revenues over (under) expenditures/expenses and other sources (uses) of financial resources into financial resources (GAAP basis) - budgetary classifications	(3,642,809)	274,928	(230,243)
To record excess (deficiency) of revenues over (under) expenditures/expenses and other sources (uses) of financial resources for nonbudgeted accounts	(57)	-	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources (GAAP basis)	<u><u>\$ (3,642,866)</u></u>	<u><u>\$ 274,928</u></u>	<u><u>\$ (230,243)</u></u>

**Required Supplementary Information****Defined Benefit Pension Plans – Schedule of Funding Progress**

(Unaudited)

The following schedule of funding progress (dollar amounts in thousands) for the State of Illinois' retirement systems is provided for fiscal years ended June 30, 2009, 2008 and 2007.

	(a)	(b)	(c)	(d)	(e)	(f)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability ("AAL") Projected Unit Credit	Unfunded AAL ("UAAL") (b-a)	Funded Ratio (a/b)	Covered Payroll	UAAL as a Percentage of Covered Payroll (c/e)
General Assembly						
6/30/2009	\$ 71,574	\$ 245,226	\$ 173,652	29.2%	\$ 14,728	1179.1%
6/30/2008	\$ 75,406	\$ 235,780	\$ 160,374	32.0%	\$ 12,871	1246.0%
6/30/2007	\$ 87,182	\$ 231,914	\$ 144,732	37.6%	\$ 12,701	1139.5%
Judges'						
6/30/2009	\$ 616,849	\$ 1,548,509	\$ 931,660	39.8%	\$ 155,645	598.6%
6/30/2008	\$ 612,681	\$ 1,457,336	\$ 844,655	42.0%	\$ 143,700	587.8%
6/30/2007	\$ 670,091	\$ 1,385,340	\$ 715,249	48.4%	\$ 142,900	500.5%
State Employees'						
6/30/2009	\$ 10,999,954	\$ 25,298,346	\$ 14,298,392	43.5%	\$ 4,027,263	355.0%
6/30/2008	\$ 10,995,366	\$ 23,841,280	\$ 12,845,914	46.1%	\$ 3,967,704	323.8%
6/30/2007	\$ 12,078,909	\$ 22,280,917	\$ 10,202,008	54.2%	\$ 3,762,777	271.1%
Teachers'						
6/30/2009	\$ 38,026,044	\$ 73,027,198	\$ 35,001,154	52.1%	\$ 8,945,021	391.3%
6/30/2008	\$ 38,430,723	\$ 68,632,367	\$ 30,201,644	56.0%	\$ 8,521,717	354.4%
6/30/2007	\$ 41,909,318	\$ 65,648,395	\$ 23,739,077	63.8%	\$ 8,149,849	291.3%
State Universities						
6/30/2009	\$ 14,281,998	\$ 26,316,231	\$ 12,034,233	54.3%	\$ 3,463,922	347.4%
6/30/2008	\$ 14,586,325	\$ 24,917,677	\$ 10,331,352	58.5%	\$ 3,303,220	312.8%
6/30/2007	\$ 15,985,730	\$ 23,362,079	\$ 7,376,349	68.4%	\$ 3,180,985	231.9%

For fiscal years prior to the year ended June 30, 2009, the State used fair value as the actuarial value of assets. For the fiscal year ended June 30, 2009, the State began using a valuation method that smoothes actuarial gains or losses in relation to expected investment return incurred in a fiscal year in order that the gains or losses are recognized in equal annual amounts over the five year period following the fiscal year. The fair value of assets for the five State of Illinois' retirement systems was \$15.454 billion lower than the actuarial value of assets at June 30, 2009.

**Defined Benefit Other Postemployment Benefit Plans – Schedule of Funding Progress**

(Unaudited)

The following schedule of funding progress (dollar amounts in thousands) for the State of Illinois' other postemployment retirement benefits (health, dental, vision, and life insurance) is provided for the two most recent actuarial valuations.

	(a)	(b)	(c)	(d)	(e)	(f)
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability ("AAL") Projected Unit Credit</b>	<b>Unfunded AAL ("UAAL") (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll (c/e)</b>
6/30/2009	\$ -	\$ 27,124,061	\$ 27,124,061	0.0%	\$ 7,091,656	382.5%
6/30/2007	\$ -	\$ 23,890,383	\$ 23,890,383	0.0%	\$ 6,872,740	347.6%

The State performs actuarial valuations for postemployment retirement benefits biennially.

## GENERAL FUND

The General Fund is maintained to account for resources obtained and used for those services traditionally provided by State government which are not required to be accounted for in another fund.

### SIGNIFICANT GENERAL FUND ACCOUNT DESCRIPTIONS

General Revenue Account--to account for resources obtained and used which are not required to be accounted for in another fund or account.

Education Assistance Account--to provide funding for elementary and secondary education programs and for higher education programs.

Common School Account--to provide funding for elementary and secondary education agencies including General State Aid, School District Consolidation Incentives and operational funding of Educational Services Regions.

University of Illinois Hospital Services Account--to provide medical services at the University of Illinois Hospital.

County Hospital Services Account--to provide for medical services at Cook County hospitals.

Long-Term Care Provider Account--to provide for medical services at long-term health care centers.

State of Illinois

Combining Schedule of Accounts

General Fund

June 30, 2009 (Expressed in Thousands)

	General Revenue Account	Education Assistance Account	Common School Account	Medicaid Provider Assessment Program	Eliminations	Total
<b>ASSETS</b>						
Cash equity with State Treasurer	\$ 1,076,006	\$ 74,144	\$ 253,929	\$ 96,020		\$ 1,500,099
Cash and cash equivalents	2,256					2,256
Securities lending collateral of State Treasurer	580,565		3,409	8,414		592,388
Receivables, net						
Taxes	1,014,858	22,683	89,623	3,531		1,130,695
Intergovernmental	1,466,152	228		250,366		1,716,746
Other	114,291		16	91		114,398
Due from other funds	48,337	13,394	98,690	25	\$ (120,796)	39,650
Due from component units	2,507		6			2,513
Inventories	24,382					24,382
Loans and notes receivable, net	8,019					8,019
Other assets	15,000					15,000
<b>Total assets</b>	<b>\$ 4,352,373</b>	<b>\$ 110,449</b>	<b>\$ 445,673</b>	<b>\$ 358,447</b>	<b>\$ (120,796)</b>	<b>\$ 5,146,146</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 5,849,497	\$ 5,448	\$ 73,869	\$ 208,060		\$ 6,136,874
Intergovernmental payables	1,968,341	2,382	94	82,438		2,053,255
Due to other funds	1,470,065	9	69,842	22,126	\$ (120,796)	1,441,246
Due to component units	112,194	3		46,110		158,307
Unavailable revenue	878,462	3,525	7,045	129,954		1,018,986
Unearned revenue	383,919	20,681				404,600
Obligations under securities lending of State Treasurer	580,565		3,409	8,414		592,388
General obligation certificates payable	1,021,890					1,021,890
Matured portion of long-term liabilities	103					103
<b>Total liabilities</b>	<b>12,265,036</b>	<b>32,048</b>	<b>154,259</b>	<b>497,102</b>	<b>(120,796)</b>	<b>12,827,649</b>
<b>FUND BALANCES</b>						
Reserved for:						
Encumbrances	8,315	1		86		8,402
Long-term portion of loans and notes receivable	8,019					8,019
Inventories	24,382					24,382
Unreserved	(7,953,379)	78,400	291,414	(138,741)		(7,722,306)
<b>Total fund balances (deficits)</b>	<b>(7,912,663)</b>	<b>78,401</b>	<b>291,414</b>	<b>(138,655)</b>		<b>(7,681,503)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,352,373</b>	<b>\$ 110,449</b>	<b>\$ 445,673</b>	<b>\$ 358,447</b>	<b>\$ (120,796)</b>	<b>\$ 5,146,146</b>

State of Illinois

Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balances  
General Fund

For the Year Ended June 30, 2009 (Expressed in Thousands)

	General Revenue Account	Education Assistance Account	Common School Account	Medicaid Provider Assessment Program	Eliminations	Total
<b>REVENUES</b>						
Income taxes	\$ 9,996,358	\$ 807,881				\$ 10,804,239
Sales taxes	5,000,564		\$ 1,658,021			6,658,585
Public utility taxes	1,050,886		117,476			1,168,362
Hospital assessment taxes	904,869			\$ 70,217		975,086
Other taxes	1,500,816		176,121	172,643		1,849,580
Federal government	7,741,821			1,382,474		9,124,295
Licenses and fees	270,137		650	466		271,253
Interest and other investment income	78,372		628	1,305		80,305
Other	407,747	31		822,207		1,229,985
<b>Total revenues</b>	<b>26,951,570</b>	<b>807,912</b>	<b>1,952,896</b>	<b>2,449,312</b>		<b>32,161,690</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services	16,061,040			2,534,772		18,595,812
Education	5,992,682	1,492,264	4,452,663			11,937,609
General government	903,144					903,144
Employment and economic development	130,648					130,648
Transportation	66,516					66,516
Public protection and justice	2,363,193					2,363,193
Environment and business regulations	122,950					122,950
Debt service:						
Principal	1,935					1,935
Interest	924					924
Capital outlays	10,248					10,248
<b>Total expenditures</b>	<b>25,653,280</b>	<b>1,492,264</b>	<b>4,452,663</b>	<b>2,534,772</b>		<b>34,132,979</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,298,290</b>	<b>(684,352)</b>	<b>(2,499,767)</b>	<b>(85,460)</b>		<b>(1,971,289)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Transfers-in	1,932,967	673,444	4,288,931	74,700	\$ (3,999,918)	2,970,124
Transfers-out	(7,104,219)		(1,527,577)	(10,739)	3,999,918	(4,642,617)
Capital lease financing	916					916
<b>Net other sources (uses) of financial resources</b>	<b>(5,170,336)</b>	<b>673,444</b>	<b>2,761,354</b>	<b>63,961</b>	<b>--</b>	<b>(1,671,577)</b>
<b>Net change in fund balances</b>	<b>(3,872,046)</b>	<b>(10,908)</b>	<b>261,587</b>	<b>(21,499)</b>	<b>--</b>	<b>(3,642,866)</b>
Fund balances (deficits), July 1, 2008, as restated	(4,037,400)	89,309	29,827	(117,156)		(4,035,420)
(Decrease) for changes in inventories	(3,217)					(3,217)
<b>FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (7,912,663)</b>	<b>\$ 78,401</b>	<b>\$ 291,414</b>	<b>\$ (138,655)</b>	<b>\$ --</b>	<b>\$ (7,681,503)</b>

State of Illinois

Combining Schedule of Accounts - General Fund

Medicaid Provider Assessment Program

June 30, 2009 (Expressed in Thousands)

	University of Illinois Hospital Services Account	County Hospital Services Account	Long-Term Care Provider Account	Other Medicaid Provider Assessment Accounts	Total
<b>ASSETS</b>					
Cash equity with State Treasurer	\$ 22,106	\$ 1,279	\$ 63,765	\$ 8,870	\$ 96,020
Securities lending collateral of State Treasurer		897	6,424	1,093	8,414
Receivables, net					
Taxes			3,292	239	3,531
Intergovernmental	37,091	70,253	136,665	6,357	250,366
Other		4	30	57	91
Due from other funds			25		25
<b>Total assets</b>	<b>\$ 59,197</b>	<b>\$ 72,433</b>	<b>\$ 210,201</b>	<b>\$ 16,616</b>	<b>\$ 358,447</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities			\$ 192,860	\$ 15,200	\$ 208,060
Intergovernmental payables		\$ 71,536	10,902		82,438
Due to other funds	\$ 22,105		15	6	22,126
Due to component units	46,110				46,110
Unavailable revenue	9,949	24,167	92,662	3,176	129,954
Obligations under securities lending of State Treasurer		897	6,424	1,093	8,414
<b>Total liabilities</b>	<b>78,164</b>	<b>96,600</b>	<b>302,863</b>	<b>19,475</b>	<b>497,102</b>
<b>FUND BALANCES</b>					
Reserved for encumbrances			85	1	86
Unreserved	(18,967)	(24,167)	(92,747)	(2,860)	(138,741)
<b>Total fund balances (deficits)</b>	<b>(18,967)</b>	<b>(24,167)</b>	<b>(92,662)</b>	<b>(2,859)</b>	<b>(138,655)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 59,197</b>	<b>\$ 72,433</b>	<b>\$ 210,201</b>	<b>\$ 16,616</b>	<b>\$ 358,447</b>

State of Illinois

Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balances - General Fund  
Medicaid Provider Assessment Program

For the Year Ended June 30, 2009 (Expressed in Thousands)

	University of Illinois Hospital Services Account	County Hospital Services Account	Long-Term Care Provider Account	Other Medicaid Provider Assessment Accounts	Total
<b>REVENUES</b>					
Hospital assessment taxes			\$ 51,253	\$ 18,964	\$ 70,217
Other taxes			172,643		172,643
Federal government	\$ 144,438	\$ 764,662	448,843	24,531	1,382,474
Licenses and fees				466	466
Interest and other investment income		176	1,010	119	1,305
Other	56,356	715,166	50,685		822,207
<b>Total revenues</b>	<b>200,794</b>	<b>1,480,004</b>	<b>724,434</b>	<b>44,080</b>	<b>2,449,312</b>
<b>EXPENDITURES</b>					
Current:					
Health and social services	233,225	1,415,034	846,948	39,565	2,534,772
<b>Total expenditures</b>	<b>233,225</b>	<b>1,415,034</b>	<b>846,948</b>	<b>39,565</b>	<b>2,534,772</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(32,431)</b>	<b>64,970</b>	<b>(122,514)</b>	<b>4,515</b>	<b>(85,460)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>					
Transfers-in	44,700		30,000		74,700
Transfers-out	(9,239)			(1,500)	(10,739)
<b>Net other sources (uses) of financial resources</b>	<b>35,461</b>		<b>30,000</b>	<b>(1,500)</b>	<b>63,961</b>
<b>Net change in fund balances</b>	<b>3,030</b>	<b>64,970</b>	<b>(92,514)</b>	<b>3,015</b>	<b>(21,499)</b>
Fund balances (deficits), July 1, 2008	(21,997)	(89,137)	(148)	(5,874)	(117,156)
<b>FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (18,967)</b>	<b>\$ (24,167)</b>	<b>\$ (92,662)</b>	<b>\$ (2,859)</b>	<b>\$ (138,655)</b>

State of Illinois

Combining Balance Sheet -  
Nonmajor Governmental Funds

June 30, 2009 (Expressed in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash equity with State Treasurer	\$ 2,497,918	\$ 650,677	\$ 73,242	\$ 817	\$ 3,222,654
Cash and cash equivalents	30,719	122,621	4,210	186	157,736
Securities lending collateral of State Treasurer	78,201	79,109			157,310
Investments	24,159	53,221		1,287	78,667
Receivables, net:					
Taxes	360,678				360,678
Intergovernmental	499,805		285		500,090
Other	296,325	906	10		297,241
Due from other funds	467,085	10,028	4,204		481,317
Due from component units	361,387				361,387
Inventories	17,217				17,217
Loans and notes receivable, net	42,260	15,859			58,119
Other assets	5,571				5,571
<b>Total assets</b>	<b>\$ 4,681,325</b>	<b>\$ 932,421</b>	<b>\$ 81,951</b>	<b>\$ 2,290</b>	<b>\$ 5,697,987</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 372,425		\$ 49,781		\$ 422,206
Intergovernmental payables	1,424,127		14,238		1,438,365
Due to other funds	294,491	\$ 30	260	\$ 285	295,066
Due to component units	34,695		611		35,306
Unavailable revenue	411,986		10		411,996
Unearned revenue	260,055		1,050		261,105
Obligations under security lending of State Treasurer	78,201	79,109			157,310
<b>Total liabilities</b>	<b>2,875,980</b>	<b>79,139</b>	<b>65,950</b>	<b>285</b>	<b>3,021,354</b>
<b>FUND BALANCES</b>					
Reserved for:					
Encumbrances	23,452		10		23,462
Long-term portion of:					
Loans and notes receivable	42,260	15,859			58,119
Due from State of Illinois component units	340,987				340,987
Inventories	17,217				17,217
Other purposes	7,804			1,089	8,893
Unreserved:					
Designated for reappropriated accounts	42,025		421		42,446
Undesignated	1,331,600	837,423	15,570	916	2,185,509
<b>Total fund balances</b>	<b>1,805,345</b>	<b>853,282</b>	<b>16,001</b>	<b>2,005</b>	<b>2,676,633</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,681,325</b>	<b>\$ 932,421</b>	<b>\$ 81,951</b>	<b>\$ 2,290</b>	<b>\$ 5,697,987</b>

State of Illinois

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Governmental Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>					
Income taxes	\$ 1,055,994				\$ 1,055,994
Sales taxes	2,497,650				2,497,650
Motor fuel taxes	1,350,032				1,350,032
Public utility taxes	499,027				499,027
Riverboat taxes	533,271				533,271
Other taxes	318,588				318,588
Federal government	7,371,981		\$ 33,811		7,405,792
Licenses and fees	464,095	\$ 176			464,271
Interest and other investment income	20,062	20,255		\$ 43	40,360
Other	899,439	7	8,863		908,309
<b>Total revenues</b>	<b>15,010,139</b>	<b>20,438</b>	<b>42,674</b>	<b>43</b>	<b>15,073,294</b>
<b>EXPENDITURES</b>					
Current:					
Health and social services	5,101,061			49	5,101,110
Education	2,330,273		52,025		2,382,298
General government	285,715	66	16,185		301,966
Employment and economic development	668,490	21	2,894		671,405
Transportation	1,260,377		59,845		1,320,222
Public protection and justice	310,632		2		310,634
Environment and business regulation	670,916		9,076		679,992
Debt service:					
Principal	1,250	925,141			926,391
Interest	174	1,101,688			1,101,862
Capital outlays	59,861		77,558		137,419
Intergovernmental	4,631,525				4,631,525
<b>Total expenditures</b>	<b>15,320,274</b>	<b>2,026,916</b>	<b>217,585</b>	<b>49</b>	<b>17,564,824</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(310,135)</b>	<b>(2,006,478)</b>	<b>(174,911)</b>	<b>(6)</b>	<b>(2,491,530)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>					
General obligation bonds issued			150,000		150,000
Premiums on general obligation bonds issued			2,290		2,290
Transfers-in	2,613,194	3,432,074	1,360		6,046,628
Transfers-out	(2,515,003)	(1,438,788)	(9,124)	(328)	(3,963,243)
Capital lease financing	448				448
<b>Net other sources (uses) of financial resources</b>	<b>98,639</b>	<b>1,993,286</b>	<b>144,526</b>	<b>(328)</b>	<b>2,236,123</b>
<b>Net change in fund balances</b>	<b>(211,496)</b>	<b>(13,192)</b>	<b>(30,385)</b>	<b>(334)</b>	<b>(255,407)</b>
Fund balances, July 1, 2008	2,015,326	866,474	46,386	2,339	2,930,525
Increase for changes in inventories	1,515				1,515
<b>FUND BALANCES, JUNE 30, 2009</b>	<b>\$ 1,805,345</b>	<b>\$ 853,282</b>	<b>\$ 16,001</b>	<b>\$ 2,005</b>	<b>\$ 2,676,633</b>

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## SPECIAL REVENUE FUNDS

The Special Revenue Funds are maintained to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

### SIGNIFICANT NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS DESCRIPTIONS

#### **Supreme Court**

Mandatory Arbitration Fund--to receive and record monies received from counties charging fees for the filing of the first pleading, paper, or other appearance filed by each party in all civil cases.

#### **Attorney General**

Attorney General Court Order and Voluntary Compliance Payments Project Fund--to receive and record monies obtained from payments to the Attorney General for the operations of the Office. Monies in the Fund may be expended for purposes relating to the exercise of the duties of the Attorney General and public education programs; however, any monies in the Fund that are required by the court or by an agreement to be used for a particular purpose shall be used for that purpose.

Attorney General Whistleblower Reward and Protection Fund--to account for one-sixth of proceeds from action or settlement of claims brought under the Whistleblower Reward and Protection Act to be used by the Office of the Attorney General for State law enforcement purposes.

State Projects and Court Order Distribution Fund--to receive and record monies received from court distributions to be used in accordance with limitations of settlement.

#### **Secretary of State**

Secretary of State Identification Security and Theft Prevention Fund--to provide funding for identification security theft and security measures.

#### **Treasurer**

State Pensions Fund--to account for receipts from the sale of abandoned property. Expenditures are primarily to the various State retirement systems for the reduction of the accrued actuarial unfunded liability.

Unclaimed Property Trust Fund--to account for monies received as abandoned property or from the sale of abandoned property pursuant to the Uniform Disposition of Unclaimed Property Act.

Tobacco Settlement Recovery Fund--to account for monies received annually as a part of the Master Settlement Agreement in the State of Illinois vs. Philip Morris.

#### **Department of Commerce and Economic Opportunity**

Supplemental Low Income Energy Assistance Fund--to provide assistance to low-income households in paying heating and cooling costs.

Tourism Promotion Fund--to provide assistance for the promotion and marketing of local tourist attractions and services throughout the State.

Low Income Home Energy Assistance Block Grant Fund--to provide assistance to low-income households in paying heating and cooling costs through the Low Income Home Energy Assistance Block Grant.

Intra-Agency Services Fund--to account for monies received as indirect cost reimbursements from federal programs for general administration by the Department of Commerce and Economic Opportunity.

Job Training Partnership Fund--to aid the disadvantaged and dislocated workers in the development of skills to fulfill the need of local firms at no cost or reduced cost to those firms.

Build Illinois Capital Revolving Loan Fund--to finance intermediary agreements, administration, technical assistance agreements, loans, grants and investments through the Build Illinois Act.

Public Infrastructure Construction Loan Revolving Fund--to provide loans and grants to local governments to assist in financing the cost of acquisition, construction, reconstruction, replacement, repair, or improvement of public infrastructure.

### **Department of Natural Resources**

Wildlife and Fish Fund--to manage revenues from licenses, permits, fees, fines and other income from hunting and fishing activities to be used to maintain, acquire and preserve land for wildlife and fishing activities.

Open Space Lands Acquisition and Development Fund--to receive deposits from monies collected under the Real Estate Transfer Tax Act to be transferred, appropriated and used only for the purposes authorized by the Open Space Lands Acquisition and Development Act.

### **Department of Employment Security**

Title III Social Security and Employment Service Fund--to account for monies received from the federal government for the specific purpose of administering the Unemployment Compensation Act.

Unemployment Compensation Special Administration Fund--to account for collections of interest and penalties from employers and judgment interest from claimants as provided by law for the administration of the Unemployment Compensation Act or for transfer to the Unemployment Compensation Trust Fund.

### **Department of Financial and Professional Regulation**

Real Estate License Administration Fund--to account for fees collected and expenditures in administering the Real Estate License Act of 2000.

Insurance Financial Regulation Fund--to account for fees collected and expenditures in administering financial regulation in accordance with the Illinois Insurance Code.

### **Department of Human Services**

Mental Health Fund--to help finance the advancement of mental health facilities and services in the State of Illinois.

Vocational Rehabilitation Fund--to account for federal monies or grants from private or public sources for vocational rehabilitation.

DHS Special Purposes Trust Fund--to receive and disburse federal grants, gifts and legacies not elsewhere designated by statute to be deposited and disbursed.

Early Intervention Services Revolving Fund--to provide coordinated, comprehensive, inter-disciplinary services to enforce the growth and development of children from birth through 36 months of age who have disabilities and/or developmental delays.

USDA Women, Infants and Children Fund--to administer the federal Supplemental Food Program for Women, Infants and Children.

Food Stamp and Commodity Fund--to account for food stamps and commodities received from the federal government.

### **Department of Revenue**

State Gaming Fund--to receive and record fees obtained from owners' license applications for riverboat gambling operations.

State and Local Sales Tax Reform Fund--to record proceeds from the 1% use tax on food and drugs and 20% of the proceeds from the 6.25% sales tax.

County and Mass Transit District Fund--to record 4% of the proceeds from a 6.25% Retailers' and Service Occupation tax.

Local Government Tax Fund--to account for 15% share of various sales taxes that will be distributed to cities and counties.

Illinois Affordable Housing Trust Fund--to account for a portion of the State real estate transfer tax used for grants and low or no interest mortgages or other loans to acquire, construct, rehabilitate, develop, operate, insure, and retain affordable single family and multi-family housing for low-income households.

Horse Racing Equity Trust Fund--to receive and record fees obtained from owners' license applications for riverboat gambling operations to be disbursed 60% for horse racing purses and 40% for horse racing promotional activities.

Local Government Distributive Fund--to receive one-tenth of the State's income tax collections to distribute to various municipalities and counties within the State.

Personal Property Tax Replacement Fund--to allocate and disburse to each taxing district within the State the net revenue received from the personal property replacement income tax.

Build Illinois Fund--to receive a percentage of sales, hotel and privilege taxes to be used for monthly allocation to various State agencies for the purpose of promoting tourism related activities.

#### **Department of Transportation**

Motor Fuel Tax Fund--to account for the activities of various transportation related program expenditures and the administrative cost of supervising the use of funds apportioned to municipalities, counties, and road districts.

Federal/Local Airport Fund--to receive and manage federal funds for airport construction.

State Rail Freight Loan Repayment Fund--to receive and record repayments of loans of State funds made by the Illinois Department of Transportation to railroads, units of local government, rail users, owners, and lessees of railroad right of ways to rehabilitate, improve or construct rail facilities.

Public Transportation Fund--to receive monthly transfers from the General Revenue Account in the General Fund representing statutory shares under various sales tax acts and distribute to the Regional Transportation Authority pursuant to a statutory formula.

Downstate Public Transportation Fund--to provide financial assistance for local governments with public transportation systems.

#### **Department of Children and Family Services**

DCFS Childrens' Services Fund--to account for revenues and expenditures related to the federal Title IV-E foster care and adoption service program.

#### **Illinois Power Agency**

Illinois Power Agency Trust Fund--to account for the operations of the Illinois Power Agency.

#### **Department of Healthcare and Family Services**

Child Support Administration Fund--to receive and record fees related to the administration of the Child Support Enforcement Program.

#### **Department of Public Health**

Public Health Services Fund--to account for funds received from the federal government for various federal project awards.

#### **Department of State Police**

State Police Whistleblower Reward and Protection Fund--to account for one-sixth of proceeds from action or settlement of claims brought under the Whistleblower Reward and Protection Act to be used by the Department of State Police for State law enforcement purposes.

#### **Illinois Commerce Commission**

Wireless Service Emergency Fund--to receive two-thirds of the wireless carrier surcharge assessed monthly to wireless telephone service subscribers in order to provide grants for the design, implementation, maintenance, operation, or upgrade of emergency services systems.

Wireless Carrier Reimbursement Fund--to receive one-third of the wireless carrier surcharge assessed monthly to wireless telephone service subscribers to reimburse wireless telephone service carriers for the installation of the equipment necessary to provide enhanced emergency calling services to subscribers.

#### **State Board of Education**

Drivers Education Fund--to account for monies used to reimburse school districts for each pupil completing a driver education course that meets the minimum requirements of the Driver Education Act.

SBE Federal Department of Agriculture Fund--to account for the federal share of nutrition programs which provide nutritious meals for children and aging adults.

SBE Federal Department of Education Fund--to receive and disburse federal monies to provide financial assistance for educational programs funded by the U.S. Department of Education.

**Office of the State Fire Marshal**

Fire Prevention Fund--to account for assessments on insurance companies offering fire insurance and fees from boiler and pressure vessel certifications to be used for fire safety and education programs.

Fire Truck Revolving Loan Fund--to account for resources used to provide zero-interest loans to local governments for the purchase of fire trucks.

**Capital Development Board**

School Infrastructure Fund--to receive and record one-half of monies obtained from a telecommunication tax in accordance with the Telecommunications Excise Tax Act as amended. Monies in the Fund may be expended for the purpose of discharging the principal and interest on bond indebtedness for construction of school improvements, making payments to the School Technology Revolving Loan Fund and grants for school construction projects.

**Criminal Justice Information Authority**

Criminal Justice Trust Fund--to account for funds received for the implementation of the Omnibus Crime Control and Safe Streets Act of 1968.

**Workers' Compensation Commission**

Illinois Workers' Compensation Commission Operations Fund--to receive and record surcharges on workers' compensation premiums paid by employers to be spent for operations of the Workers' Compensation Commission.

**Metropolitan Fair and Exposition Authority**

Metropolitan and Exposition Auditorium and Office Building Fund--to account for transfers of portions of tax monies received pursuant to the Illinois Horse Racing Act from the General Revenue Account of the General Fund which are to be disbursed or transferred to other State funds based on acceptance of qualifying grant applications.

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State of Illinois

Combining Balance Sheet  
Nonmajor Special Revenue Funds

June 30, 2009 (Expressed in Thousands)

	Supreme Court		Secretary of State Secretary of State Identification Security and Theft Prevention Fund	Treasurer	Commerce and Economic Opportunity	Natural Resources	Employment Security
	Mandatory Arbitration Fund	Attorney General					
<b>ASSETS</b>							
Cash equity with State Treasurer	\$ 13,608	\$ 56,500	\$ 22,903	\$ 154,807	\$ 71,206	\$ 100,127	\$ 16,191
Cash and cash equivalents						36	4
Securities lending collateral of State Treasurer		48			2,186	3,195	
Investments					3,124		
Receivables, net							
Taxes					7,002		
Intergovernmental	998		1,086	19,819	55,733	3,516	28,852
Other		298		178,528	618	1,588	3
Due from other funds				61	31,981		20,191
Due from component units						4	
Inventories						3,126	728
Loans and notes receivable, net					13,312		
Other assets					5,571		
<b>Total assets</b>	<b>\$ 14,606</b>	<b>\$ 56,846</b>	<b>\$ 23,989</b>	<b>\$ 353,215</b>	<b>\$ 190,733</b>	<b>\$ 111,592</b>	<b>\$ 65,969</b>
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities	\$ 207	\$ 168	\$ 587	\$ 27,393	\$ 22,515	\$ 3,798	\$ 9,875
Intergovernmental payables				2,144	32,781	80	351
Due to other funds	39	106		54	10,484	1,252	13,130
Due to component units				1,971	1,003	1,444	
Unavailable revenue		151	1,086	171,043	9,353	969	
Unearned revenue					2,522		
Obligations under securities lending of State Treasurer		48			2,186	3,195	
<b>Total liabilities</b>	<b>246</b>	<b>473</b>	<b>1,673</b>	<b>202,605</b>	<b>80,844</b>	<b>10,738</b>	<b>23,356</b>
<b>FUND BALANCES</b>							
Reserved for:							
Encumbrances	1	1			369		
Long-term portion of:							
Loans and notes receivable					13,312		
Due from State of Illinois component units							
Inventories						3,126	728
Other					5,571		
Unreserved:							
Designated for other reappropriated accounts						29,236	
Undesignated	14,359	56,372	22,316	150,610	90,637	68,492	41,885
<b>Total fund balances</b>	<b>14,360</b>	<b>56,373</b>	<b>22,316</b>	<b>150,610</b>	<b>109,889</b>	<b>100,854</b>	<b>42,613</b>
<b>Total liabilities and fund balances</b>	<b>\$ 14,606</b>	<b>\$ 56,846</b>	<b>\$ 23,989</b>	<b>\$ 353,215</b>	<b>\$ 190,733</b>	<b>\$ 111,592</b>	<b>\$ 65,969</b>

Financial and Professional Regulation	Human Services	Revenue	Transportation	Other Departments	Illinois Commerce Commission	State Board of Education	Office of the State Fire Marshal	Other Agencies, Boards and Authorities	Other	Total
\$ 30,265	\$ 72,505	\$ 846,381	\$ 124,199	\$ 121,349	\$ 38,000	\$ 3,872	\$ 23,220	\$ 156,107	\$ 646,678	\$ 2,497,918
	4,202			292					26,185	30,719
3,782	234	22,143	1,671	3,733			527	6,841	33,841	78,201
									21,035	24,159
	271	175,960	117,072		3,708			41,226	15,439	360,678
	29,246		23,054	119,491		113,047	10	2,381	102,572	499,805
16,791	19,087	107	11	13,362		612	949	31	64,340	296,325
	20,153	107,098	221,959	5,660		409	41	1,143	58,389	467,085
	167	340,987				312	18,692		1,225	361,387
				723		1,425			11,215	17,217
			18,219						10,729	42,260
										5,571
\$ 50,838	\$ 145,865	\$ 1,492,676	\$ 506,185	\$ 264,610	\$ 41,708	\$ 119,677	\$ 43,439	\$ 207,729	\$ 991,648	\$ 4,681,325
\$ 398	\$ 60,012	\$ 29,602	\$ 22,587	\$ 43,904	\$ 5	\$ 6,739	\$ 1,596	\$ 4,373	\$ 138,666	\$ 372,425
28	6,950	876,202	263,088	33,316	19,265	119,651	30	3,320	66,921	1,424,127
161	2,614	90,329	102,144	13,507	5	2,620	267	739	57,040	294,491
	2,957	61		5,005		1,188	76		20,990	34,695
1,667	10,215	11,935	24,935	72,856		4,045	216	41,142	62,373	411,986
	20,669	121,812				167		69,351	45,534	260,055
3,782	234	22,143	1,671	3,733			527	6,841	33,841	78,201
6,036	103,651	1,152,084	414,425	172,321	19,275	134,410	2,712	125,766	425,365	2,875,980
4		1,426	1	11,411	1	197	13	6	10,022	23,452
			18,219						10,729	42,260
		340,987								340,987
				723		1,425			11,215	17,217
									2,233	7,804
			5,698						7,091	42,025
44,798	42,214	(1,821)	67,842	80,155	22,432	(16,355)	40,714	81,957	524,993	1,331,600
44,802	42,214	340,592	91,760	92,289	22,433	(14,733)	40,727	81,963	566,283	1,805,345
\$ 50,838	\$ 145,865	\$ 1,492,676	\$ 506,185	\$ 264,610	\$ 41,708	\$ 119,677	\$ 43,439	\$ 207,729	\$ 991,648	\$ 4,681,325

State of Illinois

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Supreme Court		Secretary of State Secretary of State Identification Security and Theft Prevention Fund	Treasurer	Commerce and Economic Opportunity	Natural Resources	Employment Security
	Mandatory Arbitration Fund	Attorney General					
<b>REVENUES</b>							
Income taxes							
Sales taxes							
Motor fuel taxes							
Public utility taxes					\$ 88,734		
Riverboat taxes							
Other taxes						\$ 14,351	
Federal government				\$ 432,990	392,566	13,027	\$ 219,464
Licenses and fees	\$ 6,724					36,706	19
Interest and other investment income		\$ 7		559	3,681	594	217
Other		38,081		472,336	57	3,834	1,435
<b>Total revenues</b>	<b>6,724</b>	<b>38,088</b>		<b>905,885</b>	<b>485,038</b>	<b>68,512</b>	<b>221,135</b>
<b>EXPENDITURES</b>							
Current:							
Health and social services				793,946	310,349		
Education				218,905			
General government		5,603	\$ 2,584	7,278			
Employment and economic development					211,413		224,188
Transportation							
Public protection and justice	6,482						
Environment and business regulations						83,636	
Debt service:							
Principal							
Interest							
Capital outlays				168	49	1,332	41
Intergovernmental							
<b>Total expenditures</b>	<b>6,482</b>	<b>5,603</b>	<b>2,584</b>	<b>1,020,297</b>	<b>521,811</b>	<b>84,968</b>	<b>224,229</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>242</b>	<b>32,485</b>	<b>(2,584)</b>	<b>(114,412)</b>	<b>(36,773)</b>	<b>(16,456)</b>	<b>(3,094)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>							
Transfers-in		1	12,500	127,362	44,126		25,221
Transfers-out		(8,250)		(147,296)	(13,576)		(13,519)
Capital lease and installment purchase acquisitions							
<b>Net other sources (uses) of financial resources</b>		<b>(8,249)</b>	<b>12,500</b>	<b>(19,934)</b>	<b>30,550</b>		<b>11,702</b>
<b>Net change in fund balances</b>	<b>242</b>	<b>24,236</b>	<b>9,916</b>	<b>(134,346)</b>	<b>(6,223)</b>	<b>(16,456)</b>	<b>8,608</b>
Fund balances, July 1, 2008	14,118	32,137	12,400	284,956	116,112	116,164	34,292
Increase (decrease) for changes in inventories						1,146	(287)
<b>FUND BALANCES, JUNE 30, 2009</b>	<b>\$ 14,360</b>	<b>\$ 56,373</b>	<b>\$ 22,316</b>	<b>\$ 150,610</b>	<b>\$ 109,889</b>	<b>\$ 100,854</b>	<b>\$ 42,613</b>

Financial and Professional Regulation	Human Services	Revenue	Transportation	Other Departments	Illinois Commerce Commission	State Board of Education	Office of the State Fire Marshal	Other Agencies, Boards and Authorities	Other	Total
		\$ 1,055,994								\$ 1,055,994
		2,478,795							\$ 18,855	2,497,650
			\$ 1,280,486						69,546	1,350,032
		222,169				\$ 70,070		\$ 100,100	17,954	499,027
		533,271								533,271
	\$ 1,266	137,323	5				\$ 21,314	83,341	60,988	318,588
	2,681,200		79,381	\$ 692,058		\$ 2,017,551		27,113	816,631	7,371,981
\$ 28,837	4,152	3,312	698			11,594	4,376		367,677	464,095
556	72	4,215	765	610			262	572	7,952	20,062
52	45,835	14,287	13,014	49,913		7,895	19,060		233,640	899,439
29,445	2,732,525	4,449,366	1,374,349	742,581	70,070	2,037,040	45,012	211,126	1,593,243	15,010,139
	2,790,292	5,243		723,082			887		477,262	5,101,061
						2,037,472	2,445	104	71,347	2,330,273
		33,583	82,318				149	578	153,622	285,715
		30,752							202,137	668,490
			1,203,118						57,259	1,260,377
13,454		1,288		2,117		79,048	18,514	27,673	255,846	310,632
								19,408	474,082	670,916
	19			179				5	1,047	1,250
	1			21				1	151	174
	391		230	1,556		224	1,091	43	54,736	59,861
		4,576,829							54,696	4,631,525
13,454	2,790,703	4,647,695	1,285,666	726,955	79,048	2,037,696	23,086	47,812	1,802,185	15,320,274
15,991	(58,178)	(198,329)	88,683	15,626	(8,978)	(656)	21,926	163,314	(208,942)	(310,135)
	79,194	1,251,682	582,945	38,173	13,339			98,791	339,860	2,613,194
(19,635)	(6,000)	(1,153,776)	(602,033)	(3,000)	(18,339)	(1,000)	(218)	(267,310)	(261,051)	(2,515,003)
						170			278	448
(19,635)	73,194	97,906	(19,088)	35,173	(5,000)	(830)	(218)	(168,519)	79,087	98,639
(3,644)	15,016	(100,423)	69,595	50,799	(13,978)	(1,486)	21,708	(5,205)	(129,855)	(211,496)
48,446	27,198	441,015	22,165	42,216	36,411	(14,228)	19,019	87,168	695,737	2,015,326
				(726)		981			401	1,515
\$ 44,802	\$ 42,214	\$ 340,592	\$ 91,760	\$ 92,289	\$ 22,433	\$ (14,733)	\$ 40,727	\$ 81,963	\$ 566,283	\$ 1,805,345

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Attorney General

June 30, 2009 (Expressed in Thousands)

	Attorney General Court Order and Voluntary Compliance Payments Project Fund	Attorney General Whistleblower Reward and Protection Fund	State Projects and Court Order Distribution Fund	Total
<b>ASSETS</b>				
Cash equity with State Treasurer	\$ 19,920	\$ 22,904	\$ 13,676	\$ 56,500
Securities lending collateral of State Treasurer			48	48
Other receivables, net	82	65	151	298
<b>Total assets</b>	<b>\$ 20,002</b>	<b>\$ 22,969</b>	<b>\$ 13,875</b>	<b>\$ 56,846</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 57	\$ 23	\$ 88	\$ 168
Due to other funds	40	16	50	106
Unavailable revenue			151	151
Obligations under securities lending of State Treasurer			48	48
<b>Total liabilities</b>	<b>97</b>	<b>39</b>	<b>337</b>	<b>473</b>
<b>FUND BALANCES</b>				
Reserved for encumbrances			1	1
Unreserved	19,905	22,930	13,537	56,372
<b>Total fund balances</b>	<b>19,905</b>	<b>22,930</b>	<b>13,538</b>	<b>56,373</b>
<b>Total liabilities and fund balances</b>	<b>\$ 20,002</b>	<b>\$ 22,969</b>	<b>\$ 13,875</b>	<b>\$ 56,846</b>

State of Illinois

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds  
Attorney General

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Attorney General Court Order and Voluntary Compliance Payments Project Fund	Attorney General Whistleblower Reward and Protection Fund	State Projects and Court Order Distribution Fund	Total
<b>REVENUES</b>				
Interest and other investment income			\$ 7	\$ 7
Other	\$ 5,968	\$ 26,544	5,569	38,081
<b>Total revenues</b>	<b>5,968</b>	<b>26,544</b>	<b>5,576</b>	<b>38,088</b>
<b>EXPENDITURES</b>				
Current:				
General government	2,566	1,394	1,643	5,603
<b>Total expenditures</b>	<b>2,566</b>	<b>1,394</b>	<b>1,643</b>	<b>5,603</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>3,402</b>	<b>25,150</b>	<b>3,933</b>	<b>32,485</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>				
Transfers-in			1	1
Transfers-out		(8,250)		(8,250)
<b>Net other sources (uses) of financial resources</b>		<b>(8,250)</b>	<b>1</b>	<b>(8,249)</b>
<b>Net change in fund balances</b>	<b>3,402</b>	<b>16,900</b>	<b>3,934</b>	<b>24,236</b>
Fund balances, July 1, 2008	16,503	6,030	9,604	32,137
<b>FUND BALANCES, JUNE 30, 2009</b>	<b>\$ 19,905</b>	<b>\$ 22,930</b>	<b>\$ 13,538</b>	<b>\$ 56,373</b>

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Treasurer

June 30, 2009 (Expressed in Thousands)

	State Pensions Fund	Unclaimed Property Trust Fund	Tobacco Settlement Recovery Fund	Total
<b>ASSETS</b>				
Cash equity with State Treasurer	\$ 57,181	\$ 56,923	\$ 40,703	\$ 154,807
Receivables, net				
Intergovernmental			19,819	19,819
Other			178,528	178,528
Due from other funds			61	61
<b>Total assets</b>	<b>\$ 57,181</b>	<b>\$ 56,923</b>	<b>\$ 239,111</b>	<b>\$ 353,215</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 212	\$ 1,889	\$ 25,292	\$ 27,393
Intergovernmental payables	2		2,142	2,144
Due to other funds	13	25	16	54
Due to component units			1,971	1,971
Unavailable revenue			171,043	171,043
<b>Total liabilities</b>	<b>227</b>	<b>1,914</b>	<b>200,464</b>	<b>202,605</b>
<b>FUND BALANCES</b>				
Unreserved	56,954	55,009	38,647	150,610
<b>Total fund balances</b>	<b>56,954</b>	<b>55,009</b>	<b>38,647</b>	<b>150,610</b>
<b>Total liabilities and fund balances</b>	<b>\$ 57,181</b>	<b>\$ 56,923</b>	<b>\$ 239,111</b>	<b>\$ 353,215</b>

State of Illinois

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds  
Treasurer**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	State Pensions Fund	Unclaimed Property Trust Fund	Tobacco Settlement Recovery Fund	Total
<b>REVENUES</b>				
Federal government			\$ 432,990	\$ 432,990
Interest and other investment income			559	559
Other		\$ 132,162	340,174	472,336
<b>Total revenues</b>		<b>132,162</b>	<b>773,723</b>	<b>905,885</b>
<b>EXPENDITURES</b>				
Current:				
Health and social services			793,946	793,946
Education	\$ 218,905			218,905
General government	6,474		804	7,278
Capital outlays	7		161	168
<b>Total expenditures</b>	<b>225,386</b>		<b>794,911</b>	<b>1,020,297</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(225,386)</b>	<b>132,162</b>	<b>(21,188)</b>	<b>(114,412)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>				
Transfers-in	126,185	1,177		127,362
Transfers-out	(5,000)	(126,496)	(15,800)	(147,296)
<b>Net other sources (uses) of financial resources</b>	<b>121,185</b>	<b>(125,319)</b>	<b>(15,800)</b>	<b>(19,934)</b>
<b>Net change in fund balances</b>	<b>(104,201)</b>	<b>6,843</b>	<b>(36,988)</b>	<b>(134,346)</b>
Fund balances, July 1, 2008	161,155	48,166	75,635	284,956
<b>FUND BALANCES, JUNE 30, 2009</b>	<b>\$ 56,954</b>	<b>\$ 55,009</b>	<b>\$ 38,647</b>	<b>\$ 150,610</b>

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Commerce and Economic Opportunity

June 30, 2009 (Expressed in Thousands)

	Supplemental Low Income Energy Assistance Fund	Tourism Promotion Fund	Low Income Home Energy Assistance Block Grant Fund	Intra-Agency Services Fund	Job Training Partnership Fund	Build Illinois Capital Revolving Loan Fund
<b>ASSETS</b>						
Cash equity with State Treasurer	\$ 28,574	\$ 19,618	\$ 4,450	\$ 1,186	\$ 1,716	\$ 12,221
Securities lending collateral of State Treasurer					26	1,675
Investments						3,124
Receivables, net						
Taxes	7,002					
Intergovernmental			5,471		50,262	
Other		4				25
Due from other funds		19,072		12,909		
Loans and notes receivable, net						857
Other assets						5,571
<b>Total assets</b>	<b>\$ 35,576</b>	<b>\$ 38,694</b>	<b>\$ 9,921</b>	<b>\$ 14,095</b>	<b>\$ 52,004</b>	<b>\$ 23,473</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 2,513	\$ 2,851	\$ 6,426	\$ 460	\$ 10,109	\$ 150
Intergovernmental payables	910	49	3,062	9	28,749	2
Due to other funds	73	78	132	274	9,911	13
Due to component units		15	301		687	
Unavailable revenue			80		8,669	15
Unearned revenue					2,522	
Obligations under securities lending of State Treasurer					26	1,675
<b>Total liabilities</b>	<b>3,496</b>	<b>2,993</b>	<b>10,001</b>	<b>743</b>	<b>60,673</b>	<b>1,855</b>
<b>FUND BALANCES</b>						
Reserved for:						
Encumbrances	33	60		189	87	
Long-term portion of loans and notes receivable						857
Other						5,571
Unreserved	32,047	35,641	(80)	13,163	(8,756)	15,190
<b>Total fund balances (deficits)</b>	<b>32,080</b>	<b>35,701</b>	<b>(80)</b>	<b>13,352</b>	<b>(8,669)</b>	<b>21,618</b>
<b>Total liabilities and fund balances</b>	<b>\$ 35,576</b>	<b>\$ 38,694</b>	<b>\$ 9,921</b>	<b>\$ 14,095</b>	<b>\$ 52,004</b>	<b>\$ 23,473</b>

**Public  
Infrastructure  
Construction  
Loan  
Revolving  
Fund                      Total**

\$	3,441	\$	71,206
	485		2,186
			3,124

7,002  
55,733

	589		618
			31,981
	12,455		13,312
			5,571

<b>\$</b>	<b>16,970</b>	<b>\$</b>	<b>190,733</b>
-----------	---------------	-----------	----------------

\$	6	\$	22,515
			32,781
	3		10,484
			1,003
	589		9,353
			2,522
	485		2,186
	1,083		80,844

			369
	12,455		13,312
			5,571
	3,432		90,637
	15,887		109,889

<b>\$</b>	<b>16,970</b>	<b>\$</b>	<b>190,733</b>
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State of Illinois

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds  
Commerce and Economic Opportunity**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Supplemental Low Income Energy Assistance Fund	Tourism Promotion Fund	Low Income Home Energy Assistance Block Grant Fund	Intra-Agency Services Fund	Job Training Partnership Fund	Build Illinois Capital Revolving Loan Fund
<b>REVENUES</b>						
Public utility taxes	\$ 88,734		\$ 220,696		\$ 171,870	
Federal government					4	\$ 3,557
Interest and other investment income					29	28
Other						
<b>Total revenues</b>	<b>88,734</b>		<b>220,696</b>		<b>171,903</b>	<b>3,585</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services	89,654		220,695			
Employment and economic development		\$ 32,912		\$ 7,217	165,444	3,087
Capital outlays		39		10		
<b>Total expenditures</b>	<b>89,654</b>	<b>32,951</b>	<b>220,695</b>	<b>7,227</b>	<b>165,444</b>	<b>3,087</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(920)</b>	<b>(32,951)</b>	<b>1</b>	<b>(7,227)</b>	<b>6,459</b>	<b>498</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Transfers-in		37,370		6,756		
Transfers-out		(5,000)	(80)		(4,996)	(2,500)
<b>Net other sources (uses) of financial resources</b>		<b>32,370</b>	<b>(80)</b>	<b>6,756</b>	<b>(4,996)</b>	<b>(2,500)</b>
<b>Net change in fund balances</b>	<b>(920)</b>	<b>(581)</b>	<b>(79)</b>	<b>(471)</b>	<b>1,463</b>	<b>(2,002)</b>
Fund balances (deficits), July 1, 2008	33,000	36,282	(1)	13,823	(10,132)	23,620
<b>FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ 32,080</b>	<b>\$ 35,701</b>	<b>\$ (80)</b>	<b>\$ 13,352</b>	<b>\$ (8,669)</b>	<b>\$ 21,618</b>

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**Public  
Infrastructure  
Construction  
Loan  
Revolving  
Fund**

		<b>Total</b>
	\$	88,734
		392,566
\$	120	3,681
		57
	120	485,038

		310,349
	2,753	211,413
		49
	2,753	521,811

	(2,633)	(36,773)
--	---------	----------

		44,126
	(1,000)	(13,576)
	(1,000)	30,550

	(3,633)	(6,223)
--	---------	---------

	19,520	116,112
\$	15,887	\$ 109,889

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Natural Resources

June 30, 2009 (Expressed in Thousands)

	Wildlife and Fish Fund	Open Space Lands Acquisition and Development Fund	Total
<b>ASSETS</b>			
Cash equity with State Treasurer	\$ 25,319	\$ 74,808	\$ 100,127
Cash and cash equivalents	36		36
Securities lending collateral of State Treasurer	3,195		3,195
Receivables, net			
Intergovernmental	3,516		3,516
Other	1,588		1,588
Due from component units	4		4
Inventories	3,126		3,126
<b>Total assets</b>	<b>\$ 36,784</b>	<b>\$ 74,808</b>	<b>\$ 111,592</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 3,765	\$ 33	\$ 3,798
Intergovernmental payables	77	3	80
Due to other funds	1,240	12	1,252
Due to component units	1,444		1,444
Unavailable revenue	969		969
Obligations under securities lending of State Treasurer	3,195		3,195
<b>Total liabilities</b>	<b>10,690</b>	<b>48</b>	<b>10,738</b>
<b>FUND BALANCES</b>			
Reserved for inventories	3,126		3,126
Unreserved:			
Designated for reappropriated accounts	50	29,186	29,236
Undesignated	22,918	45,574	68,492
<b>Total fund balances</b>	<b>26,094</b>	<b>74,760</b>	<b>100,854</b>
<b>Total liabilities and fund balances</b>	<b>\$ 36,784</b>	<b>\$ 74,808</b>	<b>\$ 111,592</b>

State of Illinois

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds  
Natural Resources**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Wildlife and Fish Fund	Open Space Lands Acquisition and Development Fund	Total
<b>REVENUES</b>			
Other taxes		\$ 14,351	\$ 14,351
Federal government	\$ 13,027		13,027
Licenses and fees	36,706		36,706
Interest and other investment income	594		594
Other	3,834		3,834
<b>Total revenues</b>	<u>54,161</u>	<u>14,351</u>	<u>68,512</u>
<b>EXPENDITURES</b>			
Current:			
Environment and business regulations	56,519	27,117	83,636
Capital outlays	1,332		1,332
<b>Total expenditures</b>	<u>57,851</u>	<u>27,117</u>	<u>84,968</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(3,690)</u>	<u>(12,766)</u>	<u>(16,456)</u>
<b>Net change in fund balances</b>	<u>(3,690)</u>	<u>(12,766)</u>	<u>(16,456)</u>
Fund balances, July 1, 2008	28,638	87,526	116,164
Increase for changes in inventories	1,146		1,146
<b>FUND BALANCES, JUNE 30, 2009</b>	<u>\$ 26,094</u>	<u>\$ 74,760</u>	<u>\$ 100,854</u>

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Employment Security

June 30, 2009 (Expressed in Thousands)

	Title III Social Security and Employment Service Fund	Unemployment Compensation Special Administration Fund	Total
<b>ASSETS</b>			
Cash equity with State Treasurer	\$ 3,622	\$ 12,569	\$ 16,191
Cash and cash equivalents	4		4
Receivables, net			
Intergovernmental	28,852		28,852
Other	1	2	3
Due from other funds	18,384	1,807	20,191
Inventories	728		728
<b>Total assets</b>	<b>\$ 51,591</b>	<b>\$ 14,378</b>	<b>\$ 65,969</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 9,769	\$ 106	\$ 9,875
Intergovernmental payables	351		351
Due to other funds	13,130		13,130
<b>Total liabilities</b>	<b>23,250</b>	<b>106</b>	<b>23,356</b>
<b>FUND BALANCES</b>			
Reserved for inventories	728		728
Unreserved	27,613	14,272	41,885
<b>Total fund balances</b>	<b>28,341</b>	<b>14,272</b>	<b>42,613</b>
<b>Total liabilities and fund balances</b>	<b>\$ 51,591</b>	<b>\$ 14,378</b>	<b>\$ 65,969</b>

State of Illinois

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds  
Employment Security**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Title III Social Security and Employment Service Fund	Unemployment Compensation Special Administration Fund	Total
<b>REVENUES</b>			
Federal government	\$ 219,464		\$ 219,464
Licenses and fees	19		19
Interest and other investment income	151	\$ 66	217
Other	1,435		1,435
<b>Total revenues</b>	<u>221,069</u>	<u>66</u>	<u>221,135</u>
<b>EXPENDITURES</b>			
Current:			
Employment and economic development	222,070	2,118	224,188
Capital outlays	41		41
<b>Total expenditures</b>	<u>222,111</u>	<u>2,118</u>	<u>224,229</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,042)</u>	<u>(2,052)</u>	<u>(3,094)</u>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>			
Transfers-in	12,014	13,207	25,221
Transfers-out		(13,519)	(13,519)
<b>Net other sources (uses) of financial resources</b>	<u>12,014</u>	<u>(312)</u>	<u>11,702</u>
<b>Net change in fund balances</b>	<u>10,972</u>	<u>(2,364)</u>	<u>8,608</u>
Fund balances, July 1, 2008	17,656	16,636	34,292
(Decrease) for changes in inventory	(287)		(287)
<b>FUND BALANCES, JUNE 30, 2009</b>	<u>\$ 28,341</u>	<u>\$ 14,272</u>	<u>\$ 42,613</u>

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds  
Financial and Professional Regulation

June 30, 2009 (Expressed in Thousands)

	Real Estate License Administration Fund	Insurance Financial Regulation Fund	Total
<b>ASSETS</b>			
Cash equity with State Treasurer	\$ 26,185	\$ 4,080	\$ 30,265
Securities lending collateral of State Treasurer	3,782		3,782
Other receivables, net	23	16,768	16,791
<b>Total assets</b>	<b>\$ 29,990</b>	<b>\$ 20,848</b>	<b>\$ 50,838</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 95	\$ 303	\$ 398
Intergovernmental payables	7	21	28
Due to other funds	39	122	161
Unavailable revenue		1,667	1,667
Obligations under securities lending of State Treasurer	3,782		3,782
<b>Total liabilities</b>	<b>3,923</b>	<b>2,113</b>	<b>6,036</b>
<b>FUND BALANCES</b>			
Reserved for encumbrances	3	1	4
Unreserved	26,064	18,734	44,798
<b>Total fund balances</b>	<b>26,067</b>	<b>18,735</b>	<b>44,802</b>
<b>Total liabilities and fund balances</b>	<b>\$ 29,990</b>	<b>\$ 20,848</b>	<b>\$ 50,838</b>

State of Illinois

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds  
Financial and Professional Regulation**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Real Estate License Administration Fund	Insurance Financial Regulation Fund	Total
<b>REVENUES</b>			
Licenses and fees	\$ 7,835	\$ 21,002	\$ 28,837
Interest and other investment income	556		556
Other		52	52
<b>Total revenues</b>	<b>8,391</b>	<b>21,054</b>	<b>29,445</b>
<b>EXPENDITURES</b>			
Current:			
Environment and business regulations	3,319	10,135	13,454
<b>Total expenditures</b>	<b>3,319</b>	<b>10,135</b>	<b>13,454</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>5,072</b>	<b>10,919</b>	<b>15,991</b>
<b>OTHER (USES) OF FINANCIAL RESOURCES</b>			
Transfers-out	(1,623)	(18,012)	(19,635)
<b>Net other (uses) of financial resources</b>	<b>(1,623)</b>	<b>(18,012)</b>	<b>(19,635)</b>
<b>Net change in fund balances</b>	<b>3,449</b>	<b>(7,093)</b>	<b>(3,644)</b>
Fund balances, July 1, 2008	22,618	25,828	48,446
<b>FUND BALANCES, JUNE 30, 2009</b>	<b>\$ 26,067</b>	<b>\$ 18,735</b>	<b>\$ 44,802</b>

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Human Services

June 30, 2009 (Expressed in Thousands)

	Mental Health Fund	Vocational Rehabilitation Fund	DHS Special Purposes Trust Fund	Early Intervention Services Revolving Fund	USDA Women, Infants and Children Fund	Food Stamp and Commodity Fund
<b>ASSETS</b>						
Cash equity with State Treasurer	\$ 35,466	\$ 17,449	\$ 15,222	\$ 659	\$ 3,709	
Cash and cash equivalents					4,202	
Securities lending collateral of State Treasurer				234		
Receivables, net						
Taxes	271					
Intergovernmental	7,249	1,771	9,824	10,402		
Other	4,705	791	1	952	12,638	
Due from other funds	1,854	2,497	130	15,597	75	
Due from component units			167			
<b>Total assets</b>	<b>\$ 49,545</b>	<b>\$ 22,508</b>	<b>\$ 25,344</b>	<b>\$ 27,844</b>	<b>\$ 20,624</b>	<b>\$ -- --</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 623	\$ 11,465	\$ 9,558	\$ 25,924	\$ 12,442	
Intergovernmental payables	7	1,168	2,361	534	2,880	
Due to other funds	42	1,648	710	52	162	
Due to component units		370	2,477	101	9	
Unavailable revenue	6,509	1,539	1,976	191		
Unearned revenue		4,592	7,900	3,046	5,131	
Obligations under securities lending of State Treasurer				234		
<b>Total liabilities</b>	<b>7,181</b>	<b>20,782</b>	<b>24,982</b>	<b>30,082</b>	<b>20,624</b>	
<b>FUND BALANCES</b>						
Unreserved	42,364	1,726	362	(2,238)		
<b>Total fund balances (deficits)</b>	<b>42,364</b>	<b>1,726</b>	<b>362</b>	<b>(2,238)</b>		
<b>Total liabilities and fund balances</b>	<b>\$ 49,545</b>	<b>\$ 22,508</b>	<b>\$ 25,344</b>	<b>\$ 27,844</b>	<b>\$ 20,624</b>	<b>\$ -- --</b>

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**Total**

\$ 72,505  
4,202  
234

271  
29,246  
19,087  
20,153  
167

\$ 145,865

\$ 60,012  
6,950  
2,614  
2,957  
10,215  
20,669  
234  
103,651

42,214  
42,214

\$ 145,865

State of Illinois

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds  
Human Services**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Mental Health Fund	Vocational Rehabilitation Fund	DHS Special Purposes Trust Fund	Early Intervention Services Revolving Fund	USDA Women, Infants and Children Fund	Food Stamp and Commodity Fund
<b>REVENUES</b>						
Other taxes	\$ 1,266					
Federal government		\$ 102,333	\$ 176,472	\$ 66,255	\$ 221,580	\$ 2,114,560
Licenses and fees				4,152		
Interest and other investment income				70	2	
Other	38,848	6,965	22			
<b>Total revenues</b>	<b>40,114</b>	<b>109,298</b>	<b>176,494</b>	<b>70,477</b>	<b>221,582</b>	<b>2,114,560</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services	26,584	105,792	172,598	149,176	221,582	2,114,560
Debt service:						
Principal		19				
Interest		1				
Capital outlays	31	360				
<b>Total expenditures</b>	<b>26,615</b>	<b>106,172</b>	<b>172,598</b>	<b>149,176</b>	<b>221,582</b>	<b>2,114,560</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>13,499</b>	<b>3,126</b>	<b>3,896</b>	<b>(78,699)</b>	<b>-- --</b>	<b>-- --</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Transfers-in		117		79,077		
Transfers-out	(5,000)			(1,000)		
<b>Net other sources (uses) of financial resources</b>	<b>(5,000)</b>	<b>117</b>		<b>78,077</b>		
<b>Net change in fund balances</b>	<b>8,499</b>	<b>3,243</b>	<b>3,896</b>	<b>(622)</b>	<b>-- --</b>	<b>-- --</b>
Fund balances (deficits), July 1, 2008	33,865	(1,517)	(3,534)	(1,616)		
<b>FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ 42,364</b>	<b>\$ 1,726</b>	<b>\$ 362</b>	<b>\$ (2,238)</b>	<b>\$ -- --</b>	<b>\$ -- --</b>

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**Total**

\$	1,266
	2,681,200
	4,152
	72
	45,835
	<u>2,732,525</u>
	2,790,292
	19
	1
	391
	<u>2,790,703</u>

	(58,178)
	79,194
	(6,000)
	<u>73,194</u>
	15,016
	27,198
\$	<u><u>42,214</u></u>

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Revenue

June 30, 2009 (Expressed in Thousands)

	State Gaming Fund	State and Local Sales Tax Reform Fund	County and Mass Transit District Fund	Local Government Tax Fund	Illinois Affordable Housing Trust Fund	Horse Racing Equity Trust Fund
<b>ASSETS</b>						
Cash equity with State Treasurer	\$ 21,919	\$ 45,655	\$ 61,744	\$ 242,458	\$ 9,506	\$ 91,129
Securities lending collateral of State Treasurer					935	
Receivables, net						
Taxes	2,036	12,234	16,266	77,504		
Other	5				4	
Due from other funds					22	
Due from component units					340,987	
<b>Total assets</b>	<b>\$ 23,960</b>	<b>\$ 57,889</b>	<b>\$ 78,010</b>	<b>\$ 319,962</b>	<b>\$ 351,454</b>	<b>\$ 91,129</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 636				\$ 6,620	
Intergovernmental payables	9,333	\$ 8,565	\$ 52,265	\$ 319,962		
Due to other funds	13,930	49,324	25,745			
Due to component units	61					
Unavailable revenue		1,028	1,051	4,377		
Unearned revenue						
Obligations under securities lending of State Treasurer					935	
<b>Total liabilities</b>	<b>23,960</b>	<b>58,917</b>	<b>79,061</b>	<b>324,339</b>	<b>7,555</b>	
<b>FUND BALANCES</b>						
Reserved for:						
Encumbrances	228					
Long-term portion of due from State of Illinois component units					340,987	
Unreserved	(228)	(1,028)	(1,051)	(4,377)	2,912	\$ 91,129
<b>Total fund balances (deficits)</b>	<b>-- --</b>	<b>(1,028)</b>	<b>(1,051)</b>	<b>(4,377)</b>	<b>343,899</b>	<b>91,129</b>
<b>Total liabilities and fund balances</b>	<b>\$ 23,960</b>	<b>\$ 57,889</b>	<b>\$ 78,010</b>	<b>\$ 319,962</b>	<b>\$ 351,454</b>	<b>\$ 91,129</b>

Local Government Distributive Fund	Personal Property Tax Replacement Fund	Build Illinois Fund	Total
\$ 84,436	\$ 276,537	\$ 12,997	\$ 846,381
	18,413	2,795	22,143
	38,118	29,802	175,960
	85	13	107
96,228	1,398	9,450	107,098
			340,987
<b>\$ 180,664</b>	<b>\$ 334,551</b>	<b>\$ 55,057</b>	<b>\$ 1,492,676</b>
	\$ 5,440	\$ 16,906	\$ 29,602
\$ 180,039	306,038		876,202
625	705		90,329
			61
	3,955	1,524	11,935
	121,812		121,812
	18,413	2,795	22,143
180,664	456,363	21,225	1,152,084
792	406		1,426
			340,987
(792)	(122,218)	33,832	(1,821)
--	(121,812)	33,832	340,592
<b>\$ 180,664</b>	<b>\$ 334,551</b>	<b>\$ 55,057</b>	<b>\$ 1,492,676</b>

State of Illinois

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds  
Revenue

For the Year Ended June 30, 2009 (Expressed in Thousands)

	State Gaming Fund	State and Local Sales Tax Reform Fund	County and Mass Transit District Fund	Local Government Tax Fund	Illinois Affordable Housing Trust Fund	Horse Racing Equity Trust Fund
<b>REVENUES</b>						
Income taxes						
Sales taxes		\$ 252,789	\$ 311,242	\$ 1,523,987		
Public utility taxes						
Riverboat taxes	\$ 533,271					
Other taxes					\$ 20,501	\$ 14,640
Licenses and fees	3,290				22	
Interest and other investment income					2,158	
Other					14,287	
<b>Total revenues</b>	<b>536,561</b>	<b>252,789</b>	<b>311,242</b>	<b>1,523,987</b>	<b>36,968</b>	<b>14,640</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services	630				4,613	
General government		1			33,531	
Employment and economic development						
Environment and business regulations	1,288					
Intergovernmental	106,919	40,199	311,468	1,524,789		
<b>Total expenditures</b>	<b>108,837</b>	<b>40,200</b>	<b>311,468</b>	<b>1,524,789</b>	<b>38,144</b>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>427,724</b>	<b>212,589</b>	<b>(226)</b>	<b>(802)</b>	<b>(1,176)</b>	<b>14,640</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Transfers-in						
Transfers-out	(418,384)	(211,828)			(2,000)	
<b>Net other sources (uses) of financial resources</b>	<b>(418,384)</b>	<b>(211,828)</b>			<b>(2,000)</b>	
<b>Net change in fund balances</b>	<b>9,340</b>	<b>761</b>	<b>(226)</b>	<b>(802)</b>	<b>(3,176)</b>	<b>14,640</b>
Fund balances (deficits), July 1, 2008	(9,340)	(1,789)	(825)	(3,575)	347,075	76,489
<b>FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ --</b>	<b>\$ (1,028)</b>	<b>\$ (1,051)</b>	<b>\$ (4,377)</b>	<b>\$ 343,899</b>	<b>\$ 91,129</b>

Local Government Distributive Fund	Personal Property Tax Replacement Fund	Build Illinois Fund	Total
	\$ 1,055,994		\$ 1,055,994
	222,169	\$ 390,777	2,478,795
			222,169
			533,271
		102,182	137,323
			3,312
	1,617	440	4,215
			14,287
	1,279,780	493,399	4,449,366

			5,243
	51		33,583
		30,752	30,752
			1,288
\$ 1,205,818	1,387,636		4,576,829
1,205,818	1,387,687	30,752	4,647,695
(1,205,818)	(107,907)	462,647	(198,329)

1,210,818	1,398	39,466	1,251,682
(5,000)		(516,564)	(1,153,776)
1,205,818	1,398	(477,098)	97,906
-- --	(106,509)	(14,451)	(100,423)
	(15,303)	48,283	441,015
\$ -- --	\$ (121,812)	\$ 33,832	\$ 340,592

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Transportation

June 30, 2009 (Expressed in Thousands)

	Motor Fuel Tax Fund	Federal/Local Airport Fund	State Rail Freight Loan Repayment Fund	Public Transportation Fund	Downstate Public Transportation Fund	Total
<b>ASSETS</b>						
Cash equity with State Treasurer	\$ 108,958	\$ 2,817	\$ 11,859	\$ 66	\$ 499	\$ 124,199
Securities lending collateral of State Treasurer			1,671			1,671
Receivables, net						
Taxes	117,072					117,072
Intergovernmental		23,054				23,054
Other	3		8			11
Due from other funds		14		137,913	84,032	221,959
Loans and notes receivable, net			18,219			18,219
<b>Total assets</b>	<b>\$ 226,033</b>	<b>\$ 25,885</b>	<b>\$ 31,757</b>	<b>\$ 137,979</b>	<b>\$ 84,531</b>	<b>\$ 506,185</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 13,977	\$ 8,610				\$ 22,587
Intergovernmental payables	100,301	17,275		\$ 137,979	\$ 7,533	263,088
Due to other funds	102,144					102,144
Unavailable revenue	9,611	15,324				24,935
Obligations under securities lending of State Treasurer			\$ 1,671			1,671
<b>Total liabilities</b>	<b>226,033</b>	<b>41,209</b>	<b>1,671</b>	<b>137,979</b>	<b>7,533</b>	<b>414,425</b>
<b>FUND BALANCES</b>						
Reserved for:						
Encumbrances	1					1
Long-term portion of loans and notes receivable			18,219			18,219
Unreserved:						
Designated for reappropriated accounts			5,698			5,698
Undesignated	(1)	(15,324)	6,169		76,998	67,842
<b>Total fund balances (deficits)</b>	<b>-- --</b>	<b>(15,324)</b>	<b>30,086</b>		<b>76,998</b>	<b>91,760</b>
<b>Total liabilities and fund balances</b>	<b>\$ 226,033</b>	<b>\$ 25,885</b>	<b>\$ 31,757</b>	<b>\$ 137,979</b>	<b>\$ 84,531</b>	<b>\$ 506,185</b>

State of Illinois

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds  
Transportation**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Motor Fuel Tax Fund	Federal/Local Airport Fund	State Rail Freight Loan Repayment Fund	Public Transportation Fund	Downstate Public Transportation Fund	Total
<b>REVENUES</b>						
Motor fuel taxes	\$ 1,280,486					\$ 1,280,486
Other taxes	5					5
Federal government	30	\$ 79,351				79,381
Licenses and fees	698					698
Interest and other investment income			\$ 765			765
Other		13,014				13,014
<b>Total revenues</b>	<b>1,281,219</b>	<b>92,365</b>	<b>765</b>			<b>1,374,349</b>
<b>EXPENDITURES</b>						
Current:						
General government	82,318					82,318
Transportation	598,891	77,752	652	\$ 397,203	\$ 128,620	1,203,118
Capital outlays	230					230
<b>Total expenditures</b>	<b>681,439</b>	<b>77,752</b>	<b>652</b>	<b>397,203</b>	<b>128,620</b>	<b>1,285,666</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>599,780</b>	<b>14,613</b>	<b>113</b>	<b>(397,203)</b>	<b>(128,620)</b>	<b>88,683</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Transfers-in				397,203	185,742	582,945
Transfers-out	(599,780)	(253)	(2,000)			(602,033)
<b>Net other sources (uses) of financial resources</b>	<b>(599,780)</b>	<b>(253)</b>	<b>(2,000)</b>	<b>397,203</b>	<b>185,742</b>	<b>(19,088)</b>
<b>Net change in fund balances</b>	<b>-- --</b>	<b>14,360</b>	<b>(1,887)</b>	<b>-- --</b>	<b>57,122</b>	<b>69,595</b>
Fund balances (deficits), July 1, 2008		(29,684)	31,973		19,876	22,165
<b>FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ -- --</b>	<b>\$ (15,324)</b>	<b>\$ 30,086</b>	<b>\$ -- --</b>	<b>\$ 76,998</b>	<b>\$ 91,760</b>

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Other Departments

June 30, 2009 (Expressed in Thousands)

	Children and Family Services	Illinois Power Agency	Healthcare and Family Services	Public Health	State Police State Police Whistleblower Reward and Protection Fund	Total
	DCFS Childrens' Services Fund	Illinois Power Agency Trust Fund	Child Support Administration Fund	Public Health Services Fund		
<b>ASSETS</b>						
Cash equity with State Treasurer	\$ 22,447	\$ 26,260	\$ 43,466	\$ 1,967	\$ 27,209	\$ 121,349
Cash and cash equivalents	292					292
Securities lending collateral of State Treasurer		3,733				3,733
Receivables, net						
Intergovernmental	81,623		17,760	20,108		119,491
Other		17	13,264	81		13,362
Due from other funds	50		3,773	1,772	65	5,660
Inventories				723		723
<b>Total assets</b>	<b>\$ 104,412</b>	<b>\$ 30,010</b>	<b>\$ 78,263</b>	<b>\$ 24,651</b>	<b>\$ 27,274</b>	<b>\$ 264,610</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 26,000		\$ 5,569	\$ 12,331	\$ 4	\$ 43,904
Intergovernmental payables	3,489		21,151	8,676		33,316
Due to other funds	1,138		11,158	803	408	13,507
Due to component units	4,142			863		5,005
Unavailable revenue	67,348		3,248	2,260		72,856
Obligations under securities lending of State Treasurer		\$ 3,733				3,733
<b>Total liabilities</b>	<b>102,117</b>	<b>3,733</b>	<b>41,126</b>	<b>24,933</b>	<b>412</b>	<b>172,321</b>
<b>FUND BALANCES</b>						
Reserved for:						
Encumbrances	10,147			1,264		11,411
Inventories				723		723
Unreserved	(7,852)	26,277	37,137	(2,269)	26,862	80,155
<b>Total fund balances (deficits)</b>	<b>2,295</b>	<b>26,277</b>	<b>37,137</b>	<b>(282)</b>	<b>26,862</b>	<b>92,289</b>
<b>Total liabilities and fund balances</b>	<b>\$ 104,412</b>	<b>\$ 30,010</b>	<b>\$ 78,263</b>	<b>\$ 24,651</b>	<b>\$ 27,274</b>	<b>\$ 264,610</b>

State of Illinois

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds  
Other Departments

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Children and Family Services	Illinois Power Agency	Healthcare and Family Services	Public Health	State Police State Police Whistleblower Reward and Protection	Total
	DCFS Childrens' Services Fund	Illinois Power Agency Trust Fund	Child Support Administration Fund	Public Health Services Fund	Fund	
<b>REVENUES</b>						
Federal government	\$ 362,794		\$ 123,797	\$ 205,467		\$ 692,058
Interest and other investment income		\$ 610				610
Other	2,488		19,643	1,238	\$ 26,544	49,913
<b>Total revenues</b>	<b>365,282</b>	<b>610</b>	<b>143,440</b>	<b>206,705</b>	<b>26,544</b>	<b>742,581</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services	339,363		176,341	207,378		723,082
Public protection and justice					2,117	2,117
Debt service:						
Principal					179	179
Interest					21	21
Capital outlays	1,327			169	60	1,556
<b>Total expenditures</b>	<b>340,690</b>		<b>176,341</b>	<b>207,547</b>	<b>2,377</b>	<b>726,955</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>24,592</b>	<b>610</b>	<b>(32,901)</b>	<b>(842)</b>	<b>24,167</b>	<b>15,626</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Transfers-in			38,173			38,173
Transfers-out			(1,000)		(2,000)	(3,000)
<b>Net other sources (uses) of financial resources</b>			<b>37,173</b>		<b>(2,000)</b>	<b>35,173</b>
<b>Net change in fund balances</b>	<b>24,592</b>	<b>610</b>	<b>4,272</b>	<b>(842)</b>	<b>22,167</b>	<b>50,799</b>
Fund balances (deficits), July 1, 2008	(22,297)	25,667	32,865	1,286	4,695	42,216
(Decrease) for changes in inventories				(726)		(726)
<b>FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ 2,295</b>	<b>\$ 26,277</b>	<b>\$ 37,137</b>	<b>\$ (282)</b>	<b>\$ 26,862</b>	<b>\$ 92,289</b>

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Illinois Commerce Commission

June 30, 2009 (Expressed in Thousands)

	Wireless Service Emergency Fund	Wireless Carrier Reimbursement Fund	Total
<b>ASSETS</b>			
Cash equity with State Treasurer	\$ 23,752	\$ 14,248	\$ 38,000
Taxes receivables, net	2,959	749	3,708
<b>Total assets</b>	<b>\$ 26,711</b>	<b>\$ 14,997</b>	<b>\$ 41,708</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 5		\$ 5
Intergovernmental payables	19,265		19,265
Due to other funds	5		5
<b>Total liabilities</b>	<b>19,275</b>		<b>19,275</b>
<b>FUND BALANCES</b>			
Reserved for encumbrances	1		1
Unreserved	7,435	\$ 14,997	22,432
<b>Total fund balances</b>	<b>7,436</b>	<b>14,997</b>	<b>22,433</b>
<b>Total liabilities and fund balances</b>	<b>\$ 26,711</b>	<b>\$ 14,997</b>	<b>\$ 41,708</b>

State of Illinois

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds  
Illinois Commerce Commission**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Wireless Service Emergency Fund	Wireless Carrier Reimbursement Fund	Total
<b>REVENUES</b>			
Public utility taxes	\$ 55,912	\$ 14,158	\$ 70,070
<b>Total revenues</b>	<u>55,912</u>	<u>14,158</u>	<u>70,070</u>
<b>EXPENDITURES</b>			
Current:			
Environment and business regulations	71,755	7,293	79,048
<b>Total expenditures</b>	<u>71,755</u>	<u>7,293</u>	<u>79,048</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(15,843)</u>	<u>6,865</u>	<u>(8,978)</u>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>			
Transfers-in	13,339		13,339
Transfers-out		(18,339)	(18,339)
<b>Net other sources (uses) of financial resources</b>	<u>13,339</u>	<u>(18,339)</u>	<u>(5,000)</u>
<b>Net change in fund balances</b>	<u>(2,504)</u>	<u>(11,474)</u>	<u>(13,978)</u>
Fund balances, July 1, 2008	9,940	26,471	36,411
<b>FUND BALANCES, JUNE 30, 2009</b>	<u>\$ 7,436</u>	<u>\$ 14,997</u>	<u>\$ 22,433</u>

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

State Board of Education

June 30, 2009 (Expressed in Thousands)

	Drivers Education Fund	SBE Federal Department of Agriculture Fund	SBE Federal Department of Education Fund	Total
<b>ASSETS</b>				
Cash equity with State Treasurer	\$ 1,094	\$ 359	\$ 2,419	\$ 3,872
Receivables, net				
Intergovernmental	203	15,356	97,488	113,047
Other	15	597		612
Due from other funds			409	409
Due from component units			312	312
Inventories		1,425		1,425
<b>Total assets</b>	<b>\$ 1,312</b>	<b>\$ 17,737</b>	<b>\$ 100,628</b>	<b>\$ 119,677</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 36		\$ 6,703	\$ 6,739
Intergovernmental payables	17,930	\$ 11,613	90,108	119,651
Due to other funds		443	2,177	2,620
Due to component units		30	1,158	1,188
Unavailable revenue		4,045		4,045
Unearned revenue			167	167
<b>Total liabilities</b>	<b>17,966</b>	<b>16,131</b>	<b>100,313</b>	<b>134,410</b>
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances		197		197
Inventories		1,425		1,425
Unreserved	(16,654)	(16)	315	(16,355)
<b>Total fund balances</b>	<b>(16,654)</b>	<b>1,606</b>	<b>315</b>	<b>(14,733)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,312</b>	<b>\$ 17,737</b>	<b>\$ 100,628</b>	<b>\$ 119,677</b>

State of Illinois

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds  
State Board of Education**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Drivers Education Fund	SBE Federal Department of Agriculture Fund	SBE Federal Department of Education Fund	Total
<b>REVENUES</b>				
Federal government		\$ 568,499	\$ 1,449,052	\$ 2,017,551
Licenses and fees	\$ 11,594			11,594
Other	5,975	212	1,708	7,895
<b>Total revenues</b>	<b>17,569</b>	<b>568,711</b>	<b>1,450,760</b>	<b>2,037,040</b>
<b>EXPENDITURES</b>				
Current:				
Education	18,008	568,003	1,451,461	2,037,472
Capital outlays		92	132	224
<b>Total expenditures</b>	<b>18,008</b>	<b>568,095</b>	<b>1,451,593</b>	<b>2,037,696</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(439)</b>	<b>616</b>	<b>(833)</b>	<b>(656)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>				
Transfers-out	(1,000)			(1,000)
Capital lease and installment purchase acquisitions		71	99	170
<b>Net other sources (uses) of financial resources</b>	<b>(1,000)</b>	<b>71</b>	<b>99</b>	<b>(830)</b>
<b>Net change in fund balances</b>	<b>(1,439)</b>	<b>687</b>	<b>(734)</b>	<b>(1,486)</b>
Fund balances (deficits), July 1, 2008	(15,215)	(62)	1,049	(14,228)
Increase for changes in inventories		981		981
<b>FUND BALANCES, JUNE 30, 2009</b>	<b>\$ (16,654)</b>	<b>\$ 1,606</b>	<b>\$ 315</b>	<b>\$ (14,733)</b>

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Office of the State Fire Marshal

June 30, 2009 (Expressed in Thousands)

	Fire Prevention Fund	Fire Truck Revolving Loan Fund	Total
<b>ASSETS</b>			
Cash equity with State Treasurer	\$ 22,766	\$ 454	\$ 23,220
Securities lending collateral of State Treasurer		527	527
Receivables, net			
Intergovernmental	10		10
Other	944	5	949
Due from other funds	41		41
Due from component units	5	18,687	18,692
<b>Total assets</b>	<u>\$ 23,766</u>	<u>\$ 19,673</u>	<u>\$ 43,439</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 1,596		\$ 1,596
Intergovernmental payables	30		30
Due to other funds	267		267
Due to component units	76		76
Unavailable revenue	216		216
Obligations under securities lending of State Treasurer		\$ 527	527
<b>Total liabilities</b>	<u>2,185</u>	<u>527</u>	<u>2,712</u>
<b>FUND BALANCES</b>			
Reserved for encumbrances	13		13
Unreserved	21,568	19,146	40,714
<b>Total fund balances</b>	<u>21,581</u>	<u>19,146</u>	<u>40,727</u>
<b>Total liabilities and fund balances</b>	<u>\$ 23,766</u>	<u>\$ 19,673</u>	<u>\$ 43,439</u>

State of Illinois

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds  
Office of the State Fire Marshal**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Fire Prevention Fund	Fire Truck Revolving Loan Fund	Total
<b>REVENUES</b>			
Other taxes	\$ 21,314		\$ 21,314
Licenses and fees	4,376		4,376
Interest and other investment income		\$ 262	262
Other	176	18,884	19,060
<b>Total revenues</b>	<u>25,866</u>	<u>19,146</u>	<u>45,012</u>
<b>EXPENDITURES</b>			
Current:			
Health and social services	887		887
Education	2,445		2,445
General government	149		149
Public protection and justice	18,514		18,514
Capital outlays	1,091		1,091
<b>Total expenditures</b>	<u>23,086</u>		<u>23,086</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>2,780</u>	<u>19,146</u>	<u>21,926</u>
<b>OTHER (USES) OF FINANCIAL RESOURCES</b>			
Transfers-out	(218)		(218)
<b>Net other (uses) of financial resources</b>	<u>(218)</u>		<u>(218)</u>
<b>Net change in fund balances</b>	<u>2,562</u>	<u>19,146</u>	<u>21,708</u>
Fund balances, July 1, 2008	19,019		19,019
<b>FUND BALANCES, JUNE 30, 2009</b>	<u>\$ 21,581</u>	<u>\$ 19,146</u>	<u>\$ 40,727</u>

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Other Agencies, Boards and Authorities

June 30, 2009 (Expressed in Thousands)

	Capital Development Board	Criminal Justice Information Authority	Workers' Compensation Commission	Metropolitan Fair and Exposition Authority	
	School Infrastructure Fund	Criminal Justice Trust Fund	Illinois Workers' Compensation Commission Operations Fund	Metropolitan and Exposition Auditorium and Office Building Fund	Total
<b>ASSETS</b>					
Cash equity with State Treasurer	\$ 6,724	\$ 70,541	\$ 61,971	\$ 16,871	\$ 156,107
Securities lending collateral of State Treasurer		5,065	1,776		6,841
Receivables, net					
Taxes	726		40,500		41,226
Intergovernmental		2,381			2,381
Other		23	8		31
Due from other funds	870	273			1,143
<b>Total assets</b>	<b>\$ 8,320</b>	<b>\$ 78,283</b>	<b>\$ 104,255</b>	<b>\$ 16,871</b>	<b>\$ 207,729</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 3,359	\$ 168	\$ 846		\$ 4,373
Intergovernmental payables		3,279	41		3,320
Due to other funds	7	420	312		739
Unavailable revenue	621	21	40,500		41,142
Unearned revenue		69,351			69,351
Obligations under securities lending of State Treasurer		5,065	1,776		6,841
<b>Total liabilities</b>	<b>3,987</b>	<b>78,304</b>	<b>43,475</b>		<b>125,766</b>
<b>FUND BALANCES</b>					
Reserved for encumbrances		3	3		6
Unreserved	4,333	(24)	60,777	\$ 16,871	81,957
<b>Total fund balances (deficits)</b>	<b>4,333</b>	<b>(21)</b>	<b>60,780</b>	<b>16,871</b>	<b>81,963</b>
<b>Total liabilities and fund balances</b>	<b>\$ 8,320</b>	<b>\$ 78,283</b>	<b>\$ 104,255</b>	<b>\$ 16,871</b>	<b>\$ 207,729</b>

State of Illinois

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Special Revenue Funds  
Other Agencies, Boards and Authorities**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Capital Development Board	Criminal Justice Information Authority	Workers' Compensation Commission	Metropolitan Fair and Exposition Authority	
	School Infrastructure Fund	Criminal Justice Trust Fund	Illinois Workers' Compensation Commission Operations Fund	Metropolitan and Exposition Auditorium and Office Building Fund	Total
<b>REVENUES</b>					
Public utility taxes	\$ 100,100				\$ 100,100
Other taxes	60,000		\$ 23,341		83,341
Federal government		\$ 27,113			27,113
Interest and other investment income		572			572
<b>Total revenues</b>	<b>160,100</b>	<b>27,685</b>	<b>23,341</b>		<b>211,126</b>
<b>EXPENDITURES</b>					
Current:					
Education	104				104
General government	578				578
Public protection and justice		27,673			27,673
Environment and business regulations			19,408		19,408
Debt service:					
Principal			5		5
Interest			1		1
Capital outlays	10	33			43
<b>Total expenditures</b>	<b>692</b>	<b>27,706</b>	<b>19,414</b>		<b>47,812</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>159,408</b>	<b>(21)</b>	<b>3,927</b>		<b>163,314</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>					
Transfers-in	60,868			\$ 37,923	98,791
Transfers-out	(228,062)			(39,248)	(267,310)
<b>Net other sources (uses) of financial resources</b>	<b>(167,194)</b>			<b>(1,325)</b>	<b>(168,519)</b>
<b>Net change in fund balances</b>	<b>(7,786)</b>	<b>(21)</b>	<b>3,927</b>	<b>(1,325)</b>	<b>(5,205)</b>
Fund balances, July 1, 2008	12,119		56,853	18,196	87,168
<b>FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ 4,333</b>	<b>\$ (21)</b>	<b>\$ 60,780</b>	<b>\$ 16,871</b>	<b>\$ 81,963</b>

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## **DEBT SERVICE FUNDS**

The Debt Service Funds are maintained to account for resources obtained and accumulated to pay interest and principal on general long-term obligations.

### **SIGNIFICANT NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS DESCRIPTIONS**

#### **Treasurer**

General Obligation Bond Retirement and Interest Fund--to account for payments of principal and interest related to general obligation bonds. These bonds provide financing for the protection of the environment within the State; the acquisition, construction, reconstruction, extension, and improvement of highways; the acquisition, construction, reconstruction, and improvement of capital projects; the construction of facilities leased back to the State; and the development of mass transportation and aviation systems within the State.

#### **Governor's Office of Management and Budget**

Illinois Civic Center Bond Retirement and Interest Fund--to account for the payment of principal and interest upon bonds issued to finance the construction of local civic centers. Funding consists of transfers from the Metropolitan Exposition Auditorium and Office Building Fund and investment income.

Build Illinois Bond Retirement and Interest Fund--to account for the payment of principal and interest upon bonds issued to finance improvements related to existing or planned scientific research, manufacturing, or industrial development or expansion in Illinois. Funding consists of transfers from the Build Illinois Fund and investment income.

State of Illinois

Combining Balance Sheet  
 Nonmajor Debt Service Funds

June 30, 2009 (Expressed in Thousands)

	Treasurer			Other	Total
	General Obligation Bond Retirement and Interest Fund	Governor's Office of Management and Budget			
<b>ASSETS</b>					
Cash equity with State Treasurer	\$ 639,203	\$ 11,474		\$	650,677
Cash and cash equivalents	6,559	111,082	\$ 4,980		122,621
Securities lending collateral of State Treasurer	78,680	429			79,109
Investments		53,221			53,221
Other receivables, net	364	542			906
Due from other funds	10,028				10,028
Loans and notes receivable, net	15,859				15,859
<b>Total assets</b>	<b>\$ 750,693</b>	<b>\$ 176,748</b>	<b>\$ 4,980</b>	<b>\$</b>	<b>932,421</b>
<b>LIABILITIES</b>					
Due to other funds	\$ 30			\$	30
Obligations under securities lending of State Treasurer	78,680	\$ 429			79,109
<b>Total liabilities</b>	<b>78,710</b>	<b>429</b>			<b>79,139</b>
<b>FUND BALANCES</b>					
Reserved for long-term portion of loans and notes receivable	15,859				15,859
Unreserved	656,124	176,319	\$ 4,980		837,423
<b>Total fund balances</b>	<b>671,983</b>	<b>176,319</b>	<b>4,980</b>		<b>853,282</b>
<b>Total liabilities and fund balances</b>	<b>\$ 750,693</b>	<b>\$ 176,748</b>	<b>\$ 4,980</b>	<b>\$</b>	<b>932,421</b>

State of Illinois

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

	<u>Treasurer</u>			
	General Obligation Bond Retirement and Interest Fund	Governor's Office of Management and Budget	Other	Total
<b>REVENUES</b>				
Licenses and fees	\$ 176			\$ 176
Interest and other investment income	13,463	\$ 6,769	\$ 23	20,255
Other	7			7
<b>Total revenues</b>	<b>13,646</b>	<b>6,769</b>	<b>23</b>	<b>20,438</b>
<b>EXPENDITURES</b>				
Current:				
General government		66		66
Employment and economic development		21		21
Debt service:				
Principal	760,096	160,165	4,880	925,141
Interest	979,578	118,949	3,161	1,101,688
<b>Total expenditures</b>	<b>1,739,674</b>	<b>279,201</b>	<b>8,041</b>	<b>2,026,916</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,726,028)</b>	<b>(272,432)</b>	<b>(8,018)</b>	<b>(2,006,478)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>				
Transfers-in	3,135,677	288,272	8,125	3,432,074
Transfers-out	(1,407,181)	(31,158)	(449)	(1,438,788)
<b>Net other sources (uses) of financial resources</b>	<b>1,728,496</b>	<b>257,114</b>	<b>7,676</b>	<b>1,993,286</b>
<b>Net change in fund balances</b>	<b>2,468</b>	<b>(15,318)</b>	<b>(342)</b>	<b>(13,192)</b>
Fund balances, July 1, 2008	669,515	191,637	5,322	866,474
<b>FUND BALANCES, JUNE 30, 2009</b>	<b>\$ 671,983</b>	<b>\$ 176,319</b>	<b>\$ 4,980</b>	<b>\$ 853,282</b>

State of Illinois

Combining Balance Sheet - Nonmajor Debt Service Funds

Governor's Office of Management and Budget

June 30, 2009 (Expressed in Thousands)

	Illinois Civic Center Bond Retirement and Interest Fund	Build Illinois Bond Retirement and Interest Fund	Total
<b>ASSETS</b>			
Cash equity with State Treasurer	\$ 8,457	\$ 3,017	\$ 11,474
Cash and cash equivalents	16,855	94,227	111,082
Securities lending collateral of State Treasurer		429	429
Investments		53,221	53,221
Other receivables, net	2	540	542
<b>Total assets</b>	<b>\$ 25,314</b>	<b>\$ 151,434</b>	<b>\$ 176,748</b>
<b>LIABILITIES</b>			
Obligations under securities lending of State Treasurer		\$ 429	\$ 429
<b>Total liabilities</b>		<b>429</b>	<b>429</b>
<b>FUND BALANCES</b>			
Unreserved	\$ 25,314	151,005	176,319
<b>Total fund balances</b>	<b>25,314</b>	<b>151,005</b>	<b>176,319</b>
<b>Total liabilities and fund balances</b>	<b>\$ 25,314</b>	<b>\$ 151,434</b>	<b>\$ 176,748</b>

State of Illinois

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Debt Service Funds**  
**Governor's Office of Management and Budget**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Illinois Civic Center Bond Retirement and Interest Fund	Build Illinois Bond Retirement and Interest Fund	Total
<b>REVENUES</b>			
Interest and other investment income	\$ 156	\$ 6,613	\$ 6,769
<b>Total revenues</b>	<u>156</u>	<u>6,613</u>	<u>6,769</u>
<b>EXPENDITURES</b>			
Current:			
General government		66	66
Employment and economic development	21		21
Debt service:			
Principal	8,100	152,065	160,165
Interest	5,750	113,199	118,949
<b>Total expenditures</b>	<u>13,871</u>	<u>265,330</u>	<u>279,201</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(13,715)</u>	<u>(258,717)</u>	<u>(272,432)</u>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>			
Transfers-in	14,096	274,176	288,272
Transfers-out		(31,158)	(31,158)
<b>Net other sources (uses) of financial resources</b>	<u>14,096</u>	<u>243,018</u>	<u>257,114</u>
<b>Net change in fund balances</b>	<u>381</u>	<u>(15,699)</u>	<u>(15,318)</u>
Fund balances, July 1, 2008	<u>24,933</u>	<u>166,704</u>	<u>191,637</u>
<b>FUND BALANCES, JUNE 30, 2009</b>	<u>\$ 25,314</u>	<u>\$ 151,005</u>	<u>\$ 176,319</u>

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## CAPITAL PROJECTS FUNDS

The Capital Projects Funds are maintained to account for the acquisition and/or construction of major capital facilities.

### SIGNIFICANT NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS DESCRIPTIONS

#### **Department of Commerce and Economic Opportunity**

Coal Development Fund--to account for the financial support of coal research, demonstration, and commercialization activities.

Build Illinois Bond Fund--to account for the proceeds from bond issues of the Build Illinois Bond Program to finance improvements related to scientific research, manufacturing, and industrial development or expansion.

#### **Department of Natural Resources**

Conservation 2000 Projects Fund--to account for the proceeds from bond issues to finance natural resources programs.

#### **Department of Transportation**

Transportation Bond Series A Fund--to account for the proceeds from bond issues to finance State highway acquisition, construction, reconstruction, extension, and improvements.

Transportation Bond Series B Fund--to account for the proceeds from bond issues used to finance mass transportation and aviation infrastructure including, but not limited to, the acquisition of mass transportation equipment, including rail and bus, and other equipment for counties under the Regional Transportation Authority.

IDOT Capital Projects Fund--to account for local, state, and federal funding for the construction of highways.

#### **Capital Development Board**

Capital Development Fund--to account for the proceeds from bond issues to finance capital development projects within the State.

School Construction Fund--to account for the proceeds from bond issues to finance school construction building projects.

CDB Contributory Trust Fund--to account for local, state, and federal funding for the construction and remodeling of buildings and the purchase of land and equipment in connection with the various contributing educational institutions, State departments, and agencies as authorized by law.

#### **Environmental Protection Agency**

Anti-Pollution Fund--to account for the proceeds from bond issues to finance environmental programs.

State of Illinois

Combining Balance Sheet  
Nonmajor Capital Projects Funds

June 30, 2009 (Expressed in Thousands)

	Natural Resources			Environmental Protection Agency			Total
	Commerce and Economic Opportunity	Conservation 2000 Projects Fund	Transportation	Capital Development Board	Anti-Pollution Fund	Other	
<b>ASSETS</b>							
Cash equity with State Treasurer	\$ 26,142	\$ 1,835	\$ 24,454	\$ 20,240	\$ 421	\$ 150	\$ 73,242
Cash and cash equivalents	127		686	3,386		11	4,210
Receivables, net							
Intergovernmental				285			285
Other			10				10
Due from other funds	1,027		423	2,754			4,204
<b>Total assets</b>	<b>\$ 27,296</b>	<b>\$ 1,835</b>	<b>\$ 25,573</b>	<b>\$ 26,665</b>	<b>\$ 421</b>	<b>\$ 161</b>	<b>\$ 81,951</b>
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities	\$ 5,622		\$ 16,364	\$ 27,795			\$ 49,781
Intergovernmental payables			13,985	253			14,238
Due to other funds	170		14	76			260
Due to component units				611			611
Unavailable revenue			10				10
Unearned revenue				1,050			1,050
<b>Total liabilities</b>	<b>5,792</b>		<b>30,373</b>	<b>29,785</b>			<b>65,950</b>
<b>FUND BALANCES</b>							
Reserved for encumbrances				10			10
Unreserved:							
Designated for reappropriated accounts				421			421
Undesignated	21,504	\$ 1,835	(4,800)	(3,551)	\$ 421	161	15,570
<b>Total fund balances (deficits)</b>	<b>21,504</b>	<b>1,835</b>	<b>(4,800)</b>	<b>(3,120)</b>	<b>421</b>	<b>161</b>	<b>16,001</b>
<b>Total liabilities and fund balances</b>	<b>\$ 27,296</b>	<b>\$ 1,835</b>	<b>\$ 25,573</b>	<b>\$ 26,665</b>	<b>\$ 421</b>	<b>\$ 161</b>	<b>\$ 81,951</b>

State of Illinois

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Natural Resources		Transportation	Capital Development Board	Environmental Protection Agency		Other	Total
	Commerce and Economic Opportunity	Conservation 2000 Projects Fund			Anti-Pollution Fund			
<b>REVENUES</b>								
Federal government				\$ 33,811				\$ 33,811
Other	\$ 438			8,425				8,863
<b>Total revenues</b>	<b>438</b>			<b>42,236</b>				<b>42,674</b>
<b>EXPENDITURES</b>								
Current:								
Education	14,617			37,408				52,025
General government	562			15,623				16,185
Employment and economic development	963			1,931				2,894
Transportation			\$ 59,845					59,845
Public protection and justice						\$ 2		2
Environment and business regulations	3,738	\$ 621		4,717				9,076
Capital outlays	1,767	10	6,511	69,270				77,558
<b>Total expenditures</b>	<b>21,647</b>	<b>631</b>	<b>66,356</b>	<b>128,949</b>		<b>2</b>		<b>217,585</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(21,209)</b>	<b>(631)</b>	<b>(66,356)</b>	<b>(86,713)</b>		<b>(2)</b>		<b>(174,911)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>								
General obligation bonds issued	25,000		60,000	65,000				150,000
Premiums on general obligation bonds issued	382		916	992				2,290
Transfers-in			1,360					1,360
Transfers-out				(9,124)				(9,124)
<b>Net other sources (uses) of financial resources</b>	<b>25,382</b>		<b>62,276</b>	<b>56,868</b>				<b>144,526</b>
<b>Net change in fund balances</b>	<b>4,173</b>	<b>(631)</b>	<b>(4,080)</b>	<b>(29,845)</b>		<b>(2)</b>		<b>(30,385)</b>
Fund balances, July 1, 2008	17,331	2,466	(720)	26,725	\$ 421	163		46,386
<b>FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ 21,504</b>	<b>\$ 1,835</b>	<b>\$ (4,800)</b>	<b>\$ (3,120)</b>	<b>\$ 421</b>	<b>\$ 161</b>		<b>\$ 16,001</b>

State of Illinois

Combining Balance Sheet - Nonmajor Capital Projects Funds

Commerce and Economic Opportunity

June 30, 2009 (Expressed in Thousands)

	Coal Development Fund	Build Illinois Bond Fund	Total
<b>ASSETS</b>			
Cash equity with State Treasurer	\$ 25,529	\$ 613	\$ 26,142
Cash and cash equivalents		127	127
Due from other funds		1,027	1,027
<b>Total assets</b>	<b>\$ 25,529</b>	<b>\$ 1,767</b>	<b>\$ 27,296</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities		\$ 5,622	\$ 5,622
Due to other funds	\$ 5	165	170
<b>Total liabilities</b>	<b>5</b>	<b>5,787</b>	<b>5,792</b>
<b>FUND BALANCES</b>			
Unreserved	25,524	(4,020)	21,504
<b>Total fund balances (deficits)</b>	<b>25,524</b>	<b>(4,020)</b>	<b>21,504</b>
<b>Total liabilities and fund balances</b>	<b>\$ 25,529</b>	<b>\$ 1,767</b>	<b>\$ 27,296</b>

State of Illinois

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Capital Projects Funds  
Commerce and Economic Opportunity**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Coal Development Fund	Build Illinois Bond Fund	Total
<b>REVENUES</b>			
Other		\$ 438	\$ 438
<b>Total revenues</b>		<u>438</u>	<u>438</u>
<b>EXPENDITURES</b>			
Current:			
Education		14,617	14,617
General government		562	562
Employment and economic development	\$ 140	823	963
Environment and business regulations		3,738	3,738
Capital outlays		1,767	1,767
<b>Total expenditures</b>	<u>140</u>	<u>21,507</u>	<u>21,647</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(140)</u>	<u>(21,069)</u>	<u>(21,209)</u>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>			
General obligation bonds issued	25,000		25,000
Premiums on general obligation bonds issued	382		382
<b>Net other sources (uses) of financial resources</b>	<u>25,382</u>		<u>25,382</u>
<b>Net change in fund balances</b>	<u>25,242</u>	<u>(21,069)</u>	<u>4,173</u>
Fund balances, July 1, 2008	<u>282</u>	<u>17,049</u>	<u>17,331</u>
<b>FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<u>\$ 25,524</u>	<u>\$ (4,020)</u>	<u>\$ 21,504</u>

State of Illinois

Combining Balance Sheet - Nonmajor Capital Projects Funds

Transportation

June 30, 2009 (Expressed in Thousands)

	Transportation Bond Series A Fund	Transportation Bond Series B Fund	IDOT Capital Projects Fund	Total
<b>ASSETS</b>				
Cash equity with State Treasurer	\$ 9,091	\$ 15,363		\$ 24,454
Cash and cash equivalents	686			686
Other receivables, net	10			10
Due from other funds		5	\$ 418	423
<b>Total assets</b>	<b>\$ 9,787</b>	<b>\$ 15,368</b>	<b>\$ 418</b>	<b>\$ 25,573</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 12,438	\$ 3,926		\$ 16,364
Intergovernmental payables		13,985		13,985
Due to other funds		14		14
Unavailable revenue	10			10
<b>Total liabilities</b>	<b>12,448</b>	<b>17,925</b>		<b>30,373</b>
<b>FUND BALANCES</b>				
Unreserved:				
Designated for reappropriated accounts				
Undesignated	(2,661)	(2,557)	\$ 418	(4,800)
<b>Total fund balances (deficits)</b>	<b>(2,661)</b>	<b>(2,557)</b>	<b>418</b>	<b>(4,800)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 9,787</b>	<b>\$ 15,368</b>	<b>\$ 418</b>	<b>\$ 25,573</b>

State of Illinois

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Capital Projects Funds  
Transportation**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Transportation Bond Series A Fund	Transportation Bond Series B Fund	IDOT Capital Projects Fund	Total
<b>EXPENDITURES</b>				
Current:				
Transportation	\$ 11,528	\$ 47,265	\$ 1,052	\$ 59,845
Capital outlays	3,150	3,361		6,511
<b>Total expenditures</b>	<b>14,678</b>	<b>50,626</b>	<b>1,052</b>	<b>66,356</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(14,678)</b>	<b>(50,626)</b>	<b>(1,052)</b>	<b>(66,356)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>				
General obligation bonds issued		60,000		60,000
Premiums on general obligation bonds issued		916		916
Transfers-in			1,360	1,360
<b>Net other sources (uses) of     financial resources</b>		<b>60,916</b>	<b>1,360</b>	<b>62,276</b>
<b>Net change in fund balances</b>	<b>(14,678)</b>	<b>10,290</b>	<b>308</b>	<b>(4,080)</b>
Fund balances, July 1, 2008	12,017	(12,847)	110	(720)
<b>FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (2,661)</b>	<b>\$ (2,557)</b>	<b>\$ 418</b>	<b>\$ (4,800)</b>

State of Illinois

Combining Balance Sheet - Nonmajor Capital Projects Funds

Capital Development Board

June 30, 2009 (Expressed in Thousands)

	Capital Development Fund	School Construction Fund	CDB Contributory Trust Fund	Total
<b>ASSETS</b>				
Cash equity with State Treasurer	\$ 15,216	\$ 1,892	\$ 3,132	\$ 20,240
Cash and cash equivalents	3,386			3,386
Intergovernmental receivables, net			285	285
Due from other funds	1		2,753	2,754
<b>Total assets</b>	<b>\$ 18,603</b>	<b>\$ 1,892</b>	<b>\$ 6,170</b>	<b>\$ 26,665</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 23,146		\$ 4,649	\$ 27,795
Intergovernmental payables	100	\$ 12	141	253
Due to other funds	42		34	76
Due to component units	425		186	611
Unearned revenue			1,050	1,050
<b>Total liabilities</b>	<b>23,713</b>	<b>12</b>	<b>6,060</b>	<b>29,785</b>
<b>FUND BALANCES</b>				
Reserved for encumbrances			10	10
Unreserved:				
Designated for reappropriated accounts		421		421
Undesignated	(5,110)	1,459	100	(3,551)
<b>Total fund balances</b>	<b>(5,110)</b>	<b>1,880</b>	<b>110</b>	<b>(3,120)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 18,603</b>	<b>\$ 1,892</b>	<b>\$ 6,170</b>	<b>\$ 26,665</b>

State of Illinois

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Capital Projects Funds  
Capital Development Board**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Capital Development Fund	School Construction Fund	CDB Contributory Trust Fund	Total
<b>REVENUES</b>				
Federal government			\$ 33,811	\$ 33,811
Other	\$ 53		8,372	8,425
<b>Total revenues</b>	<b>53</b>		<b>42,183</b>	<b>42,236</b>
<b>EXPENDITURES</b>				
Current:				
Education	27,475	\$ 3,407	6,526	37,408
General government	15,623			15,623
Employment and economic development	1,931			1,931
Environment and business regulations	4,717			4,717
Capital outlays	40,394		28,876	69,270
<b>Total expenditures</b>	<b>90,140</b>	<b>3,407</b>	<b>35,402</b>	<b>128,949</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(90,087)</b>	<b>(3,407)</b>	<b>6,781</b>	<b>(86,713)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>				
General obligation bonds issued	65,000			65,000
Premiums on general obligation bonds issued	992			992
Transfers-out			(9,124)	(9,124)
<b>Net other sources (uses) of financial resources</b>	<b>65,992</b>		<b>(9,124)</b>	<b>56,868</b>
<b>Net change in fund balances</b>	<b>(24,095)</b>	<b>(3,407)</b>	<b>(2,343)</b>	<b>(29,845)</b>
Fund balances, July 1, 2008	18,985	5,287	2,453	26,725
<b>FUND BALANCES, JUNE 30, 2009</b>	<b>\$ (5,110)</b>	<b>\$ 1,880</b>	<b>\$ 110</b>	<b>\$ (3,120)</b>

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## **ENTERPRISE FUNDS**

Enterprise Funds are maintained to account for the operations where the intent of the State is to provide services to the general public in a manner similar to private business enterprises.

### **SIGNIFICANT NONMAJOR ENTERPRISE FUNDS DESCRIPTIONS**

#### **Department of Revenue**

State Lottery Fund--to account for all receipts and expenses from the operation of the State Lottery. The net proceeds are transferred to the Common School Account in the General Fund.

#### **Student Assistance Commission**

Federal Student Loan Fund--to account for the Federal Family Education Loan Program which funds the repayment of guaranteed loans that have gone into default to lenders.

State of Illinois

Combining Statement of Net Assets

Nonmajor Enterprise Funds

June 30, 2009 (Expressed in Thousands)

	Revenue		Student Assistance Commission		Other	Total
	State Lottery Fund	Federal Student Loan Fund	Federal Student Loan Fund	Federal Student Loan Fund		
<b>ASSETS</b>						
Cash equity with State Treasurer	\$ 18,755	\$ 46,181	\$ 72,550	\$ 137,486		
Cash and cash equivalents	3,922		2,423	6,345		
Securities lending collateral of State Treasurer		5,946	12,032	17,978		
Investments	96		26,679	26,775		
Receivables, net:						
Intergovernmental		35,319	1,679	36,998		
Other	21,731	163	8,169	30,063		
Due from other funds	70,013	3,561	4,475	78,049		
Due from component units						
Inventories	448			448		
Prepaid expenses	78		247	325		
<b>Total current assets</b>	<b>115,043</b>	<b>91,170</b>	<b>128,254</b>	<b>334,467</b>		
Investments	870		4,830	5,700		
Capital assets not being depreciated			190	190		
Capital assets being depreciated, net	502		2,673	3,175		
<b>Total noncurrent assets</b>	<b>1,372</b>		<b>7,693</b>	<b>9,065</b>		
<b>Total assets</b>	<b>116,415</b>	<b>91,170</b>	<b>135,947</b>	<b>343,532</b>		
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	71,772	16,236	16,481	104,489		
Intergovernmental payables	39	10,632	34	10,705		
Due to other funds	4,344	2,696	4,034	11,074		
Unearned revenue	3,027		12,814	15,841		
Obligations under security lending of State Treasurer		5,946	12,032	17,978		
Current portion of long-term obligations	165		2,739	2,904		
<b>Total current liabilities</b>	<b>79,347</b>	<b>35,510</b>	<b>48,134</b>	<b>162,991</b>		
Noncurrent portion of long-term obligations	2,165		11,765	13,930		
<b>Total liabilities</b>	<b>81,512</b>	<b>35,510</b>	<b>59,899</b>	<b>176,921</b>		
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	502		2,863	3,365		
Net assets restricted for education	34,401	55,660		90,061		
Unrestricted			73,185	73,185		
<b>Total net assets</b>	<b>\$ 34,903</b>	<b>\$ 55,660</b>	<b>\$ 76,048</b>	<b>\$ 166,611</b>		

State of Illinois

**Combining Statement of Revenues, Expenses and  
Changes in Net Assets - Nonmajor Enterprise Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Revenue	Student Assistance Commission		
	State Lottery Fund	Federal Student Loan Fund	Other	Total
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 2,077,166	\$ 19,756	\$ 130,846	\$ 2,227,768
Interest and other investment income			12	12
Other	4,873			4,873
<b>Total operating revenues</b>	<b>2,082,039</b>	<b>19,756</b>	<b>130,858</b>	<b>2,232,653</b>
<b>OPERATING EXPENSES</b>				
Cost of sales and services	152,573	199,964	8,890	361,427
Benefit payments and refunds			56,017	56,017
Prizes and claims	1,225,864			1,225,864
Interest			2	2
General and administrative	65,096		44,878	109,974
Depreciation	184		394	578
Other			12,101	12,101
<b>Total operating expenses</b>	<b>1,443,717</b>	<b>199,964</b>	<b>122,282</b>	<b>1,765,963</b>
<b>Operating income (loss)</b>	<b>638,322</b>	<b>(180,208)</b>	<b>8,576</b>	<b>466,690</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest and investment income	51	986	3,455	4,492
Federal government		193,578	168	193,746
Other expenses			(30)	(30)
<b>Income (loss) before transfers</b>	<b>638,373</b>	<b>14,356</b>	<b>12,169</b>	<b>664,898</b>
Contributions of capital assets			10	10
Transfers-in		3,938	19,201	23,139
Transfers-out	(634,664)	(19,201)	(30,897)	(684,762)
<b>Net income</b>	<b>3,709</b>	<b>(907)</b>	<b>483</b>	<b>3,285</b>
Net assets, July 1, 2008	31,194	56,567	75,565	163,326
<b>NET ASSETS, JUNE 30, 2009</b>	<b>\$ 34,903</b>	<b>\$ 55,660</b>	<b>\$ 76,048</b>	<b>\$ 166,611</b>

State of Illinois

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Revenue	Student Assistance Commission		
	State Lottery Fund	Federal Student Loan Fund	Other	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from sales and services		\$ 84,337	\$ 140,910	\$ 225,247
Cash received from lottery sales (net of \$927,976 cash prizes paid by agents and \$104,571 commissions retained by agents)	\$ 1,039,536			1,039,536
Cash payments to suppliers for goods and services			(65,387)	(65,387)
Cash payments to employees for services	(111,853)		(61,635)	(173,488)
Cash payments for lottery prizes	(293,848)			(293,848)
Cash receipts from other operating activities	4,873		763	5,636
Cash payments for other operating activities	(186)	(264,160)	(36,420)	(300,766)
Net cash provided (used) by operating activities	638,522	(179,823)	(21,769)	436,930
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Grants received		190,169	162	190,331
Transfers-in from other funds		4,026	19,268	23,294
Transfers-out to other funds	(630,199)	(19,268)	(30,941)	(680,408)
Net cash provided (used) by noncapital financing activities	(630,199)	174,927	(11,511)	(466,783)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(306)		(916)	(1,222)
Net cash (used) by capital and related financing activities	(306)		(916)	(1,222)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investment securities			(20,274)	(20,274)
Proceeds from sales and maturities of investment securities			17,204	17,204
Interest and dividends on investments	51	1,043	3,395	4,489
Net cash provided by investing activities	51	1,043	325	1,419
<b>Net increase (decrease) in cash and cash equivalents</b>	8,068	(3,853)	(33,871)	(29,656)
Cash and cash equivalents, July 1, 2008	14,609	50,034	108,844	173,487
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2009</b>	<b>\$ 22,677</b>	<b>\$ 46,181</b>	<b>\$ 74,973</b>	<b>\$ 143,831</b>
<b>Reconciliation of cash and cash equivalents to the statement of net assets:</b>				
Total cash and cash equivalents per statement of net assets	\$ 3,922		\$ 2,423	\$ 6,345
Add: cash equity with State Treasurer	18,755	\$ 46,181	72,550	137,486
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2009</b>	<b>\$ 22,677</b>	<b>\$ 46,181</b>	<b>\$ 74,973</b>	<b>\$ 143,831</b>

(continued)

State of Illinois

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

(continued)

	Revenue		Student Assistance Commission	Other	Total
	State Lottery Fund	Student Loan Fund	Federal		
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
<b>OPERATING INCOME (LOSS)</b>	\$ 638,322	\$ (180,208)	\$	8,576	\$ 466,690
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	184			394	578
Provision for uncollectible accounts	1,349				1,349
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(6,212)	(33)		744	(5,501)
(Increase) decrease in intergovernmental receivables				171	171
(Increase) decrease in due from other funds	168	(11)		(3,144)	(2,987)
(Increase) decrease in inventory	(186)				(186)
(Increase) decrease in prepaid expenses	26			(100)	(74)
Increase (decrease) in accounts payable and accrued liabilities	724	(4,053)		(27,763)	(31,092)
Increase (decrease) in intergovernmental payables	39	3,907		31	3,977
Increase (decrease) in due to other funds	3,939	575		(141)	4,373
Increase (decrease) in due to component units				(37)	(37)
Increase (decrease) in unearned revenue	79			414	493
Increase (decrease) in other liabilities	90			(914)	(824)
Total adjustments	200	385		(30,345)	(29,760)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	\$ 638,522	\$ (179,823)	\$	(21,769)	\$ 436,930
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Loss on disposal of assets				\$ (30)	\$ (30)
Transfer of assets to/from other state funds				\$ (32)	\$ (32)
Increase (decrease) in fair value of investments				\$ 99	\$ 99

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## INTERNAL SERVICE FUNDS

Internal Service Funds are maintained to account for the operations of State agencies which render services to other State agencies or governmental units on a cost-reimbursement basis.

### SIGNIFICANT INTERNAL SERVICE FUNDS DESCRIPTIONS

#### **Office of the Auditor General**

Audit Expense Fund--to account for the costs in association with conducting audits in accordance with State Auditing Act .

#### **Department of Central Management Services**

Statistical Services Revolving Fund--to account for the purchase, maintenance, and operation of electronic data processing and information devices used by State agencies. Revenues consist of charges from the user agencies.

Communications Revolving Fund--to account for the expenses related to telecommunications services for State agencies. Revenues consist of charges from user agencies.

Facilities Management Fund--to account for rental, maintenance, and other expenses related to the use of buildings by State agencies. Revenues consist of charges from user agencies.

Professional Services Fund--to account for the cost of professional services rendered by the Department of Central Management Services on behalf of other agencies. Revenues consist of charges from user agencies.

Workers' Compensation Revolving Fund--to account for workers' compensation expenses of State employees. Revenues consist of charges from the funds which paid the employees during the employees' active service.

Group Insurance Fund--to account for the self-insurance portion of the life insurance plan for State employees, retirees and qualified dependents. This fund records all contributions, appropriations, interest, dividends, and expenses related to the plan.

#### **Department of Corrections**

Working Capital Revolving Fund--to account for the income and expenses associated with the production by factories, farms and service programs at several State correctional facilities for use by other State agencies.

#### **Department of Healthcare and Family Services**

Health Insurance Reserve Fund--to account for the self-insurance medical and dental plan for State employees, retirees and qualified dependents. This fund records all contributions, appropriations, interest, dividends, and expenses related to the plan.

State of Illinois

Combining Statement of Net Assets

Internal Service Funds

June 30, 2009 (Expressed in Thousands)

	Auditor General		Corrections	Healthcare and Family Services		Other	Total
	Audit Expense Fund	Central Management Services	Working Capital Revolving Fund	Health Insurance Reserve Fund			
<b>ASSETS</b>							
Cash equity with State Treasurer	\$ 15,516	\$ 35,913	\$ 882	\$ 25,421	\$ 2,152	\$ 79,884	
Cash and cash equivalents		3,670		13,880		17,550	
Securities lending collateral of State Treasurer		2,483		8,381		10,864	
Receivables, net:							
Intergovernmental	3	1,028		10,035	34	11,100	
Other		6,476	758	8,787	11	16,032	
Due from other funds	294	592,190	9,195	491,190	10,781	1,103,650	
Due from component units	1,014	1,549	4	15,945	5	18,517	
Inventories			10,297		1,570	11,867	
Prepaid expenses			1			1	
<b>Total current assets</b>	<b>16,827</b>	<b>643,309</b>	<b>21,137</b>	<b>573,639</b>	<b>14,553</b>	<b>1,269,465</b>	
Capital assets not being depreciated		38,369				38,369	
Capital assets being depreciated, net		245,112	2,763	6	614	248,495	
<b>Total noncurrent assets</b>		<b>283,481</b>	<b>2,763</b>	<b>6</b>	<b>614</b>	<b>286,864</b>	
<b>Total assets</b>	<b>16,827</b>	<b>926,790</b>	<b>23,900</b>	<b>573,645</b>	<b>15,167</b>	<b>1,556,329</b>	
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities	3,824	86,125	2,213	559,751	7,352	659,265	
Intergovernmental payables		17,467	30	10	36	17,543	
Due to other funds	2	25,152	680	137	2,252	28,223	
Due to component units		1,483			1	1,484	
Unearned revenue		378			2	380	
Obligations under security lending of State Treasurer		2,483		8,381		10,864	
Current portion of long-term liabilities		116,451	97	5,011	366	121,925	
<b>Total current liabilities</b>	<b>3,826</b>	<b>249,539</b>	<b>3,020</b>	<b>573,290</b>	<b>10,009</b>	<b>839,684</b>	
Noncurrent portion of long-term liabilities		337,259	1,033	355	1,924	340,571	
<b>Total liabilities</b>	<b>3,826</b>	<b>586,798</b>	<b>4,053</b>	<b>573,645</b>	<b>11,933</b>	<b>1,180,255</b>	
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt		239,136	2,752	6	(92)	241,802	
Restricted for debt service		3,670				3,670	
Unrestricted	13,001	97,186	17,095	(6)	3,326	130,602	
<b>Total net assets</b>	<b>\$ 13,001</b>	<b>\$ 339,992</b>	<b>\$ 19,847</b>	<b>\$ --</b>	<b>\$ 3,234</b>	<b>\$ 376,074</b>	

State of Illinois

**Combining Statement of Revenues, Expenses and  
Changes in Net Assets - Internal Service Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	<u>Auditor General</u>		<u>Corrections</u>	<u>Healthcare and Family Services</u>		
	<u>Audit Expense Fund</u>	<u>Central Management Services</u>	<u>Working Capital Revolving Fund</u>	<u>Health Insurance Reserve Fund</u>	<u>Other</u>	<u>Total</u>
<b>OPERATING REVENUES</b>						
Charges for sales and services	\$ 22,480	\$ 773,274	\$ 43,267	\$ 1,957,224	\$ 39,727	\$ 2,835,972
Other					33	33
<b>Total operating revenues</b>	<b>22,480</b>	<b>773,274</b>	<b>43,267</b>	<b>1,957,224</b>	<b>39,760</b>	<b>2,836,005</b>
<b>OPERATING EXPENSES</b>						
Cost of sales and services	17,131	441,647	21,043		33,732	513,553
Benefit payments and refunds		268,143		1,942,816		2,210,959
General and administrative		20,747	19,130	47,228	6,884	93,989
Depreciation		30,402	978	6	276	31,662
Other		11,839			298	12,137
<b>Total operating expenses</b>	<b>17,131</b>	<b>772,778</b>	<b>41,151</b>	<b>1,990,050</b>	<b>41,190</b>	<b>2,862,300</b>
<b>Operating income (loss)</b>	<b>5,349</b>	<b>496</b>	<b>2,116</b>	<b>(32,826)</b>	<b>(1,430)</b>	<b>(26,295)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest and investment income		1,354		1,458		2,812
Interest expense		(2,203)	(1)			(2,204)
Federal government				36,368		36,368
Other revenues			610			610
Other expenses		(77)	(18)			(95)
<b>Income (loss) before contributions and transfers</b>	<b>5,349</b>	<b>(430)</b>	<b>2,707</b>	<b>5,000</b>	<b>(1,430)</b>	<b>11,196</b>
Contributions of capital assets		7,201			10	7,211
Transfers-in		449				449
Transfers-out	(3,250)	(7,105)	(500)	(5,000)	(1,000)	(16,855)
<b>Net income</b>	<b>2,099</b>	<b>115</b>	<b>2,207</b>	<b>-- --</b>	<b>(2,420)</b>	<b>2,001</b>
Net assets, July 1, 2008	10,902	339,877	17,640		5,654	374,073
<b>NET ASSETS, JUNE 30, 2009</b>	<b>\$ 13,001</b>	<b>\$ 339,992</b>	<b>\$ 19,847</b>	<b>\$ -- --</b>	<b>\$ 3,234</b>	<b>\$ 376,074</b>

State of Illinois

**Combining Statement of Cash Flows  
Internal Service Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Auditor General		Corrections	Healthcare and Family Services		
	Audit Expense Fund	Central Management Services	Working Capital Revolving Fund	Health Insurance Reserve Fund	Other	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from sales and services	\$ 2,679	\$ 11,438	\$ 11,366	\$ 113,687	\$ 579	\$ 139,749
Cash received from transactions with other funds	19,963	507,054	27,051	1,515,343	38,414	2,107,825
Cash payments to suppliers for goods and services	(17,342)	(314,448)	(30,281)	(1,736,347)	(26,624)	(2,125,042)
Cash payments to employees for services	(2)	(114,324)	(10,333)	(4,396)	(12,504)	(141,559)
Cash payments for workers compensation		(97,939)				(97,939)
Cash receipts from other operating activities			610	36,777	33	37,420
Net cash provided (used) by operating activities	5,298	(8,219)	(1,587)	(74,936)	(102)	(79,546)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Grants received				34,680		34,680
Transfers-in from other funds		449				449
Transfers-out to other funds	(3,250)	(7,000)	(500)	(5,000)	(1,000)	(16,750)
Net cash provided (used) by noncapital financing activities	(3,250)	(6,551)	(500)	29,680	(1,000)	18,379
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets		(8,038)	(245)		(20)	(8,303)
Principal paid on capital debt		(7,498)	(18)		(263)	(7,779)
Interest paid on capital debt		(2,274)	(1)			(2,275)
Net cash (used) by capital and related financing activities		(17,810)	(264)		(283)	(18,357)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest and dividends on investments		1,438		1,535		2,973
Net cash provided by investing activities		1,438		1,535		2,973
<b>Net increase (decrease) in cash and cash equivalents</b>	2,048	(31,142)	(2,351)	(43,721)	(1,385)	(76,551)
Cash and cash equivalents, July 1, 2008	13,468	70,725	3,233	83,022	3,537	173,985
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2009</b>	\$ 15,516	\$ 39,583	\$ 882	\$ 39,301	\$ 2,152	\$ 97,434
<b>Reconciliation of cash and cash equivalents to the statement of net assets:</b>						
Total cash and cash equivalents per statement of net assets		\$ 3,670		\$ 13,880		\$ 17,550
Add: cash equity with State Treasurer	\$ 15,516	35,913	\$ 882	25,421	\$ 2,152	79,884
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2009</b>	\$ 15,516	\$ 39,583	\$ 882	\$ 39,301	\$ 2,152	\$ 97,434

(continued)

State of Illinois

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

(continued)

	Auditor General		Corrections	Healthcare and Family Services			
	Audit Expense Fund	Central Management Services	Working Capital Revolving Fund	Health Insurance Reserve Fund	Other	Total	
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>							
<b>OPERATING INCOME (LOSS)</b>	\$ 5,349	\$ 496	\$ 2,116	\$ (32,826)	\$ (1,430)	\$ (26,295)	
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation		30,402	978	6	276	31,662	
Provision for uncollectible accounts		3				3	
Cash receipts from other nonoperating income			610			610	
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable		(408)	(315)	1,692	5	974	
(Increase) decrease in intergovernmental receivables	(3)	(63)			39	(27)	
(Increase) decrease in due from other funds	9	(259,344)	(4,567)	(320,096)	(803)	(584,801)	
(Increase) decrease in due from component units	156	256	25	(8,097)	25	(7,635)	
(Increase) decrease in inventories			218		591	809	
(Increase) decrease in prepaid expenses		494	5			499	
Increase (decrease) in accounts payable and accrued liabilities	(213)	41,975	(650)	284,783	365	326,260	
Increase (decrease) in intergovernmental payables		2,603	30	4	31	2,668	
Increase (decrease) in due to other funds		9,294	321	(410)	780	9,985	
Increase (decrease) in due to component units		(981)	(10)		1	(990)	
Increase (decrease) in unearned revenue		(1,377)				(1,377)	
Increase (decrease) in other liabilities		168,431	(348)	8	18	168,109	
Total adjustments	(51)	(8,715)	(3,703)	(42,110)	1,328	(53,251)	
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 5,298</b>	<b>\$ (8,219)</b>	<b>\$ (1,587)</b>	<b>\$ (74,936)</b>	<b>\$ (102)</b>	<b>\$ (79,546)</b>	

**NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES**

Cost of installment purchases	\$ 12,711				\$ 151	\$ 12,862
Loss on disposal of capital assets	\$ (77)		\$ (18)			\$ (95)
Transfer of assets from other state funds	\$ 7,096				\$ 10	\$ 7,106

State of Illinois

Combining Statement of Net Assets - Internal Service Funds

Central Management Services

June 30, 2009 (Expressed in Thousands)

	Statistical Services Revolving Fund	Communications Revolving Fund	Facilities Management Fund	Professional Services Fund	Workers' Compensation Revolving Fund	Group Insurance Fund	Total
<b>ASSETS</b>							
Cash equity with State Treasurer	\$ 6,821	\$ 5,101	\$ 10,329	\$ 2,493	\$ 4,097	\$ 7,072	\$ 35,913
Cash and cash equivalents			3,670				3,670
Securities lending collateral of							
State Treasurer			1,341	425	717		2,483
Receivables, net:							
Intergovernmental		1,028					1,028
Other		1,900	6	2	3	4,565	6,476
Due from other funds	67,327	41,916	83,686	5,036	394,207	18	592,190
Due from component units	15	1,047	6			481	1,549
Prepaid expenses							
<b>Total current assets</b>	<b>74,163</b>	<b>50,992</b>	<b>99,038</b>	<b>7,956</b>	<b>399,024</b>	<b>12,136</b>	<b>643,309</b>
Capital assets not being depreciated			38,369				38,369
Capital assets being depreciated, net	15,555	20,324	209,233				245,112
<b>Total noncurrent assets</b>	<b>15,555</b>	<b>20,324</b>	<b>247,602</b>				<b>283,481</b>
<b>Total assets</b>	<b>89,718</b>	<b>71,316</b>	<b>346,640</b>	<b>7,956</b>	<b>399,024</b>	<b>12,136</b>	<b>926,790</b>
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities	23,981	12,259	43,483	1,216	64	5,122	86,125
Intergovernmental payables	10,113	5,146	2,182	22	4		17,467
Due to other funds	16,226	570	1,050	194	98	7,014	25,152
Due to component units		72	1,411				1,483
Unearned revenue	175		203				378
Obligations under security lending of							
State Treasurer			1,341	425	717		2,483
Current portion of long-term liabilities	3,059	2,256	2,831	43	108,262		116,451
<b>Total current liabilities</b>	<b>53,554</b>	<b>20,303</b>	<b>52,501</b>	<b>1,900</b>	<b>109,145</b>	<b>12,136</b>	<b>249,539</b>
Noncurrent portion of long-term liabilities	12,703	3,053	30,741	883	289,879		337,259
<b>Total liabilities</b>	<b>66,257</b>	<b>23,356</b>	<b>83,242</b>	<b>2,783</b>	<b>399,024</b>	<b>12,136</b>	<b>586,798</b>
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	5,822	16,509	216,805				239,136
Restricted for debt service			3,670				3,670
Unrestricted	17,639	31,451	42,923	5,173			97,186
<b>Total net assets</b>	<b>\$ 23,461</b>	<b>\$ 47,960</b>	<b>\$ 263,398</b>	<b>\$ 5,173</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 339,992</b>

State of Illinois

**Combining Statement of Revenues, Expenses and  
Changes in Net Assets - Internal Service Funds  
Central Management Services**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Statistical Services Revolving Fund	Communications Revolving Fund	Facilities Management Fund	Professional Services Fund	Workers' Compensation Revolving Fund	Group Insurance Fund	Total
<b>OPERATING REVENUES</b>							
Charges for sales and services	\$ 133,417	\$ 121,337	\$ 213,463	\$ 11,831	\$ 268,623	\$ 24,603	\$ 773,274
<b>Total operating revenues</b>	<b>133,417</b>	<b>121,337</b>	<b>213,463</b>	<b>11,831</b>	<b>268,623</b>	<b>24,603</b>	<b>773,274</b>
<b>OPERATING EXPENSES</b>							
Cost of sales and services	127,741	80,068	196,661	12,214		24,963	441,647
Benefit payments and refunds					268,143		268,143
General and administrative	2,308	10,022	6,850	1,508		59	20,747
Depreciation	7,470	9,985	12,947				30,402
Other		11,839					11,839
<b>Total operating expenses</b>	<b>137,519</b>	<b>111,914</b>	<b>216,458</b>	<b>13,722</b>	<b>268,143</b>	<b>25,022</b>	<b>772,778</b>
<b>Operating income (loss)</b>	<b>(4,102)</b>	<b>9,423</b>	<b>(2,995)</b>	<b>(1,891)</b>	<b>480</b>	<b>(419)</b>	<b>496</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Interest and investment income			272	143	520	419	1,354
Interest expense	(237)	(138)	(1,828)				(2,203)
Other expenses	(60)	(17)					(77)
<b>Income (loss) before contributions and transfers</b>	<b>(4,399)</b>	<b>9,268</b>	<b>(4,551)</b>	<b>(1,748)</b>	<b>1,000</b>	<b>-- --</b>	<b>(430)</b>
Contributions of capital assets	88	5	7,108				7,201
Transfers-in			449				449
Transfers-out	(2,088)	(1,017)	(1,000)	(2,000)	(1,000)		(7,105)
<b>Net income (loss)</b>	<b>(6,399)</b>	<b>8,256</b>	<b>2,006</b>	<b>(3,748)</b>	<b>-- --</b>	<b>-- --</b>	<b>115</b>
Net assets, July 1, 2008	29,860	39,704	261,392	8,921			339,877
<b>NET ASSETS, JUNE 30, 2009</b>	<b>\$ 23,461</b>	<b>\$ 47,960</b>	<b>\$ 263,398</b>	<b>\$ 5,173</b>	<b>\$ -- --</b>	<b>\$ -- --</b>	<b>\$ 339,992</b>

State of Illinois

Combining Statement of Cash Flows - Internal Service Funds

Central Management Services

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Statistical Services Revolving Fund	Communications Revolving Fund	Facilities Management Fund	Professional Services Fund	Workers' Compensation Revolving Fund	Group Insurance Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Cash received from sales and services		\$ 10,047	\$ 1,391				\$ 11,438
Cash received from transactions with other funds	\$ 107,411	101,212	172,704	\$ 8,369	\$ 88,631	\$ 28,727	507,054
Cash payments to suppliers for goods and services	(41,980)	(89,838)	(146,111)	(3,833)	(1,851)	(30,835)	(314,448)
Cash payments to employees for services	(60,708)	(14,850)	(29,156)	(9,598)	(12)		(114,324)
Cash payments for workers compensation					(97,939)		(97,939)
Net cash provided (used) by operating activities	4,723	6,571	(1,172)	(5,062)	(11,171)	(2,108)	(8,219)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfers-in from other funds			449				449
Transfers-out to other funds	(2,000)	(1,000)	(1,000)	(2,000)	(1,000)		(7,000)
Net cash (used) by noncapital financing activities	(2,000)	(1,000)	(551)	(2,000)	(1,000)	--	(6,551)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Acquisition and construction of capital assets	(2,218)	(5,799)	(21)				(8,038)
Principal paid on bond maturities and equipment contracts	(2,650)	(2,262)	(2,586)				(7,498)
Interest paid on bond maturities and equipment contracts	(237)	(138)	(1,899)				(2,274)
Net cash (used) by capital and related financing activities	(5,105)	(8,199)	(4,506)				(17,810)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest and dividends on investments			296	157	545	440	1,438
Net cash provided by investing activities			296	157	545	440	1,438
<b>Net increase (decrease) in cash and cash equivalents</b>	(2,382)	(2,628)	(5,933)	(6,905)	(11,626)	(1,668)	(31,142)
Cash and cash equivalents, July 1, 2008	9,203	7,729	19,932	9,398	15,723	8,740	70,725
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2009</b>	<b>\$ 6,821</b>	<b>\$ 5,101</b>	<b>\$ 13,999</b>	<b>\$ 2,493</b>	<b>\$ 4,097</b>	<b>\$ 7,072</b>	<b>\$ 39,583</b>
<b>Reconciliation of cash and cash equivalents to the statement of net assets:</b>							
Total cash and cash equivalents per statement of net assets			\$ 3,670				\$ 3,670
Add: cash equity with State Treasurer	\$ 6,821	\$ 5,101	10,329	\$ 2,493	\$ 4,097	\$ 7,072	35,913
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2009</b>	<b>\$ 6,821</b>	<b>\$ 5,101</b>	<b>\$ 13,999</b>	<b>\$ 2,493</b>	<b>\$ 4,097</b>	<b>\$ 7,072</b>	<b>\$ 39,583</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>							
<b>OPERATING INCOME (LOSS)</b>	<b>\$ (4,102)</b>	<b>\$ 9,423</b>	<b>\$ (2,995)</b>	<b>\$ (1,891)</b>	<b>\$ 480</b>	<b>\$ (419)</b>	<b>\$ 496</b>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	7,470	9,985	12,947				30,402
Provision for uncollectible accounts		3					3
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable		(303)	18			(123)	(408)
(Increase) decrease in intergovernmental receivables		(63)					(63)
(Increase) decrease in due from other funds	(26,330)	(11,683)	(37,865)	(3,462)	(179,992)	(12)	(259,344)
(Increase) decrease in due from component units	8	403	(1)			(154)	256
(Increase) decrease in prepaid expenses	494						494
Increase (decrease) in accounts payable and accrued liabilities	16,980	(2,815)	27,919	(45)	19	(83)	41,975
Increase (decrease) in intergovernmental payables	298	1,601	690	18	(4)		2,603
Increase (decrease) in due to other funds	9,910	(57)	579	117	62	(1,317)	9,294
Increase (decrease) in due to component units		(16)	(964)		(1)		(981)
Increase (decrease) in unearned revenue	143		(1,520)				(1,377)
Increase (decrease) in other liabilities	(148)	93	20	201	168,265		168,431
Total adjustments	8,825	(2,852)	1,823	(3,171)	(11,651)	(1,689)	(8,715)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 4,723</b>	<b>\$ 6,571</b>	<b>\$ (1,172)</b>	<b>\$ (5,062)</b>	<b>\$ (11,171)</b>	<b>\$ (2,108)</b>	<b>\$ (8,219)</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>							
Cost of installment purchases	\$ 10,284	\$ 2,427					\$ 12,711
Loss on disposal of capital assets	\$ (60)	\$ (17)					\$ (77)
Transfer of assets from other state funds		\$ (12)	\$ 7,108				\$ 7,096

## **PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS**

The Pension (and Other Employee Benefit) Trust Funds are maintained to account for the resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans and other employee benefit plans.

### **PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS DESCRIPTIONS**

#### **Department of Central Management Services**

Deferred Compensation Plan--to account for the assets held in the State's Internal Revenue Code Section 457 Plan. All employees of the State are eligible to voluntarily elect to contribute a portion of their compensation to the Plan through payroll deductions.

#### **Department of Healthcare and Family Services**

Teacher Health Insurance Security-- to provide health benefits for the Teachers' Retirement System recipient and dependent beneficiaries. Premiums are collected from retired and active teachers and the insurance plan is administered by private companies.

Community College Health Insurance Security--to provide health benefits for the retirees of community colleges in the State of Illinois and dependent beneficiaries. Premiums are collected from retired and active teachers and the insurance plan is administered by private companies.

#### **General Assembly Retirement System, Judges' Retirement System, State Employees' Retirement System, Teachers' Retirement System and State Universities Retirement System**

See Note 16 on page 117 for description of retirement systems.

State of Illinois

Combining Statement of Fiduciary Net Assets  
Pension (and Other Employee Benefit) Trust Funds

June 30, 2009 (Expressed in Thousands)

	Central Management Services		Healthcare and Family Services			
	Deferred Compensation Plan	Teacher Health Insurance Security	Community College Health Insurance Security	General Assembly Retirement System	Judges' Retirement System	State Employees' Retirement System
<b>ASSETS</b>						
Cash equity with State Treasurer	\$ 4,338	\$ 68,254	\$ 3,927	\$ 3,706	\$ 17,991	\$ 232,679
Cash and cash equivalents	4,898	5,637	137			
Investments:						
Equities	1,439,457					
Fixed income	261,981					
Private equity						
Real estate						
Other	683,569					
Equity in Illinois State Board of Investments				47,694	435,605	8,200,756
Securities lending collateral						
Receivables, net:						
Members		5,031	218	85	263	8,938
Employers		3,773	218			
Investment income	338	39	3	3	13	164
Intergovernmental		6,175	570			
Pending investment sales						
Other	402	4,905	425	3	47	12,750
Due from other funds					56	10
Due from primary government funds				3,686	24,993	35,573
Due from component units						
Prepaid expenses						
Capital assets not being depreciated						905
Capital assets being depreciated, net				2	3	1,670
<b>Total assets</b>	<b>2,394,983</b>	<b>93,814</b>	<b>5,498</b>	<b>55,179</b>	<b>478,971</b>	<b>8,493,445</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	1,413	38,947	4,026	9	41	4,702
Intergovernmental payables	1	2	1			
Due to other funds				58	8	
Due to primary government funds	57	184	18			10,046
Security lending collateral						
Payable to brokers for unsettled trades						
Long term obligations:						
Due within one year		1				13
Due subsequent to one year	98	77	7	20	46	832
<b>Total liabilities</b>	<b>1,569</b>	<b>39,211</b>	<b>4,052</b>	<b>87</b>	<b>95</b>	<b>15,593</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS</b>						
	<b>\$ 2,393,414</b>	<b>\$ 54,603</b>	<b>\$ 1,446</b>	<b>\$ 55,092</b>	<b>\$ 478,876</b>	<b>\$ 8,477,852</b>

**State Universities Retirement  
System**

Teachers' Retirement System	Defined Benefit	Defined Contribution	Total
\$ 3,849			\$ 334,744
46,440	\$ 543,659		600,771
13,519,470	6,940,178	\$ 292,443	22,191,548
6,369,526	3,539,783	101,886	10,273,176
2,344,035			2,344,035
3,380,826	228,712	1,336	3,610,874
3,301,055	133,053	175,045	4,292,722
			8,684,055
4,251,859	1,323,036		5,574,895
79,702	10,624	1,736	106,597
17,360	2,010	1,149	24,510
163,986	39,454		204,000
			6,745
1,863,139	486,093		2,349,232
	599		19,131
			66
	37		64,289
	1,411		1,411
6,532			6,532
238	532		1,675
3,470	6,052		11,197
35,351,487	13,255,233	573,595	60,702,205
			177,826
108,638	20,050		4
			66
22			10,327
4,251,859	1,323,036		5,574,895
2,491,734	878,089		3,369,823
	30		44
1,505	1,055		3,640
6,853,758	2,222,260		9,136,625
			4
			66
			10,327
			5,574,895
			3,369,823
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			10,327
			5,574,895

State of Illinois

**Combining Statement of Changes in Fiduciary Net Assets  
Pension (and Other Employee Benefit) Trust Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Central Management Services	Healthcare and Family Services		General Assembly Retirement System	Judges' Retirement System	State Employees' Retirement System
	Deferred Compensation Plan	Teacher Health Insurance Security	Community College Health Insurance Security			
<b>ADDITIONS</b>						
Contributions:						
Employer State		\$ 66,312	\$ 3,646	\$ 8,856	\$ 59,983	\$ 774,910
Members:						
Employees	\$ 167,148	88,416	3,646	1,698	15,763	242,228
Retirees		148,726	12,528			
Federal Medicare Part D		22,285	2,011			
Other	2,755	220	2			
<b>Total contributions</b>	<b>169,903</b>	<b>401,433</b>	<b>25,749</b>	<b>10,554</b>	<b>75,746</b>	<b>1,017,138</b>
Investment income:						
Interest and other investment income	61,915	1,388	150	1,722	14,689	271,054
Net (decrease) in fair value of investments	(498,975)			(16,141)	(135,287)	(2,441,041)
Reimbursements of expenses not separable from investment income	1,923					
Less investment expense	(433)			(243)	(2,119)	(38,911)
Net investment income	(435,570)	1,388	150	(14,662)	(122,717)	(2,208,898)
<b>Total additions</b>	<b>(265,667)</b>	<b>402,821</b>	<b>25,899</b>	<b>(4,108)</b>	<b>(46,971)</b>	<b>(1,191,760)</b>
<b>DEDUCTIONS</b>						
Benefit payments	130,510	408,243	31,158	15,857	85,819	1,300,214
Refunds	97			72	449	14,859
Depreciation					1	245
General and administration	3,356	2,220	627	277	565	10,436
<b>Total deductions</b>	<b>133,963</b>	<b>410,463</b>	<b>31,785</b>	<b>16,206</b>	<b>86,834</b>	<b>1,325,754</b>
<b>Change in fiduciary net assets held in trust for pension and other employee benefits</b>	<b>(399,630)</b>	<b>(7,642)</b>	<b>(5,886)</b>	<b>(20,314)</b>	<b>(133,805)</b>	<b>(2,517,514)</b>
Net assets held in trust for pension and other employee benefits, July 1, 2008	2,793,044	62,245	7,332	75,406	612,681	10,995,366
<b>NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS, JUNE 30, 2009</b>	<b>\$ 2,393,414</b>	<b>\$ 54,603</b>	<b>\$ 1,446</b>	<b>\$ 55,092</b>	<b>\$ 478,876</b>	<b>\$ 8,477,852</b>

**State Universities Retirement  
System**

Teachers' Retirement System	Defined Benefit	Defined Contribution	Total
\$ 151,716	\$ 34,360	\$ 5,306	\$ 261,340
1,449,889	417,257	32,959	2,823,244
876,182	273,292	48,825	1,717,198
			161,254
			24,296
2,316			5,293
2,480,103	724,909	87,090	4,992,625
977,281	355,772		1,683,971
(9,453,114)	(3,173,708)	(116,423)	(15,834,689)
			1,923
(212,453)	(32,761)		(286,920)
(8,688,286)	(2,850,697)	(116,423)	(14,435,715)
(6,208,183)	(2,125,788)	(29,333)	(9,443,090)
3,653,714	1,371,990	4,736	7,002,241
53,709	42,652	8,721	120,559
482	878		1,606
16,906	12,044		46,431
3,724,811	1,427,564	13,457	7,170,837
(9,932,994)	(3,553,352)	(42,790)	(16,613,927)
38,430,723	14,586,325	616,385	68,179,507
\$ 28,497,729	\$ 11,032,973	\$ 573,595	\$ 51,565,580

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## INVESTMENT TRUST FUNDS

Investment Trust Funds are maintained to account for the external portion of investment pools (the portion that belongs to legally separate entities that are not part of the sponsoring government's financial reporting entity).

### INVESTMENT TRUST FUNDS DESCRIPTIONS

#### **Treasurer**

Public Treasurers' External Investment Pool Fund--to enhance the investment opportunities available to custodians of public agency funds throughout the State of Illinois. The pool operates as an open-ended mutual fund.

#### **Department of Revenue**

Deferred Prize Winners' Trust Fund--to hold the proceeds of investments that will be paid to Illinois State Lottery prize winners. Investment contracts are executed by the State Treasurer with the Director of the Department of Revenue's approval in a manner which ensures the timely payment to prize winners.

State of Illinois

Combining Statement of Fiduciary Net Assets

Investment Trust Funds

June 30, 2009 (Expressed in Thousands)

	Treasurer Public Treasurers' External Investment Pool Fund	Revenue Deferred Prize Winners' Trust Fund	Total
<b>ASSETS</b>			
Cash equity with State Treasurer		\$ 2,099	\$ 2,099
Cash and cash equivalents	\$ 4,249,700		4,249,700
Fixed income investments	372,519	485,425	857,944
Investment income receivables, net	449		449
<b>Total assets</b>	<b>4,622,668</b>	<b>487,524</b>	<b>5,110,192</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	163		163
Due to primary government funds	292	168	460
Other liabilities		1,931	1,931
<b>Total liabilities</b>	<b>455</b>	<b>2,099</b>	<b>2,554</b>
<b>NET ASSETS HELD IN TRUST FOR POOL PARTICIPANTS</b>	<b>\$ 4,622,213</b>	<b>\$ 485,425</b>	<b>\$ 5,107,638</b>

State of Illinois

**Combining Statement of Changes in Fiduciary Net Assets  
Investment Trust Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Treasurer	Revenue	
	Public Treasurers' External Investment Pool Fund	Deferred Prize Winners' Trust Fund	Total
<b>ADDITIONS</b>			
Investment income:			
Interest and other investment income	\$ 54,394	\$ 30,288	\$ 84,682
Net increase in fair value of investments		958	958
Less investment expense	(4,477)		(4,477)
Net investment income	49,917	31,246	81,163
Capital share and individual account transactions:			
Shares sold	6,225,092	15,327	6,240,419
Reinvested distributions	49,917		49,917
Shares redeemed	(7,315,372)	(130,651)	(7,446,023)
Net capital share and individual account transactions	(1,040,363)	(115,324)	(1,155,687)
<b>Total additions</b>	(990,446)	(84,078)	(1,074,524)
<b>DEDUCTIONS</b>			
Distribution to pool investors	49,917		49,917
<b>Total deductions</b>	49,917		49,917
<b>Change in net assets held in trust for pool participants</b>	(1,040,363)	(84,078)	(1,124,441)
Net assets held in trust for pool participants, July 1, 2008	5,662,576	569,503	6,232,079
<b>NET ASSETS HELD IN TRUST FOR POOL PARTICIPANTS, JUNE 30, 2009</b>	<b>\$ 4,622,213</b>	<b>\$ 485,425</b>	<b>\$ 5,107,638</b>

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## **PRIVATE-PURPOSE TRUST FUNDS**

Private-Purpose Trust Funds are maintained to account for resources legally held in trust for use by individuals, private organizations and other governments. There is no requirement that any portion of these resources be preserved as capital.

### **SIGNIFICANT PRIVATE-PURPOSE TRUST FUND DESCRIPTIONS**

#### **Treasurer**

College Savings Pool Fund--to account for assets held by the Bright Start College Savings Program, a qualified State tuition program under Section 529 of the Internal Revenue Code. The program provides an opportunity for investors to invest on a tax-favored basis toward the qualified higher education expenses of a designated beneficiary associated with attending an institution of higher education.

State of Illinois

Combining Statement of Fiduciary Net Assets

Private-Purpose Trust Funds

June 30, 2009 (Expressed in Thousands)

	<u>Treasurer</u>		
	<u>College Savings Pool Fund</u>	<u>Other</u>	<u>Total</u>
<b>ASSETS</b>			
Cash equity with State Treasurer		\$ 1,201	\$ 1,201
Cash and cash equivalents	\$ 116,527	32	116,559
Investments:			
Equities	2,375,375	179	2,375,554
Fixed income		137	137
Receivables, net			
Investment income	6,906	1	6,907
Other		4	4
Loans and notes receivable, net		82	82
<b>Total assets</b>	<u>2,498,808</u>	<u>1,636</u>	<u>2,500,444</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	536	4	540
Other liabilities	4,394		4,394
<b>Total liabilities</b>	<u>4,930</u>	<u>4</u>	<u>4,934</u>
<b>NET ASSETS</b>			
Net assets held in trust for other purposes	<u>\$ 2,493,878</u>	<u>\$ 1,632</u>	<u>\$ 2,495,510</u>

State of Illinois

Combining Statement of Changes in Net Fiduciary Assets

Private-Purpose Trust Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

	<u>Treasurer</u>		
	College Savings Pool Fund	Other	Total
<b>ADDITIONS</b>			
Contributions:			
Participants	\$ 2,279,804		\$ 2,279,804
Other		\$ 10	10
Total contributions	<u>2,279,804</u>	<u>10</u>	<u>2,279,814</u>
Investment income:			
Interest and other investment income	34,183	33	34,216
Net (decrease) in fair value of investments	(654,925)	(59)	(654,984)
Net investment income	<u>(620,742)</u>	<u>(26)</u>	<u>(620,768)</u>
<b>Total additions</b>	<u>1,659,062</u>	<u>(16)</u>	<u>1,659,046</u>
<b>DEDUCTIONS</b>			
Payments in accordance with trust agreements	1,947,069		1,947,069
General and administrative	8,933	13	8,946
<b>Total deductions</b>	<u>1,956,002</u>	<u>13</u>	<u>1,956,015</u>
<b>Change in net assets held in trust for individuals, organizations, and other governments</b>	<u>(296,940)</u>	<u>(29)</u>	<u>(296,969)</u>
Net assets held in trust for individuals, organizations, and other governments, July 1, 2008	<u>2,790,818</u>	<u>1,661</u>	<u>2,792,479</u>
<b>NET ASSETS HELD IN TRUST FOR INDIVIDUALS, ORGANIZATIONS, AND OTHER GOVERNMENTS, JUNE 30, 2009</b>	<u>\$ 2,493,878</u>	<u>\$ 1,632</u>	<u>\$ 2,495,510</u>

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## AGENCY FUNDS

Agency funds are maintained to account for resources held by the State in a purely custodial capacity.

### SIGNIFICANT AGENCY FUNDS DESCRIPTIONS

#### **Department of Financial and Professional Regulation**

Security Deposit Fund--to hold securities on deposit by domestic and certain foreign domiciled insurance companies in the State for protection of all policyholders, policy obligations, and creditors of the companies.

#### **Department of Healthcare and Family Services**

Child Support Enforcement Trust Administrative Fund--to account for collections for child support payments on behalf of non-TANF child support clients to the appropriate non-TANF recipient.

#### **Department of Revenue**

Home Rule Municipal Retailers Occupation Tax Fund--to receive and record monies collected from a tax imposed upon all persons, in such municipality, in the business of selling tangible personal property.

Home Rule County Retailers Occupation Tax Fund--to receive and record monies collected from a tax imposed upon all persons, in such county, in the business of selling tangible personal property.

Municipal Telecommunications Fund--to receive monies collected under the Simplified Municipal Telecommunications Act to be paid to the municipalities who imposed the tax under the Act.

RTA Sales Tax Trust Fund--to receive and record deposits of the RTA Sales Tax.

State of Illinois

Combining Statement of Fiduciary Net Assets

Agency Funds

June 30, 2009 (Expressed in Thousands)

	Financial and Professional Regulation	Healthcare and Family Services Child Support Enforcement Trust Administrative	Revenue	Other	Total
	Security Deposit Fund	Fund			
<b>ASSETS</b>					
Cash equity with State Treasurer		\$ 14,854	\$ 393,912	\$ 89,452	\$ 498,218
Cash and cash equivalents	\$ 3,380	227		50,029	53,636
Securities lending collateral of State Treasurer			35,937	8,329	44,266
Investments	872,827			33,661	906,488
Receivables, net					
Taxes			103,784	24,106	127,890
Intergovernmental				318	318
Other		217,914	166	1,712	219,792
Due from primary government funds			35,528	4,020	39,548
Other assets				186	186
<b>Total assets</b>	<b>\$ 876,207</b>	<b>\$ 232,995</b>	<b>\$ 569,327</b>	<b>\$ 211,813</b>	<b>\$ 1,890,342</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities		\$ 17,531	\$ 7,726	\$ 17,903	\$ 43,160
Intergovernmental payables			525,664	93,810	619,474
Due to component units				51	51
Obligations under securities lending of State Treasurer			35,937	8,329	44,266
Depository and other liabilities	\$ 876,207	215,464		91,720	1,183,391
<b>Total liabilities</b>	<b>\$ 876,207</b>	<b>\$ 232,995</b>	<b>\$ 569,327</b>	<b>\$ 211,813</b>	<b>\$ 1,890,342</b>

State of Illinois

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Balance at July 1, 2008	Additions	Deletions	Balance at June 30, 2009
<b>Agency/Fund</b>				
<b>Financial and Professional Regulation:</b>				
<b>Security Deposit Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 730	\$ 27,009	\$ 24,359	\$ 3,380
Investments	851,865	266,339	245,377	872,827
<b>Total assets</b>	<b>\$ 852,595</b>	<b>\$ 293,348</b>	<b>\$ 269,736</b>	<b>\$ 876,207</b>
<b>Liabilities</b>				
Depository and other liabilities	\$ 852,595	\$ 293,348	\$ 269,736	\$ 876,207
<b>Total liabilities</b>	<b>\$ 852,595</b>	<b>\$ 293,348</b>	<b>\$ 269,736</b>	<b>\$ 876,207</b>
<b>Healthcare and Family Services:</b>				
<b>Child Support Enforcement Trust</b>				
<b>Administrative Fund</b>				
<b>Assets</b>				
Cash equity with State Treasurer	\$ 16,445	\$ 194,630	\$ 196,221	\$ 14,854
Cash and cash equivalents	274	65,584	65,631	227
Other receivables, net	199,758	212,786	194,630	217,914
<b>Total assets</b>	<b>\$ 216,477</b>	<b>\$ 473,000</b>	<b>\$ 456,482</b>	<b>\$ 232,995</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 17,294	\$ 47,325	\$ 47,088	\$ 17,531
Depository and other liabilities	199,183	231,045	214,764	215,464
<b>Total liabilities</b>	<b>\$ 216,477</b>	<b>\$ 278,370</b>	<b>\$ 261,852</b>	<b>\$ 232,995</b>
<b>Revenue:</b>				
<b>Assets</b>				
Cash equity with State Treasurer	\$ 353,578	\$ 2,699,367	\$ 2,659,033	\$ 393,912
Securities lending collateral of State Treasurer		757,043	721,106	35,937
Taxes receivable, net	115,881	2,565,146	2,577,243	103,784
Other receivables, net	424	6,604	6,862	166
Due from primary government funds	30,937	119,853	115,262	35,528
<b>Total assets</b>	<b>\$ 500,820</b>	<b>\$ 6,148,013</b>	<b>\$ 6,079,506</b>	<b>\$ 569,327</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 1,556	\$ 80,659	\$ 74,489	\$ 7,726
Intergovernmental payables	499,264	2,610,944	2,584,544	525,664
Obligations under securities lending of State Treasurer		10,222,659	10,186,722	35,937
<b>Total liabilities</b>	<b>\$ 500,820</b>	<b>\$ 12,914,262</b>	<b>\$ 12,845,755</b>	<b>\$ 569,327</b>
<b>Other:</b>				
<b>Assets</b>				
Cash equity with State Treasurer	\$ 93,231	\$ 1,920,178	\$ 1,923,957	\$ 89,452
Cash and cash equivalents	23,997	1,161,491	1,135,459	50,029
Securities lending collateral of State Treasurer		175,458	167,129	8,329
Investments	36,085	6,617	9,041	33,661
Taxes receivable, net	26,460	541,376	543,730	24,106
Intergovernmental receivables, net	431	4,800	4,913	318
Other receivables, net	1,236	19,966	19,490	1,712
Due from primary government funds	1,467	11,222	8,669	4,020
Due from component units	935		935	--
Other assets	249		63	186
<b>Total assets</b>	<b>\$ 184,091</b>	<b>\$ 3,841,108</b>	<b>\$ 3,813,386</b>	<b>\$ 211,813</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 20,987	\$ 1,196,586	\$ 1,199,670	\$ 17,903
Intergovernmental payables	100,856	1,510,653	1,517,699	93,810
Due to component units	72	409	430	51
Obligations under securities lending of State Treasurer		2,369,271	2,360,942	8,329
Depository and other liabilities	62,176	352,943	323,399	91,720
<b>Total liabilities</b>	<b>\$ 184,091</b>	<b>\$ 5,429,862</b>	<b>\$ 5,402,140</b>	<b>\$ 211,813</b>

*State of Illinois*

**Combining Statement of Changes in Assets and Liabilities  
Agency Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Balance at July 1, 2008	Additions	Deletions	Balance at June 30, 2009
<b>Total - All Funds</b>				
<b>Assets</b>				
Cash equity with State Treasurer	\$ 463,254	\$ 4,814,175	\$ 4,779,211	\$ 498,218
Cash and cash equivalents	25,001	1,254,084	1,225,449	53,636
Securities lending collateral equity with State Treasurer		932,501	888,235	44,266
Investments	887,950	272,956	254,418	906,488
Taxes receivable, net	142,341	3,106,522	3,120,973	127,890
Intergovernmental receivables, net	431	4,800	4,913	318
Other receivables, net	201,418	239,356	220,982	219,792
Due from primary government funds	32,404	131,075	123,931	39,548
Due from component units	935		935	--
Other assets	249		63	186
<b>Total assets</b>	<b>\$ 1,753,983</b>	<b>\$ 10,755,469</b>	<b>\$ 10,619,110</b>	<b>\$ 1,890,342</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 39,837	\$ 1,324,570	\$ 1,321,247	\$ 43,160
Intergovernmental payables	600,120	4,121,597	4,102,243	619,474
Due to component units	72	409	430	51
Obligations under securities lending of State Treasurer		12,591,930	12,547,664	44,266
Depository and other liabilities	1,113,954	877,336	807,899	1,183,391
<b>Total liabilities</b>	<b>\$ 1,753,983</b>	<b>\$ 18,915,842</b>	<b>\$ 18,779,483</b>	<b>\$ 1,890,342</b>

State of Illinois

Combining Statement of Fiduciary Net Assets - Agency Funds

Revenue

June 30, 2009 (Expressed in Thousands)

	Home Rule Municipal Retailers Occupation Tax Fund	Home Rule County Retailers Occupation Tax Fund	Municipal Telecommunications Fund	RTA Sales Tax Trust Fund	Total
<b>ASSETS</b>					
Cash equity with State Treasurer	\$ 91,813	\$ 116,796	\$ 53,044	\$ 132,259	\$ 393,912
Securities lending collateral of State Treasurer	9,241	12,817		13,879	35,937
Receivables, net					
Taxes	36,655	18,853	18,737	29,539	103,784
Other	43	59		64	166
Due from primary government funds			9,783	25,745	35,528
<b>Total assets</b>	<b>\$ 137,752</b>	<b>\$ 148,525</b>	<b>\$ 81,564</b>	<b>\$ 201,486</b>	<b>\$ 569,327</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 1,165		\$ 6,561		\$ 7,726
Intergovernmental payables	127,346	\$ 135,708	75,003	\$ 187,607	525,664
Obligations under securities lending of State Treasurer	9,241	12,817		13,879	35,937
<b>Total liabilities</b>	<b>\$ 137,752</b>	<b>\$ 148,525</b>	<b>\$ 81,564</b>	<b>\$ 201,486</b>	<b>\$ 569,327</b>

State of Illinois

Combining Statement of Changes in Assets and Liabilities

Agency Funds - Revenue

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Balance at July 1, 2008	Additions	Deletions	Balance at June 30, 2009
<b>Home Rule Municipal Retailers</b>				
<b>Occupation Tax Fund</b>				
<b>Assets</b>				
Cash equity with State Treasurer	\$ 106,776	\$ 717,127	\$ 732,090	\$ 91,813
Securities lending collateral of State Treasurer		194,669	185,428	9,241
Taxes receivable, net	39,661	712,178	715,184	36,655
Other receivables, net	155	1,831	1,943	43
<b>Total assets</b>	<b>\$ 146,592</b>	<b>\$ 1,625,805</b>	<b>\$ 1,634,645</b>	<b>\$ 137,752</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 1,556	\$ 549	\$ 940	\$ 1,165
Intergovernmental payables	145,036	713,460	731,150	127,346
Obligations under securities lending of State Treasurer		2,628,700	2,619,459	9,241
<b>Total liabilities</b>	<b>\$ 146,592</b>	<b>\$ 3,342,709</b>	<b>\$ 3,351,549</b>	<b>\$ 137,752</b>
<b>Home Rule County Retailers</b>				
<b>Occupation Tax Fund</b>				
<b>Assets</b>				
Cash equity with State Treasurer	\$ 42,913	\$ 663,305	\$ 589,422	\$ 116,796
Securities lending collateral of State Treasurer		270,001	257,184	12,817
Taxes receivable, net	17,163	663,057	661,367	18,853
Other receivables, net	65	1,932	1,938	59
<b>Total assets</b>	<b>\$ 60,141</b>	<b>\$ 1,598,295</b>	<b>\$ 1,509,911</b>	<b>\$ 148,525</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ 60,141	\$ 664,989	\$ 589,422	\$ 135,708
Obligations under securities lending of State Treasurer		3,645,931	3,633,114	12,817
<b>Total liabilities</b>	<b>\$ 60,141</b>	<b>\$ 4,310,920</b>	<b>\$ 4,222,536</b>	<b>\$ 148,525</b>
<b>Municipal Telecommunications Fund</b>				
<b>Assets</b>				
Cash equity with State Treasurer	\$ 49,034	\$ 300,689	\$ 296,679	\$ 53,044
Taxes receivable, net	24,780	294,646	300,689	18,737
Due from primary government funds		9,783		9,783
<b>Total assets</b>	<b>\$ 73,814</b>	<b>\$ 605,118</b>	<b>\$ 597,368</b>	<b>\$ 81,564</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities		\$ 80,110	\$ 73,549	\$ 6,561
Intergovernmental payables	\$ 73,814	224,319	223,130	75,003
<b>Total liabilities</b>	<b>\$ 73,814</b>	<b>\$ 304,429</b>	<b>\$ 296,679</b>	<b>\$ 81,564</b>
<b>RTA Sales Tax Trust Fund</b>				
<b>Assets</b>				
Cash equity with State Treasurer	\$ 154,855	\$ 1,018,246	\$ 1,040,842	\$ 132,259
Securities lending collateral of State Treasurer		292,373	278,494	13,879
Taxes receivable, net	34,277	895,265	900,003	29,539
Other receivables, net	204	2,841	2,981	64
Due from primary government funds	30,937	110,070	115,262	25,745
<b>Total assets</b>	<b>\$ 220,273</b>	<b>\$ 2,318,795</b>	<b>\$ 2,337,582</b>	<b>\$ 201,486</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ 220,273	\$ 1,008,176	\$ 1,040,842	\$ 187,607
Obligations under securities lending of State Treasurer		3,948,028	3,934,149	13,879
<b>Total liabilities</b>	<b>\$ 220,273</b>	<b>\$ 4,956,204</b>	<b>\$ 4,974,991</b>	<b>\$ 201,486</b>
<b>Total - All Funds</b>				
<b>Assets</b>				
Cash equity with State Treasurer	\$ 353,578	\$ 2,699,367	\$ 2,659,033	\$ 393,912
Securities lending collateral of State Treasurer		757,043	721,106	35,937
Taxes receivable, net	115,881	2,565,146	2,577,243	103,784
Other receivables, net	424	6,604	6,862	166
Due from primary government funds	30,937	119,853	115,262	35,528
<b>Total assets</b>	<b>\$ 500,820</b>	<b>\$ 6,148,013</b>	<b>\$ 6,079,506</b>	<b>\$ 569,327</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 1,556	\$ 80,659	\$ 74,489	\$ 7,726
Intergovernmental payables	499,264	2,610,944	2,584,544	525,664
Obligations under securities lending of State Treasurer		10,222,659	10,186,722	35,937
<b>Total liabilities</b>	<b>\$ 500,820</b>	<b>\$ 12,914,262</b>	<b>\$ 12,845,755</b>	<b>\$ 569,327</b>

## COMPONENT UNITS

Component Units are legally separate organizations for which the elected officials of the primary government are financially accountable. Component Units also include certain other organizations because of the nature and significance of their relationship with the primary government.

### NONMAJOR COMPONENT UNITS DESCRIPTIONS

#### NONMAJOR AUTHORITIES

Illinois Literacy Foundation--to account for supplemental funds raised from the private sector to promote the Illinois Literacy Foundation.

Illinois Grain Insurance Corporation--to account for monies held to compensate grain producers for losses from the failure of a grain dealer.

Illinois Conservation Foundation--to provide additional funding for the Illinois Department of Natural Resources' conservation programs that either are not receiving adequate State funding or else cannot be implemented because State funding is not available.

Illinois Arts Council Foundation--to further charitable, literary and educational art awareness programs.

The Comprehensive Health Insurance Plan Board--to provide an alternate market for health insurance for eligible Illinois residents having a preexisting health condition.

East St. Louis Financial Advisory Authority--to provide a secure financial basis for and to furnish assistance to the City of East St. Louis.

Illinois Finance Authority--to provide economic development to the public and private institutions in Illinois that create and retain jobs and to improve the quality of life in Illinois by providing access to capital.

Illinois Medical District Commission--to combine the resources of diverse medical institutions to promote low cost medical care in the City of Chicago, accelerate scientific research, improve diagnostic methods and train health care professionals.

Quad Cities Regional Economic Development Authority--to promote and enhance economic development in Rock Island, Henry, Knox, and Mercer counties in northwestern Illinois.

Western Illinois Economic Development Authority--to promote and enhance economic development in Warren, Henderson, Hancock, McDonough, Fulton, Mason, Cass, Schuyler, Brown, Adams, Scott, Morgan, and Pike counties in western Illinois.

Southwestern Illinois Development Authority--to promote and enhance economic development in St. Clair and Madison counties in southwestern Illinois.

Southeastern Illinois Economic Development Authority--to promote and enhance economic development in Fayette, Cumberland, Clark, Effingham, Jasper, Crawford, Marion, Clay, Richland, Lawrence, Jefferson, Wayne, Edwards, Wabash, Hamilton, and White counties and Irvington Township in Washington County in southeastern Illinois.

Upper Illinois River Valley Development Authority--to promote and enhance economic development within the State's Upper Illinois River Valley.

Will-Kankakee Regional Development Authority--to promote and enhance economic development in the counties of Will and Kankakee.

IMSA Fund for Advancement of Education--to benefit, perform the function of and carry out certain charitable, educational, literary and scientific purposes of the Illinois Mathematics and Science Academy.

#### **NONMAJOR UNIVERSITIES**

Board of Trustees of Chicago State University--to operate, manage, control and maintain Chicago State University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Eastern Illinois University--to operate, manage, control and maintain Eastern Illinois University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Governors State University--to operate, manage, control and maintain Governors State University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Northeastern Illinois University--to operate, manage, control and maintain Northeastern Illinois University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Western Illinois University--to operate, manage, control and maintain Western Illinois University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

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State of Illinois

Combining Statement of Net Assets

Component Units - Other Authorities

June 30, 2009 (Expressed in Thousands)

	Illinois Literacy Foundation	Illinois Grain Insurance Corporation	Illinois Conservation Foundation	Illinois Arts Council Foundation	Comprehensive Health Insurance Plan Board	East St. Louis Financial Advisory Authority	Illinois Finance Authority
<b>ASSETS</b>							
Cash and cash equivalents	\$ 32	\$ 5,264	\$ 386	\$ 2	\$ 63,040	\$ 181	\$ 31,449
Investments			2,426	77		6,484	5,463
Receivables, net:							
Intergovernmental			24		611		
Other		968	53		2,156	11	299
Due from component units							47,818
Due from primary government		26				6	86,722
Prepaid expenses			7		3		58
Unamortized bond issuance costs							572
Loans and notes receivable, net							28,431
Restricted assets:							
Cash equity with State Treasurer							17,457
Cash and cash equivalents							17,022
Investments							117,462
Other receivables, net							2,129
Loans and notes receivable, net							69,317
Capital assets not being depreciated							
Capital assets being depreciated, net					58		99
<b>Total assets</b>	<b>32</b>	<b>6,258</b>	<b>2,896</b>	<b>79</b>	<b>65,868</b>	<b>6,682</b>	<b>424,298</b>
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities			137		2,347	6	5,776
Due to component units							
Due to primary government					7		20,921
Unearned revenue			13		16,022		610
Short-term notes payable							
Other liabilities					27,257		
Long-term obligations:							
Due within one year					31	1	25,417
Due subsequent to one year					265	12	282,502
<b>Total liabilities</b>			<b>150</b>		<b>45,929</b>	<b>19</b>	<b>335,226</b>
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt					58		99
Restricted for:							
Debt service							3,264
Nonexpendable purposes			46				20,918
Other purposes		6,258	1,609		19,881		
Unrestricted	32		1,091	79		6,663	64,791
<b>Total net assets</b>	<b>\$ 32</b>	<b>\$ 6,258</b>	<b>\$ 2,746</b>	<b>\$ 79</b>	<b>\$ 19,939</b>	<b>\$ 6,663</b>	<b>\$ 89,072</b>

Illinois Medical District Commission	Quad Cities Regional Economic Development Authority	Western Illinois Economic Development Authority	Southwestern Illinois Development Authority	Southeastern Illinois Economic Development Authority	Upper Illinois River Valley Development Authority	Will-Kankakee Regional Development Authority	IMSA Fund for Advancement of Education	Total
\$ 1,933		\$ 73	\$ 3,134	\$ 1	\$ 39	\$ 24	\$ 742	\$ 106,300
2,311	\$ 95	400			572		2,721	20,549
								635
315			2,864				63	6,729
32,607								80,425
1,423							198	88,375
25			5				4	102
706								1,278
			3,091					31,522
								17,457
323								17,345
			192					117,654
								2,129
								69,317
41,947			100					42,047
14,945			355					15,457
96,535	95	473	9,741	1	611	24	3,728	617,321
1,761			14				3	10,044
26,773								26,773
2								20,930
			2,800				9	19,454
2,994								2,994
								27,257
700								26,149
26,721								309,500
58,951			2,814				12	443,101
27,678			455					28,290
								3,264
							31	20,995
323			4,373				1,605	34,049
9,583	95	473	2,099	1	611	24	2,080	87,622
\$ 37,584	\$ 95	\$ 473	\$ 6,927	\$ 1	\$ 611	\$ 24	\$ 3,716	\$ 174,220

**State of Illinois**

**Combining Statement of Activities  
Component Units - Other Authorities**

For the Year Ended June 30, 2009 (Expressed in Thousands)

Functions/Programs	Expenses	Program revenues			Net (expense) revenue
		Charges for services	Operating grants and contributions	Capital grants and contributions	
Illinois Literacy Foundation	\$ 272		\$ 131		\$ (141)
Illinois Grain Insurance Corporation	35	\$ 1,780			1,745
Illinois Conservation Foundation	2,900	37	1,266	\$ 830	(767)
Illinois Arts Council Foundation	21		21		-- --
Comprehensive Health Insurance Plan Board	174,060	114,154	2,998		(56,908)
East St. Louis Financial Advisory Authority	236				(236)
Illinois Finance Authority	46,730	16,819			(29,911)
Illinois Medical District Commission	9,546	4,046	741		(4,759)
Quad Cities Regional Economic Development Authority	45	7			(38)
Western Illinois Economic Development Authority			473		473
Southwestern Illinois Development Authority	409	220	400		211
Southeastern Illinois Economic Development Authority	197				(197)
Upper Illinois River Valley Development Authority	211	206			(5)
Will-Kankakee Regional Development Authority	33	10			(23)
IMSA Fund for Advancement of Education	1,105	3	900		(202)
Total	<u>\$ 235,800</u>	<u>\$ 137,282</u>	<u>\$ 6,930</u>	<u>\$ 830</u>	<u>\$ (90,758)</u>

<b>General revenues</b>			<b>Total general revenues</b>	<b>Change in net assets</b>	<b>Net assets, July 1, 2008</b>	<b>Net assets, June 30, 2009</b>
<b>State appropriations</b>	<b>Interest and investment income</b>	<b>Other</b>				
\$ 137	\$ 1		\$ 138	\$ (3)	\$ 35	\$ 32
13	47		60	1,805	4,453	6,258
86	(456)		(370)	(1,137)	3,883	2,746
	1		1	1	78	79
28,985	325	\$ 43,392	72,702	15,794	4,145	19,939
222	168		390	154	6,509	6,663
	6,165		6,165	(23,746)	112,818	89,072
102	1,525		1,627	(3,132)	40,716	37,584
	1		1	(37)	132	95
				473		473
	109		109	320	6,607	6,927
				(197)	198	1
	8		8	3	608	611
				(23)	47	24
264	(546)		(282)	(484)	4,200	3,716
<u>\$ 29,809</u>	<u>\$ 7,348</u>	<u>\$ 43,392</u>	<u>\$ 80,549</u>	<u>\$ (10,209)</u>	<u>\$ 184,429</u>	<u>\$ 174,220</u>

**State of Illinois**

**Combining Statement of Net Assets  
Component Units - Other Universities**

June 30, 2009 (Expressed in Thousands)

	Chicago State University	Eastern Illinois University	Governors State University	Northeastern Illinois University	Western Illinois University
<b>ASSETS</b>					
Cash and cash equivalents	\$ 5,946	\$ 10,817	\$ 24,817	\$ 22,113	\$ 47,018
Investments		1,559	826	514	7,780
Receivables, net:					
Intergovernmental			1,512	4,822	326
Other	16,087	18,161	2,886	4,937	7,715
Due from component units		1			8
Due from primary government	855	540	350	1,225	5,345
Inventories	95	1,977	23	13	2,580
Prepaid expenses	529	277		571	81
Unamortized bond issuance costs		453	684	723	845
Loans and notes receivable, net	1,010	6,207	3,443	2,328	1,833
Restricted assets:					
Cash and cash equivalents	1,237	29,740	14,919	7,321	113
Investments	2,235	45,426		4,925	19,677
Other receivables		67			
Other assets					1,113
Other assets		420		18	
Capital assets not being depreciated	11,132	67,450	2,825	15,247	14,245
Capital assets being depreciated, net	134,809	147,536	63,194	90,683	138,694
<b>Total assets</b>	<b>173,935</b>	<b>330,631</b>	<b>115,479</b>	<b>155,440</b>	<b>247,373</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	15,401	10,514	2,912	6,086	19,531
Intergovernmental payables			3,061	109	
Due to component units	32				
Due to primary government	53	1,265	697	141	52
Unearned revenue	1,134	3,839	4,147	4,322	5,367
Assets held for others		6,900		59	
Short-term notes payable		1,516			
Other liabilities		5,736			256
Long-term obligations:					
Due within one year	1,727	7,683	2,630	2,151	6,830
Due subsequent to one year	25,284	64,222	31,468	41,681	59,840
<b>Total liabilities</b>	<b>43,631</b>	<b>101,675</b>	<b>44,915</b>	<b>54,549</b>	<b>91,876</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	129,770	160,911	50,755	82,812	102,664
Restricted for:					
Debt service		438	805	3,063	
Nonexpendable purposes	1,808	33,497	1,121	2,656	12,407
Other expendable purposes	5,934	31,622	822	6,127	7,113
Unrestricted	(7,208)	2,488	17,061	6,233	33,313
<b>Total net assets</b>	<b>\$ 130,304</b>	<b>\$ 228,956</b>	<b>\$ 70,564</b>	<b>\$ 100,891</b>	<b>\$ 155,497</b>

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**Total**

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\$ 110,711  
10,679  
6,660  
49,786  
9  
8,315  
4,688  
1,458  
2,705  
14,821  
53,330  
72,263  
67  
1,113  
438  
110,899  
574,916  
1,022,858

54,444  
3,170  
32  
2,208  
18,809  
6,959  
1,516  
5,992  
21,021  
222,495  
336,646

526,912

4,306  
51,489  
51,618  
51,887  
\$ 686,212

State of Illinois

**Combining Statement of Activities**  
**Component Units - Other Universities**

For the Year Ended June 30, 2009 (Expressed in Thousands)

Functions/Programs	Expenses	Program revenues		Net (expense) revenue
		Charges for service	Operating grants and contributions	
Chicago State University	\$ 132,380	\$ 35,703	\$ 32,545	\$ (64,132)
Eastern Illinois University	222,039	123,008	19,923	(78,111)
Governors State University	82,948	37,551	10,717	(34,680)
Northeastern Illinois University	138,199	49,977	27,459	(60,763)
Western Illinois University	252,432	132,256	25,695	(94,481)
Total	<u>\$ 827,998</u>	<u>\$ 378,495</u>	<u>\$ 116,339</u>	<u>\$ (332,167)</u>

<b>General revenues</b>			<b>Additions to permanent endowments</b>	<b>Total general revenues and additions to permanent endowments</b>	<b>Change in net assets</b>	<b>Net assets, July 1, 2008, as restated</b>	<b>Net assets, June 30, 2009</b>
<b>State appropriations</b>	<b>Interest and investment income</b>	<b>Other</b>					
\$ 61,686	\$ (84)		\$ 40	\$ 61,642	\$ (2,490)	\$ 132,794	\$ 130,304
87,808	(6,301)	\$ 472	956	82,935	4,824	224,132	228,956
40,710	150		103	40,963	6,283	64,281	70,564
68,696	(933)	34	626	68,423	7,660	93,231	100,891
100,007	(2,585)	420	510	98,352	3,871	151,626	155,497
<u>\$ 358,907</u>	<u>\$ (9,753)</u>	<u>\$ 926</u>	<u>\$ 2,235</u>	<u>\$ 352,315</u>	<u>\$ 20,148</u>	<u>\$ 666,064</u>	<u>\$ 686,212</u>

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## Budgetary Schedules

The following budgetary schedules for the State have been prepared in accordance with the terminology and classifications of funds used by the State in the Statewide Accounting Management System (“SAMS”) budgetary purposes. SAMS establishes the following budgetary fund groups to account for the State’s budgetary activities:

- General** – funds established to account for those services traditionally provided by a state government which are not required to be accounted for in other funds;
- Highway** – funds established to receive and distribute assessments related to transportation, and to support the construction and maintenance of transportation facilities and activities of the State;
- Special State** – funds designated by statute as special funds in the State Treasury and not elsewhere classified;
- Bond Financed** – funds established to receive and administer the proceeds of various bond issues of the State;
- Debt Service** – funds established to finance and account for the payment of principal and interest generally associated with the general and special obligation bond issues of the State;
- Federal Trust** – funds established pursuant to grants and contracts or under statutory authority between State agencies and the federal government;
- Revolving** – funds established to finance and account for intra-governmental services; and
- State Trust** – funds established by statute or under statutory authority for nonfederal programs which are not deemed to be a traditional governmental activity or elsewhere classified.

As the attached schedules are presented on the budgetary basis and not the GAAP basis of accounting, all budgeted funds of the State, including those presented as required supplemental information, are presented. The schedules presented as required supplemental information classify certain major governmental funds differently for GAAP reporting purposes than the following budgetary presentation. Below is a summary of those differences:

GAAP Basis	Budgetary Basis Includes
General Fund	All General Funds Special State Funds: FY 09 Budget Relief Fund Budget Stabilization Fund Community Mental Health Medicaid Trust Trust Fund University of Illinois Hospital Services Fund County Provider Trust Fund Care Provider for Persons with Developmental Disabilities Fund Long-Term Care Provider Fund Hospital Provider Fund Special Education Medicaid Matching Fund Health and Human Services Medicaid Trust Fund Family Care Fund Drug Rebate Fund Income Tax Refund Fund and 13 funds included as other special state funds Federal Trust Funds Community Developmental Disabilities Services Medicaid Trust Fund State Trust Funds Public Aid Recoveries Trust Fund

State of Illinois

**Combined Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
All Budgeted Fund Groups**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	General Funds			Highway Funds		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes	\$ 12,182,000	\$ 10,932,843	\$ (1,249,157)			
Sales taxes	7,297,000	6,772,799	(524,201)			
Motor fuel taxes				\$ 1,394,563	\$ 1,392,623	\$ (1,940)
Public utility taxes	1,110,000	1,167,764	57,764			
Federal government	5,029,000	6,495,655	1,466,655	1,211,013	1,283,335	72,322
Other	2,287,000	2,113,206	(173,794)	1,524,277	1,481,626	(42,651)
Less:						
Refunds	15,609	15,515	(94)	18,349	18,296	(53)
<b>Total revenues</b>	<b>27,889,391</b>	<b>27,466,752</b>	<b>(422,639)</b>	<b>4,111,504</b>	<b>4,139,288</b>	<b>27,784</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	15,597,275	15,399,280	(197,995)	142,997	142,997	-
Education	11,461,904	11,340,428	(121,476)			
General government	754,641	710,927	(43,714)	216,732	207,619	(9,113)
Employment and economic development	140,315	126,464	(13,851)	1,900	1,900	-
Transportation	32,036	25,486	(6,550)	3,560,526	3,420,802	(139,724)
Public protection and justice	2,125,001	2,050,915	(74,086)	114,678	114,677	(1)
Environment and business regulation	89,160	84,144	(5,016)			
Debt service:						
Principal						
Interest						
Capital outlays	24,419	20,373	(4,046)	56,469	37,326	(19,143)
<b>Total expenditures</b>	<b>30,224,751</b>	<b>29,758,017</b>	<b>(466,734)</b>	<b>4,093,302</b>	<b>3,925,321</b>	<b>(167,981)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(2,335,360)</b>	<b>(2,291,265)</b>	<b>44,095</b>	<b>18,202</b>	<b>213,967</b>	<b>195,765</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Proceeds from general and special obligation bond issues	2,400,000	2,400,000	-			
Operating transfers-in	6,151,663	6,151,663	-	1,160,463	1,160,463	-
Operating transfers-out	(9,098,735)	(9,098,735)	-	(1,476,786)	(1,476,786)	-
<b>Total other sources (uses) of financial resources</b>	<b>(547,072)</b>	<b>(547,072)</b>	<b>-</b>	<b>(316,323)</b>	<b>(316,323)</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>						
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>(2,882,432)</b>	<b>(2,838,337)</b>	<b>44,095</b>	<b>(298,121)</b>	<b>(102,356)</b>	<b>195,765</b>
Budgetary fund balances (deficits), July 1, 2008, as previously reported	(834,491)	(834,491)	-	684,816	684,816	-
Reclassifications between budgetary/nonbudgetary funds-net						
Budgetary fund balances (deficits), July 1, 2008, as reclassified	(834,491)	(834,491)	-	684,816	684,816	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (3,716,923)</b>	<b>\$ (3,672,828)</b>	<b>\$ 44,095</b>	<b>\$ 386,695</b>	<b>\$ 582,460</b>	<b>\$ 195,765</b>

Special State Funds			Bond Financed Funds			Debt Service Funds		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 2,622,735	\$ 2,622,735	\$ -						
831,109	837,086	5,977						
76,789	74,779	(2,010)						
497,420	494,905	(2,515)						
3,288,469	4,137,738	849,269						
7,519,001	7,114,859	(404,142)	\$ -	\$ 491	\$ 491	\$ 105,404	\$ 117,317	\$ 11,913
1,591,384	1,570,019	(21,365)						
13,244,139	13,712,083	467,944	-	491	491	105,404	117,317	11,913
9,406,651	8,227,644	(1,179,007)						
348,564	300,316	(48,248)	11,916	10,309	(1,607)			
3,617,336	3,418,302	(199,034)	18,135	16,681	(1,454)			
884,396	538,506	(345,890)	18,195	3,208	(14,987)			
644,415	577,813	(66,602)	48,837	48,820	(17)			
230,178	117,285	(112,893)						
893,876	783,811	(110,065)	10,116	9,461	(655)			
						2,350,651	2,299,277	(51,374)
						1,162,985	1,133,052	(29,933)
46,705	39,338	(7,367)	71,174	72,233	1,059			
16,072,121	14,003,015	(2,069,106)	178,373	160,712	(17,661)	3,513,636	3,432,329	(81,307)
(2,827,982)	(290,932)	2,537,050	(178,373)	(160,221)	18,152	(3,408,232)	(3,315,012)	93,220
			151,451	151,451	-			
4,229,386	4,229,386	-				3,654,587	3,654,587	-
(3,848,729)	(3,848,729)	-				(335,000)	(335,000)	-
380,657	380,657	-	151,451	151,451	-	3,319,587	3,319,587	-
(2,579)	(2,579)	-						
(2,449,904)	87,146	2,537,050	(26,922)	(8,770)	18,152	(88,645)	4,575	93,220
1,914,027	1,914,027	-	73,783	73,783	-	649,343	649,343	-
1,914,027	1,914,027	-	73,783	73,783	-	649,343	649,343	-
\$ (535,877)	\$ 2,001,173	\$ 2,537,050	\$ 46,861	\$ 65,013	\$ 18,152	\$ 560,698	\$ 653,918	\$ 93,220

(continued)

State of Illinois

**Combined Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
All Budgeted Fund Groups**

For the Year Ended June 30, 2009 (Expressed in Thousands)

(continued)

	Federal Trust Funds			Revolving Funds		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes						
Sales taxes						
Motor fuel taxes						
Public utility taxes						
Federal government	\$ 3,774,167	\$ 4,231,074	\$ 456,907	\$ 12,197	\$ 3,091	\$ (9,106)
Other	265,120	250,934	(14,186)	546,172	501,594	(44,578)
Less:						
Refunds	2,844	5	(2,839)	9,610	7	(9,603)
<b>Total revenues</b>	<b>4,036,443</b>	<b>4,482,003</b>	<b>445,560</b>	<b>548,759</b>	<b>504,678</b>	<b>(44,081)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	1,697,358	1,190,160	(507,198)			
Education	3,128,262	2,251,767	(876,495)			
General government	357,573	8,390	(349,183)	746,529	600,512	(146,017)
Employment and economic development	1,560,667	414,064	(1,146,603)			
Transportation	115,752	115,727	(25)	1,000	721	(279)
Public protection and justice	423,851	144,283	(279,568)	42,039	39,312	(2,727)
Environment and business regulation	197,404	135,994	(61,410)			
Debt service:						
Principal						
Interest						
Capital outlays	10,881	1,019	(9,862)	2,485	1,169	(1,316)
<b>Total expenditures</b>	<b>7,491,748</b>	<b>4,261,404</b>	<b>(3,230,344)</b>	<b>792,053</b>	<b>641,714</b>	<b>(150,339)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(3,455,305)</b>	<b>220,599</b>	<b>3,675,904</b>	<b>(243,294)</b>	<b>(137,036)</b>	<b>106,258</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Proceeds from general and special obligation bond issues						
Operating transfers-in	40,152	40,152	-	119,852	119,852	-
Operating transfers-out	(39,225)	(39,225)	-	(14,018)	(14,018)	-
<b>Total other sources (uses) of financial resources</b>	<b>927</b>	<b>927</b>	<b>-</b>	<b>105,834</b>	<b>105,834</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(16,152)</b>	<b>(16,152)</b>	<b>-</b>			
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>(3,470,530)</b>	<b>205,374</b>	<b>3,675,904</b>	<b>(137,460)</b>	<b>(31,202)</b>	<b>106,258</b>
Budgetary fund balances (deficits), July 1, 2008, as previously reported	(290,472)	(290,472)	-	(4,604)	(4,604)	-
Reclassifications between budgetary/nonbudgetary funds-net	35	35	-			
Budgetary fund balances (deficits), July 1, 2008, as reclassified	(290,437)	(290,437)	-	(4,604)	(4,604)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (3,760,967)</b>	<b>\$ (85,063)</b>	<b>\$ 3,675,904</b>	<b>\$ (142,064)</b>	<b>\$ (35,806)</b>	<b>\$ 106,258</b>

State Trust Funds			Total (Memorandum Only)		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 14,804,735	\$ 13,555,578	\$ (1,249,157)
\$ 714,811	\$ 714,811	\$ -	8,842,920	8,324,696	(518,224)
31,378	31,378	-	1,502,730	1,498,780	(3,950)
301,145	301,145	-	1,908,565	1,963,814	55,249
92,688	128,494	35,806	13,407,534	16,279,387	2,871,853
1,930,509	2,183,930	253,421	14,177,483	13,763,957	(413,526)
312	273	(39)	1,638,108	1,604,115	(33,993)
3,070,219	3,359,485	289,266	53,005,859	53,782,097	776,238
221,384	183,966	(37,418)	27,065,665	25,144,047	(1,921,618)
17,259	4,619	(12,640)	14,967,905	13,907,439	(1,060,466)
330,942	193,376	(137,566)	6,041,888	5,155,807	(886,081)
25	20	(5)	2,605,498	1,084,162	(1,521,336)
			4,402,566	4,189,369	(213,197)
2,950	1,326	(1,624)	2,938,697	2,467,798	(470,899)
12,930	5,787	(7,143)	1,203,486	1,019,197	(184,289)
				-	
			2,350,651	2,299,277	(51,374)
			1,162,985	1,133,052	(29,933)
2,000	2	(1,998)	214,133	171,460	(42,673)
587,490	389,096	(198,394)	62,953,474	56,571,608	(6,381,866)
2,482,729	2,970,389	487,660	(9,947,615)	(2,789,511)	7,158,104
			2,551,451	2,551,451	-
175,196	175,196	-	15,531,299	15,531,299	-
(412,368)	(412,368)	-	(15,224,861)	(15,224,861)	-
(237,172)	(237,172)	-	2,857,889	2,857,889	-
(2,835,190)	(2,835,190)	-	(2,853,921)	(2,853,921)	-
(589,633)	(101,973)	487,660	(9,943,647)	(2,785,543)	7,158,104
574,116	574,116	-	2,766,518	2,766,518	-
(84,393)	(84,393)	-	(84,358)	(84,358)	-
489,723	489,723	-	2,682,160	2,682,160	-
\$ (99,910)	\$ 387,750	\$ 487,660	\$ (7,261,487)	\$ (103,383)	\$ 7,158,104

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) General Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	General Revenue			Common School Special Account		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes	\$11,293,000	\$10,134,745	\$ (1,158,255)			
Sales taxes	5,467,000	5,073,989	(393,011)	\$ 1,830,000	\$ 1,698,810	\$ (131,190)
Public utility taxes	1,002,000	1,053,769	51,769			
Federal government	5,029,000	6,495,655	1,466,655			
Other	2,110,000	1,936,552	(173,448)			
Less:						
Refunds	15,609	15,515	(94)			
<b>Total revenues</b>	<b>24,885,391</b>	<b>24,679,195</b>	<b>(206,196)</b>	<b>1,830,000</b>	<b>1,698,810</b>	<b>(131,190)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	15,597,275	15,399,280	(197,995)			
Education	5,491,960	5,395,621	(96,339)			
General government	754,632	710,918	(43,714)			
Employment and economic development	140,315	126,464	(13,851)			
Transportation	32,036	25,486	(6,550)			
Public protection and justice	2,125,001	2,050,915	(74,086)			
Environment and business regulation	89,160	84,144	(5,016)			
Capital outlays	24,419	20,373	(4,046)			
<b>Total expenditures</b>	<b>24,254,798</b>	<b>23,813,201</b>	<b>(441,597)</b>			
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>630,593</b>	<b>865,994</b>	<b>235,401</b>	<b>1,830,000</b>	<b>1,698,810</b>	<b>(131,190)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Proceeds from general and special obligation bond issues	2,400,000	2,400,000	-			
Operating transfers-in	1,181,567	1,181,567	-			
Operating transfers-out	(7,570,837)	(7,570,837)	-	(1,527,577)	(1,527,577)	-
<b>Total other sources (uses) of financial resources</b>	<b>(3,989,270)</b>	<b>(3,989,270)</b>	<b>-</b>	<b>(1,527,577)</b>	<b>(1,527,577)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(3,358,677)</b>	<b>(3,123,276)</b>	<b>235,401</b>	<b>302,423</b>	<b>171,233</b>	<b>(131,190)</b>
Budgetary fund balances (deficits), July 1, 2008	(916,676)	(916,676)	-	14,009	14,009	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (4,275,353)</b>	<b>\$ (4,039,952)</b>	<b>\$ 235,401</b>	<b>\$ 316,432</b>	<b>\$ 185,242</b>	<b>\$ (131,190)</b>

Education Assistance			Common School			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 889,000	\$ 798,098	\$ (90,902)				\$12,182,000	\$10,932,843	\$ (1,249,157)
			\$ 108,000	\$ 113,995	\$ 5,995	7,297,000	6,772,799	(524,201)
						1,110,000	1,167,764	57,764
						5,029,000	6,495,655	1,466,655
-	31	31	177,000	176,623	(377)	2,287,000	2,113,206	(173,794)
						15,609	15,515	(94)
889,000	798,129	(90,871)	285,000	290,618	5,618	27,889,391	27,466,752	(422,639)
						15,597,275	15,399,280	(197,995)
1,517,476	1,492,401	(25,075)	4,452,468	4,452,406	(62)	11,461,904	11,340,428	(121,476)
9	9	-				754,641	710,927	(43,714)
						140,315	126,464	(13,851)
						32,036	25,486	(6,550)
						2,125,001	2,050,915	(74,086)
						89,160	84,144	(5,016)
						24,419	20,373	(4,046)
1,517,485	1,492,410	(25,075)	4,452,468	4,452,406	(62)	30,224,751	29,758,017	(466,734)
(628,485)	(694,281)	(65,796)	(4,167,468)	(4,161,788)	5,680	(2,335,360)	(2,291,265)	44,095
						2,400,000	2,400,000	-
685,659	685,659	-	4,284,437	4,284,437	-	6,151,663	6,151,663	-
(119)	(119)	-	(202)	(202)	-	(9,098,735)	(9,098,735)	-
685,540	685,540	-	4,284,235	4,284,235	-	(547,072)	(547,072)	-
57,055	(8,741)	(65,796)	116,767	122,447	5,680	(2,882,432)	(2,838,337)	44,095
61,978	61,978	-	6,198	6,198	-	(834,491)	(834,491)	-
\$ 119,033	\$ 53,237	\$ (65,796)	\$ 122,965	\$ 128,645	\$ 5,680	\$ (3,716,923)	\$ (3,672,828)	\$ 44,095

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Highway Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Road			Motor Fuel Tax - State		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Motor fuel taxes				\$ 1,394,563	\$ 1,392,623	\$ (1,940)
Federal government	\$ 1,211,013	\$ 1,283,192	\$ 72,179	-	143	143
Other	1,017,443	992,090	(25,353)	-	701	701
Less:						
Refunds	2,333	2,287	(46)	16,016	16,009	(7)
<b>Total revenues</b>	<b>2,226,123</b>	<b>2,272,995</b>	<b>46,872</b>	<b>1,378,547</b>	<b>1,377,458</b>	<b>(1,089)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	142,997	142,997	-			
General government	129,912	129,574	(338)	86,820	78,045	(8,775)
Employment and economic development	1,900	1,900	-			
Transportation	1,914,749	1,851,857	(62,892)	10,837	9,523	(1,314)
Public protection and justice	114,678	114,677	(1)			
Capital outlays	56,441	37,312	(19,129)	28	14	(14)
<b>Total expenditures</b>	<b>2,360,677</b>	<b>2,278,317</b>	<b>(82,360)</b>	<b>97,685</b>	<b>87,582</b>	<b>(10,103)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(134,554)</b>	<b>(5,322)</b>	<b>129,232</b>	<b>1,280,862</b>	<b>1,289,876</b>	<b>9,014</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	317,323	317,323	-	30	30	-
Operating transfers-out	(279,091)	(279,091)	-	(1,195,416)	(1,195,416)	-
<b>Total other sources (uses) of financial resources</b>	<b>38,232</b>	<b>38,232</b>	<b>-</b>	<b>(1,195,386)</b>	<b>(1,195,386)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(96,322)</b>	<b>32,910</b>	<b>129,232</b>	<b>85,476</b>	<b>94,490</b>	<b>9,014</b>
Budgetary fund balances (deficits), July 1, 2008	323,368	323,368	-	(7,781)	(7,781)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ 227,046</b>	<b>\$ 356,278</b>	<b>\$ 129,232</b>	<b>\$ 77,695</b>	<b>\$ 86,709</b>	<b>\$ 9,014</b>

Grade Crossing Protection			Motor Fuel Tax - Counties			Motor Fuel Tax - Municipalities		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ -	\$ 42	\$ 42						
-	42	42						
24,053	24,053	-	\$ 232,600	\$ 206,232	\$ (26,368)	\$ 326,300	\$ 289,232	\$ (37,068)
24,053	24,053	-	232,600	206,232	(26,368)	326,300	289,232	(37,068)
(24,053)	(24,011)	42	(232,600)	(206,232)	26,368	(326,300)	(289,232)	37,068
27,001	27,001	-	210,337	210,337	-	294,989	294,989	-
(2,251)	(2,251)	-						
24,750	24,750	-	210,337	210,337	-	294,989	294,989	-
697	739	42	(22,263)	4,105	26,368	(31,311)	5,757	37,068
1	1	-	(15,803)	(15,803)	-	(22,163)	(22,163)	-
\$ 698	\$ 740	\$ 42	\$ (38,066)	\$ (11,698)	\$ 26,368	\$ (53,474)	\$ (16,406)	\$ 37,068

(continued)

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Highway Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

(continued)

	Motor Fuel Tax - Township			State Construction Account		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Motor fuel taxes						
Federal government						
Other				\$ 506,834	\$ 488,793	\$ (18,041)
Less:						
Refunds						
<b>Total revenues</b>				<u>506,834</u>	<u>488,793</u>	<u>(18,041)</u>
<b>EXPENDITURES:</b>						
Current:						
Health and social services						
General government						
Employment and economic development						
Transportation	\$ 105,600	\$ 93,603	\$ (11,997)	946,387	946,302	(85)
Public protection and justice						
Capital outlays						
<b>Total expenditures</b>	<u>105,600</u>	<u>93,603</u>	<u>(11,997)</u>	<u>946,387</u>	<u>946,302</u>	<u>(85)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(105,600)</u>	<u>(93,603)</u>	<u>11,997</u>	<u>(439,553)</u>	<u>(457,509)</u>	<u>(17,956)</u>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	95,466	95,466	-	215,317	215,317	-
Operating transfers-out				(28)	(28)	-
<b>Total other sources (uses) of financial resources</b>	<u>95,466</u>	<u>95,466</u>	<u>-</u>	<u>215,289</u>	<u>215,289</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of nonbudgeted accounts</b>	<u>(10,134)</u>	<u>1,863</u>	<u>11,997</u>	<u>(224,264)</u>	<u>(242,220)</u>	<u>(17,956)</u>
Budgetary fund balances (deficits), July 1, 2008	(7,172)	(7,172)	-	414,366	414,366	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<u>\$ (17,306)</u>	<u>\$ (5,309)</u>	<u>\$ 11,997</u>	<u>\$ 190,102</u>	<u>\$ 172,146</u>	<u>\$ (17,956)</u>

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 1,394,563	\$ 1,392,623	\$ (1,940)	
1,211,013	1,283,335	72,322	
1,524,277	1,481,626	(42,651)	
18,349	18,296	(53)	
4,111,504	4,139,288	27,784	
142,997	142,997	-	
216,732	207,619	(9,113)	
1,900	1,900	-	
3,560,526	3,420,802	(139,724)	
114,678	114,677	(1)	
56,469	37,326	(19,143)	
4,093,302	3,925,321	(167,981)	
18,202	213,967	195,765	
1,160,463	1,160,463	-	
(1,476,786)	(1,476,786)	-	
(316,323)	(316,323)	-	
(298,121)	(102,356)	195,765	
684,816	684,816	-	
\$ 386,695	\$ 582,460	\$ 195,765	

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Elected Officials			Code Departments		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes				\$ 2,622,735	\$ 2,622,735	\$ -
Sales taxes				810,035	817,391	7,356
Motor fuel taxes						
Public utility taxes				314,709	308,329	(6,380)
Federal government	\$ 287,629	\$ 452,479	\$ 164,850	2,850,126	3,560,820	710,694
Other	321,637	372,781	51,144	6,149,306	5,778,278	(371,028)
Less:						
Refunds				1,588,847	1,568,778	(20,069)
<b>Total revenues</b>	<b>609,266</b>	<b>825,260</b>	<b>215,994</b>	<b>11,158,064</b>	<b>11,518,775</b>	<b>360,711</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	918,382	916,827	(1,555)	8,258,354	7,168,946	(1,089,408)
Education	252,800	221,456	(31,344)			
General government	32,126	28,857	(3,269)	3,221,090	3,165,564	(55,526)
Employment and economic development	2,000	2,000	-	664,616	380,826	(283,790)
Transportation	37,318	37,318	-	594,745	529,735	(65,010)
Public protection and justice	1,598	733	(865)	63,250	14,843	(48,407)
Environment and business regulation	14,850	14,614	(236)	147,066	135,207	(11,859)
Capital outlays	19	17	(2)	26,109	22,510	(3,599)
<b>Total expenditures</b>	<b>1,259,093</b>	<b>1,221,822</b>	<b>(37,271)</b>	<b>12,975,230</b>	<b>11,417,631</b>	<b>(1,557,599)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(649,827)</b>	<b>(396,562)</b>	<b>253,265</b>	<b>(1,817,166)</b>	<b>101,144</b>	<b>1,918,310</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	916,897	916,897	-	2,924,764	2,924,764	-
Operating transfers-out	(591,961)	(591,961)	-	(2,752,564)	(2,752,564)	-
<b>Total other sources (uses) of financial resources</b>	<b>324,936</b>	<b>324,936</b>	<b>-</b>	<b>172,200</b>	<b>172,200</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>				<b>(229)</b>	<b>(229)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>(324,891)</b>	<b>(71,626)</b>	<b>253,265</b>	<b>(1,645,195)</b>	<b>273,115</b>	<b>1,918,310</b>
Budgetary fund balances (deficits), July 1, 2008	458,562	458,562	-	333,278	333,278	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ 133,671</b>	<b>\$ 386,936</b>	<b>\$ 253,265</b>	<b>\$ (1,311,917)</b>	<b>\$ 606,393</b>	<b>\$ 1,918,310</b>

Agencies, Boards & Commissions			Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 21,074	\$ 19,695	\$ (1,379)	\$ 2,622,735	\$ 2,622,735	\$ -
\$ 76,789	\$ 74,779	\$ (2,010)				831,109	837,086	5,977
151,001	155,367	4,366	31,710	31,209	(501)	76,789	74,779	(2,010)
70,200	39,534	(30,666)	80,514	84,905	4,391	497,420	494,905	(2,515)
309,568	283,249	(26,319)	738,490	680,551	(57,939)	3,288,469	4,137,738	849,269
						7,519,001	7,114,859	(404,142)
22	10	(12)	2,515	1,231	(1,284)	1,591,384	1,570,019	(21,365)
607,536	552,919	(54,617)	869,273	815,129	(54,144)	13,244,139	13,712,083	467,944
15,946	5,496	(10,450)	213,969	136,375	(77,594)	9,406,651	8,227,644	(1,179,007)
2,559	2,550	(9)	93,205	76,310	(16,895)	348,564	300,316	(48,248)
80,976	38,800	(42,176)	283,144	185,081	(98,063)	3,617,336	3,418,302	(199,034)
31,570	30,752	(818)	186,210	124,928	(61,282)	884,396	538,506	(345,890)
			12,352	10,760	(1,592)	644,415	577,813	(66,602)
25,884	22,160	(3,724)	139,446	79,549	(59,897)	230,178	117,285	(112,893)
357,580	345,203	(12,377)	374,380	288,787	(85,593)	893,876	783,811	(110,065)
1,109	230	(879)	19,468	16,581	(2,887)	46,705	39,338	(7,367)
515,624	445,191	(70,433)	1,322,174	918,371	(403,803)	16,072,121	14,003,015	(2,069,106)
91,912	107,728	15,816	(452,901)	(103,242)	349,659	(2,827,982)	(290,932)	2,537,050
137,412	137,412	-	250,313	250,313	-	4,229,386	4,229,386	-
(244,897)	(244,897)	-	(259,307)	(259,307)	-	(3,848,729)	(3,848,729)	-
(107,485)	(107,485)	-	(8,994)	(8,994)	-	380,657	380,657	-
			(2,350)	(2,350)	-	(2,579)	(2,579)	-
(15,573)	243	15,816	(464,245)	(114,586)	349,659	(2,449,904)	87,146	2,537,050
464,382	464,382	-	657,805	657,805	-	1,914,027	1,914,027	-
\$ 448,809	\$ 464,625	\$ 15,816	\$ 193,560	\$ 543,219	\$ 349,659	\$ (535,877)	\$ 2,001,173	\$ 2,537,050

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Elected Officials**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Attorney General			Comptroller		
	Attorney General Whistleblower			Final Budget	Actual	Variance Over (Under)
	Final Budget	Actual	Variance Over (Under)			
<b>REVENUES:</b>						
Federal government						
Other	\$ 811	\$ 26,813	\$ 26,002	\$ -	\$ 5,000	\$ 5,000
<b>Total revenues</b>	<u>811</u>	<u>26,813</u>	<u>26,002</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
<b>EXPENDITURES:</b>						
Current:						
Health and social services				123,223	122,992	(231)
Education				2,800	2,551	(249)
General government	2,050	1,378	(672)	21,055	20,254	(801)
Employment and economic development				2,000	2,000	-
Transportation				37,318	37,318	-
Public protection and justice				1,598	733	(865)
Environment and business regulation				14,850	14,614	(236)
Capital outlays				4	2	(2)
<b>Total expenditures</b>	<u>2,050</u>	<u>1,378</u>	<u>(672)</u>	<u>202,848</u>	<u>200,464</u>	<u>(2,384)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,239)</u>	<u>25,435</u>	<u>26,674</u>	<u>(202,848)</u>	<u>(195,464)</u>	<u>7,384</u>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				790,704	790,704	-
Operating transfers-out	(8,253)	(8,253)	-	(575,704)	(575,704)	-
<b>Total other sources (uses) of financial resources</b>	<u>(8,253)</u>	<u>(8,253)</u>	<u>-</u>	<u>215,000</u>	<u>215,000</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<u>(9,492)</u>	<u>17,182</u>	<u>26,674</u>	<u>12,152</u>	<u>19,536</u>	<u>7,384</u>
Budgetary fund balances (deficits), July 1, 2008	5,699	5,699	-	275,704	275,704	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<u>\$ (3,793)</u>	<u>\$ 22,881</u>	<u>\$ 26,674</u>	<u>\$ 287,856</u>	<u>\$ 295,240</u>	<u>\$ 7,384</u>

Treasurer			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 287,629	\$ 452,479	\$ 164,850	\$ 287,629	\$ 452,479	\$ 164,850
320,826	340,968	20,142	321,637	372,781	51,144
608,455	793,447	184,992	609,266	825,260	215,994
795,159	793,835	(1,324)	918,382	916,827	(1,555)
250,000	218,905	(31,095)	252,800	221,456	(31,344)
9,021	7,225	(1,796)	32,126	28,857	(3,269)
			2,000	2,000	-
			37,318	37,318	-
			1,598	733	(865)
			14,850	14,614	(236)
15	15	-	19	17	(2)
1,054,195	1,019,980	(34,215)	1,259,093	1,221,822	(37,271)
(445,740)	(226,533)	219,207	(649,827)	(396,562)	253,265
126,193	126,193	-	916,897	916,897	-
(8,004)	(8,004)	-	(591,961)	(591,961)	-
118,189	118,189	-	324,936	324,936	-
(327,551)	(108,344)	219,207	(324,891)	(71,626)	253,265
177,159	177,159	-	458,562	458,562	-
\$ (150,392)	\$ 68,815	\$ 219,207	\$ 133,671	\$ 386,936	\$ 253,265

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Comptroller**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	FY09 Budget Relief			Budget Stabilization		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Other	\$ -	\$ 5,000	\$ 5,000			
<b>Total revenues</b>	<b>-</b>	<b>5,000</b>	<b>5,000</b>			
<b>EXPENDITURES:</b>						
Current:						
Health and social services	123,223	122,992	(231)			
Education	2,800	2,551	(249)			
General government	21,055	20,254	(801)			
Employment and economic development	2,000	2,000	-			
Transportation	37,318	37,318	-			
Public protection and justice	1,598	733	(865)			
Environment and business regulation	14,850	14,614	(236)			
Capital outlays	4	2	(2)			
<b>Total expenditures</b>	<b>202,848</b>	<b>200,464</b>	<b>(2,384)</b>			
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(202,848)</b>	<b>(195,464)</b>	<b>7,384</b>			
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	215,000	215,000	-	\$ 575,704	\$ 575,704	\$ -
Operating transfers-out				(575,704)	(575,704)	-
<b>Total other sources (uses) of financial resources</b>	<b>215,000</b>	<b>215,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>12,152</b>	<b>19,536</b>	<b>7,384</b>	<b>-</b>	<b>-</b>	<b>-</b>
Budgetary fund balances (deficits), July 1, 2008	-	-	-	275,704	275,704	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ 12,152</b>	<b>\$ 19,536</b>	<b>\$ 7,384</b>	<b>\$ 275,704</b>	<b>\$ 275,704</b>	<b>\$ -</b>

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ -	\$ 5,000	\$ 5,000	
-	5,000	5,000	
123,223	122,992	(231)	
2,800	2,551	(249)	
21,055	20,254	(801)	
2,000	2,000	-	
37,318	37,318	-	
1,598	733	(865)	
14,850	14,614	(236)	
4	2	(2)	
202,848	200,464	(2,384)	
(202,848)	(195,464)	7,384	
790,704	790,704	-	
(575,704)	(575,704)	-	
215,000	215,000	-	
12,152	19,536	7,384	
275,704	275,704	-	
\$ 287,856	\$ 295,240	\$ 7,384	

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - State Treasurer**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	State Pensions			Tobacco Settlement Recovery		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government				\$ 287,629	\$ 452,479	\$ 164,850
Other				320,826	340,968	20,142
<b>Total revenues</b>				<b>608,455</b>	<b>793,447</b>	<b>184,992</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services				795,159	793,835	(1,324)
Education	\$ 250,000	\$ 218,905	\$ (31,095)			
General government	8,066	6,406	(1,660)	955	819	(136)
Capital outlays	15	15	-			
<b>Total expenditures</b>	<b>258,081</b>	<b>225,326</b>	<b>(32,755)</b>	<b>796,114</b>	<b>794,654</b>	<b>(1,460)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(258,081)</b>	<b>(225,326)</b>	<b>32,755</b>	<b>(187,659)</b>	<b>(1,207)</b>	<b>186,452</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	126,185	126,185	-	8	8	-
Operating transfers-out	(5,000)	(5,000)	-	(3,004)	(3,004)	-
<b>Total other sources (uses) of financial resources</b>	<b>121,185</b>	<b>121,185</b>	<b>-</b>	<b>(2,996)</b>	<b>(2,996)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(136,896)</b>	<b>(104,141)</b>	<b>32,755</b>	<b>(190,655)</b>	<b>(4,203)</b>	<b>186,452</b>
Budgetary fund balances (deficits), July 1, 2008	161,095	161,095	-	16,064	16,064	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ 24,199</b>	<b>\$ 56,954</b>	<b>\$ 32,755</b>	<b>\$ (174,591)</b>	<b>\$ 11,861</b>	<b>\$ 186,452</b>

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 287,629	\$ 452,479	\$ 164,850	
320,826	340,968	20,142	
608,455	793,447	184,992	

795,159	793,835	(1,324)
250,000	218,905	(31,095)
9,021	7,225	(1,796)
15	15	-
1,054,195	1,019,980	(34,215)

(445,740)	(226,533)	219,207
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126,193	126,193	-
(8,004)	(8,004)	-
118,189	118,189	-

(327,551)	(108,344)	219,207
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177,159	177,159	-
\$ (150,392)	\$ 68,815	\$ 219,207

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Code Departments**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Commerce and Economic Opportunity			Natural Resources		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes						
Sales taxes						
Public utility taxes	\$ 91,803	\$ 85,423	\$ (6,380)			
Federal government	149,379	151,692	2,313	\$ 8,860	\$ 11,010	\$ 2,150
Other	8,598	8,071	(527)	71,180	61,887	(9,293)
Less:						
Refunds				1,150	777	(373)
<b>Total revenues</b>	<b>249,780</b>	<b>245,186</b>	<b>(4,594)</b>	<b>78,890</b>	<b>72,120</b>	<b>(6,770)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	77,748	77,474	(274)			
General government	8	8	-	51	51	-
Employment and economic development	495,107	212,343	(282,764)			
Transportation						
Public protection and justice						
Environment and business regulation				87,965	82,995	(4,970)
Capital outlays	97	72	(25)	1,387	876	(511)
<b>Total expenditures</b>	<b>572,960</b>	<b>289,897</b>	<b>(283,063)</b>	<b>89,403</b>	<b>83,922</b>	<b>(5,481)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(323,180)</b>	<b>(44,711)</b>	<b>278,469</b>	<b>(10,513)</b>	<b>(11,802)</b>	<b>(1,289)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	81,088	81,088	-			
Operating transfers-out	(51,008)	(51,008)	-	(5,218)	(5,218)	-
<b>Total other sources (uses) of financial resources</b>	<b>30,080</b>	<b>30,080</b>	<b>-</b>	<b>(5,218)</b>	<b>(5,218)</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>						
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>(293,100)</b>	<b>(14,631)</b>	<b>278,469</b>	<b>(15,731)</b>	<b>(17,020)</b>	<b>(1,289)</b>
Budgetary fund balances (deficits), July 1, 2008	40,388	40,388	-	109,789	109,789	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (252,712)</b>	<b>\$ 25,757</b>	<b>\$ 278,469</b>	<b>\$ 94,058</b>	<b>\$ 92,769</b>	<b>\$ (1,289)</b>

Financial and Professional Regulation			Human Services			Healthcare and Family Services		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 87,888	\$ 87,191	\$ (697)	\$ 2,220,256	\$ 2,877,343	\$ 657,087
\$ 40,774	\$ 39,024	\$ (1,750)	28,101	31,679	3,578	3,661,252	3,886,439	225,187
11	6	(5)	100	53	(47)	9,750	91	(9,659)
40,763	39,018	(1,745)	115,889	118,817	2,928	5,871,758	6,763,691	891,933
			127,105	98,051	(29,054)	7,621,405	6,643,601	(977,804)
355	354	(1)				13,819	9,677	(4,142)
59,101	52,212	(6,889)						
283	245	(38)				1,019	77	(942)
59,739	52,811	(6,928)	127,105	98,051	(29,054)	7,636,243	6,653,355	(982,888)
(18,976)	(13,793)	5,183	(11,216)	20,766	31,982	(1,764,485)	110,336	1,874,821
41,762	41,762	-	1	1	-	837,587	837,587	-
(78,133)	(78,133)	-	(14,824)	(14,824)	-	(659,062)	(659,062)	-
(36,371)	(36,371)	-	(14,823)	(14,823)	-	178,525	178,525	-
(229)	(229)	-						
(55,576)	(50,393)	5,183	(26,039)	5,943	31,982	(1,585,960)	288,861	1,874,821
74,190	74,190	-	32,721	32,721	-	(230,282)	(230,282)	-
\$ 18,614	\$ 23,797	\$ 5,183	\$ 6,682	\$ 38,664	\$ 31,982	\$ (1,816,242)	\$ 58,579	\$ 1,874,821

(continued)

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Code Departments**

For the Year Ended June 30, 2009 (Expressed in Thousands)

(continued)

	Revenue			Transportation		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes	\$ 2,622,735	\$ 2,622,735	\$ -			
Sales taxes	810,035	817,391	7,356			
Public utility taxes	222,906	222,906	-			
Federal government	13,680	13,680	-			
Other	2,318,884	1,705,271	(613,613)			
Less:						
Refunds	1,577,836	1,567,851	(9,985)			
<b>Total revenues</b>	<b>4,410,404</b>	<b>3,814,132</b>	<b>(596,272)</b>			
<b>EXPENDITURES:</b>						
Current:						
Health and social services	960	703	(257)			
General government	3,205,057	3,153,991	(51,066)			
Employment and economic development	169,509	168,483	(1,026)			
Transportation				\$ 594,745	\$ 529,735	\$ (65,010)
Public protection and justice						
Environment and business regulation						
Capital outlays	323	186	(137)			
<b>Total expenditures</b>	<b>3,375,849</b>	<b>3,323,363</b>	<b>(52,486)</b>	<b>594,745</b>	<b>529,735</b>	<b>(65,010)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,034,555</b>	<b>490,769</b>	<b>(543,786)</b>	<b>(594,745)</b>	<b>(529,735)</b>	<b>65,010</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	1,430,015	1,430,015	-	534,305	534,305	-
Operating transfers-out	(1,939,267)	(1,939,267)	-	(245)	(245)	-
<b>Total other sources (uses) of financial resources</b>	<b>(509,252)</b>	<b>(509,252)</b>	<b>-</b>	<b>534,060</b>	<b>534,060</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>						
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>525,303</b>	<b>(18,483)</b>	<b>(543,786)</b>	<b>(60,685)</b>	<b>4,325</b>	<b>65,010</b>
Budgetary fund balances (deficits), July 1, 2008	337,049	337,049	-	38,143	38,143	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ 862,352</b>	<b>\$ 318,566</b>	<b>\$ (543,786)</b>	<b>\$ (22,542)</b>	<b>\$ 42,468</b>	<b>\$ 65,010</b>

Other Code Departments			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 2,622,735	\$ 2,622,735	\$ -
			810,035	817,391	7,356
			314,709	308,329	(6,380)
\$ 370,063	\$ 419,904	\$ 49,841	2,850,126	3,560,820	710,694
20,517	45,907	25,390	6,149,306	5,778,278	(371,028)
			1,588,847	1,568,778	(20,069)
390,580	465,811	75,231	11,158,064	11,518,775	360,711
431,136	349,117	(82,019)	8,258,354	7,168,946	(1,089,408)
1,800	1,483	(317)	3,221,090	3,165,564	(55,526)
			664,616	380,826	(283,790)
			594,745	529,735	(65,010)
63,250	14,843	(48,407)	63,250	14,843	(48,407)
			147,066	135,207	(11,859)
23,000	21,054	(1,946)	26,109	22,510	(3,599)
519,186	386,497	(132,689)	12,975,230	11,417,631	(1,557,599)
(128,606)	79,314	207,920	(1,817,166)	101,144	1,918,310
6	6	-	2,924,764	2,924,764	-
(4,807)	(4,807)	-	(2,752,564)	(2,752,564)	-
(4,801)	(4,801)	-	172,200	172,200	-
			(229)	(229)	-
(133,407)	74,513	207,920	(1,645,195)	273,115	1,918,310
(68,720)	(68,720)	-	333,278	333,278	-
\$ (202,127)	\$ 5,793	\$ 207,920	\$ (1,311,917)	\$ 606,393	\$ 1,918,310

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Commerce and Economic Opportunity**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Metropolitan Exposition Auditorium and Office Building			Supplemental Low Income Energy		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Public utility taxes				\$ 91,803	\$ 85,423	\$ (6,380)
Federal government						
Other				8,598	8,000	(598)
<b>Total revenues</b>				<b>100,401</b>	<b>93,423</b>	<b>(6,978)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services				77,748	77,474	(274)
General government				6	6	-
Employment and economic development				26,152	12,173	(13,979)
Capital outlays						
<b>Total expenditures</b>				<b>103,906</b>	<b>89,653</b>	<b>(14,253)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>				<b>(3,505)</b>	<b>3,770</b>	<b>7,275</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	\$ 37,924	\$ 37,924	\$ -			
Operating transfers-out	(39,248)	(39,248)	-	(40)	(40)	-
<b>Total other sources (uses) of financial resources</b>	<b>(1,324)</b>	<b>(1,324)</b>	<b>-</b>	<b>(40)</b>	<b>(40)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(1,324)</b>	<b>(1,324)</b>	<b>-</b>	<b>(3,545)</b>	<b>3,730</b>	<b>7,275</b>
Budgetary fund balances (deficits), July 1, 2008	18,194	18,194	-	16,848	16,848	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ 16,870</b>	<b>\$ 16,870</b>	<b>\$ -</b>	<b>\$ 13,303</b>	<b>\$ 20,578</b>	<b>\$ 7,275</b>

Tourism Promotion			Federal Workforce Training			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 149,379	\$ 151,692	\$ 2,313	\$ 91,803	\$ 85,423	\$ (6,380)
			-	71	71	149,379	151,692	2,313
						8,598	8,071	(527)
			149,379	151,763	2,384	249,780	245,186	(4,594)
						77,748	77,474	(274)
\$ 2	\$ 2	\$ -				8	8	-
33,955	32,607	(1,348)	435,000	167,563	(267,437)	495,107	212,343	(282,764)
97	72	(25)				97	72	(25)
34,054	32,681	(1,373)	435,000	167,563	(267,437)	572,960	289,897	(283,063)
(34,054)	(32,681)	1,373	(285,621)	(15,800)	269,821	(323,180)	(44,711)	278,469
43,164	43,164	-				81,088	81,088	-
(5,076)	(5,076)	-	(6,644)	(6,644)	-	(51,008)	(51,008)	-
38,088	38,088	-	(6,644)	(6,644)	-	30,080	30,080	-
4,034	5,407	1,373	(292,265)	(22,444)	269,821	(293,100)	(14,631)	278,469
23,690	23,690	-	(18,344)	(18,344)	-	40,388	40,388	-
\$ 27,724	\$ 29,097	\$ 1,373	\$ (310,609)	\$ (40,788)	\$ 269,821	\$ (252,712)	\$ 25,757	\$ 278,469

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Natural Resources**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Wildlife and Fish			Open Space Lands Acquisition and Development		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 8,860	\$ 11,010	\$ 2,150			
Other	42,670	47,663	4,993	\$ 28,510	\$ 14,224	\$ (14,286)
Less:						
Refunds	1,150	777	(373)			
<b>Total revenues</b>	<b>50,380</b>	<b>57,896</b>	<b>7,516</b>	<b>28,510</b>	<b>14,224</b>	<b>(14,286)</b>
<b>EXPENDITURES:</b>						
Current:						
General government	51	51	-			
Environment and business regulation	60,750	55,994	(4,756)	27,215	27,001	(214)
Capital outlays	1,387	876	(511)			
<b>Total expenditures</b>	<b>62,188</b>	<b>56,921</b>	<b>(5,267)</b>	<b>27,215</b>	<b>27,001</b>	<b>(214)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(11,808)</b>	<b>975</b>	<b>12,783</b>	<b>1,295</b>	<b>(12,777)</b>	<b>(14,072)</b>
<b>OTHER (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-out	(5,139)	(5,139)	-	(79)	(79)	-
<b>Total other (uses) of financial resources</b>	<b>(5,139)</b>	<b>(5,139)</b>	<b>-</b>	<b>(79)</b>	<b>(79)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(16,947)</b>	<b>(4,164)</b>	<b>12,783</b>	<b>1,216</b>	<b>(12,856)</b>	<b>(14,072)</b>
Budgetary fund balances (deficits), July 1, 2008	23,004	23,004	-	86,785	86,785	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ 6,057</b>	<b>\$ 18,840</b>	<b>\$ 12,783</b>	<b>\$ 88,001</b>	<b>\$ 73,929</b>	<b>\$ (14,072)</b>

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 8,860	\$ 11,010	\$ 2,150	
71,180	61,887	(9,293)	
1,150	777	(373)	
78,890	72,120	(6,770)	
51	51	-	
87,965	82,995	(4,970)	
1,387	876	(511)	
89,403	83,922	(5,481)	
(10,513)	(11,802)	(1,289)	
(5,218)	(5,218)	-	
(5,218)	(5,218)	-	
(15,731)	(17,020)	(1,289)	
109,789	109,789	-	
\$ 94,058	\$ 92,769	\$ (1,289)	

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Financial and Professional Regulation**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Professions Indirect Cost			Savings and Residential Finance Regulatory Fund		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Other	\$ 206	\$ 158	\$ (48)	\$ 10,984	\$ 7,781	\$ (3,203)
Less:						
Refunds				8	6	(2)
<b>Total revenues</b>	<b>206</b>	<b>158</b>	<b>(48)</b>	<b>10,976</b>	<b>7,775</b>	<b>(3,201)</b>
<b>EXPENDITURES:</b>						
Current:						
General government	162	162	-			
Environment and business regulation	38,214	33,340	(4,874)	4,904	4,123	(781)
Capital outlays	283	245	(38)			
<b>Total expenditures</b>	<b>38,659</b>	<b>33,747</b>	<b>(4,912)</b>	<b>4,904</b>	<b>4,123</b>	<b>(781)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(38,453)</b>	<b>(33,589)</b>	<b>4,864</b>	<b>6,072</b>	<b>3,652</b>	<b>(2,420)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	41,758	41,758	-	1	1	-
Operating transfers-out	(2,127)	(2,127)	-	(34,537)	(34,537)	-
<b>Total other sources (uses) of financial resources</b>	<b>39,631</b>	<b>39,631</b>	<b>-</b>	<b>(34,536)</b>	<b>(34,536)</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>				<b>(18)</b>	<b>(18)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>1,178</b>	<b>6,042</b>	<b>4,864</b>	<b>(28,482)</b>	<b>(30,902)</b>	<b>(2,420)</b>
Budgetary fund balances (deficits), July 1, 2008	(4,131)	(4,131)	-	33,849	33,849	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (2,953)</b>	<b>\$ 1,911</b>	<b>\$ 4,864</b>	<b>\$ 5,367</b>	<b>\$ 2,947</b>	<b>\$ (2,420)</b>

Bank and Trust Company			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 29,584	\$ 31,085	\$ 1,501	\$ 40,774	\$ 39,024	\$ (1,750)
3	-	(3)	11	6	(5)
29,581	31,085	1,504	40,763	39,018	(1,745)
193	192	(1)	355	354	(1)
15,983	14,749	(1,234)	59,101	52,212	(6,889)
			283	245	(38)
16,176	14,941	(1,235)	59,739	52,811	(6,928)
13,405	16,144	2,739	(18,976)	(13,793)	5,183
3	3	-	41,762	41,762	-
(41,469)	(41,469)	-	(78,133)	(78,133)	-
(41,466)	(41,466)	-	(36,371)	(36,371)	-
(211)	(211)	-	(229)	(229)	-
(28,272)	(25,533)	2,739	(55,576)	(50,393)	5,183
44,472	44,472	-	74,190	74,190	-
\$ 16,200	\$ 18,939	\$ 2,739	\$ 18,614	\$ 23,797	\$ 5,183

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Human Services**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Mental Health			Community Mental Health Medicaid Trust		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ -	\$ 13,163	\$ 13,163	\$ 87,888	\$ 74,028	\$ (13,860)
Other	27,418	31,502	4,084	683	177	(506)
Less:						
Refunds	100	53	(47)			
<b>Total revenues</b>	<b>27,318</b>	<b>44,612</b>	<b>17,294</b>	<b>88,571</b>	<b>74,205</b>	<b>(14,366)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	21,415	19,575	(1,840)	105,690	78,476	(27,214)
<b>Total expenditures</b>	<b>21,415</b>	<b>19,575</b>	<b>(1,840)</b>	<b>105,690</b>	<b>78,476</b>	<b>(27,214)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>5,903</b>	<b>25,037</b>	<b>19,134</b>	<b>(17,119)</b>	<b>(4,271)</b>	<b>12,848</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				1	1	-
Operating transfers-out	(14,814)	(14,814)	-	(10)	(10)	-
<b>Total other sources (uses) of financial resources</b>	<b>(14,814)</b>	<b>(14,814)</b>	<b>-</b>	<b>(9)</b>	<b>(9)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(8,911)</b>	<b>10,223</b>	<b>19,134</b>	<b>(17,128)</b>	<b>(4,280)</b>	<b>12,848</b>
Budgetary fund balances (deficits), July 1, 2008	22,125	22,125	-	10,596	10,596	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ 13,214</b>	<b>\$ 32,348</b>	<b>\$ 19,134</b>	<b>\$ (6,532)</b>	<b>\$ 6,316</b>	<b>\$ 12,848</b>

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 87,888	\$ 87,191	\$ (697)	
28,101	31,679	3,578	
100	53	(47)	
115,889	118,817	2,928	
127,105	98,051	(29,054)	
127,105	98,051	(29,054)	
(11,216)	20,766	31,982	
1	1	-	
(14,824)	(14,824)	-	
(14,823)	(14,823)	-	
(26,039)	5,943	31,982	
32,721	32,721	-	
\$ 6,682	\$ 38,664	\$ 31,982	

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Healthcare and Family Services**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	University of Illinois Hospital Services			County Provider Trust		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 152,200	\$ 139,802	\$ (12,398)	\$ 561,434	\$ 751,527	\$ 190,093
Other	97,100	71,854	(25,246)	567,996	748,073	180,077
Less:						
Refunds				1,000	-	(1,000)
<b>Total revenues</b>	<b>249,300</b>	<b>211,656</b>	<b>(37,644)</b>	<b>1,128,430</b>	<b>1,499,600</b>	<b>371,170</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	270,000	264,089	(5,911)	1,981,619	1,479,082	(502,537)
General government						
Capital outlays						
<b>Total expenditures</b>	<b>270,000</b>	<b>264,089</b>	<b>(5,911)</b>	<b>1,981,619</b>	<b>1,479,082</b>	<b>(502,537)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(20,700)</b>	<b>(52,433)</b>	<b>(31,733)</b>	<b>(853,189)</b>	<b>20,518</b>	<b>873,707</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	44,700	44,700	-			
Operating transfers-out						
<b>Total other sources (uses) of financial resources</b>	<b>44,700</b>	<b>44,700</b>	<b>-</b>			
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>24,000</b>	<b>(7,733)</b>	<b>(31,733)</b>	<b>(853,189)</b>	<b>20,518</b>	<b>873,707</b>
Budgetary fund balances (deficits), July 1, 2008	-	-	-	(23,361)	(23,361)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ 24,000</b>	<b>\$ (7,733)</b>	<b>\$ (31,733)</b>	<b>\$ (876,550)</b>	<b>\$ (2,843)</b>	<b>\$ 873,707</b>

Care Provider for Persons with Developmental Disabilities			Long Term Care Provider			Hospital Provider		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 15,696	\$ 22,203	\$ 6,507	\$ 365,758	\$ 455,006	\$ 89,248	\$ 603,777	\$ 939,510	\$ 335,733
21,438	19,849	(1,589)	344,636	282,740	(61,896)	726,098	899,745	173,647
1,000	-	(1,000)	2,750	91	(2,659)	5,000	-	(5,000)
36,134	42,052	5,918	707,644	737,655	30,011	1,324,875	1,839,255	514,380
50,129	40,037	(10,092)	928,737	688,657	(240,080)	1,610,000	1,609,998	(2)
50,129	40,037	(10,092)	928,737	688,657	(240,080)	1,610,000	1,609,998	(2)
(13,995)	2,015	16,010	(221,093)	48,998	270,091	(285,125)	229,257	514,382
(1,005)	(1,005)	-	30,024	30,024	-	510,000	510,000	-
(1,005)	(1,005)	-	30,024	30,024	-	(640,556)	(640,556)	-
(1,005)	(1,005)	-	30,024	30,024	-	(130,556)	(130,556)	-
(15,000)	1,010	16,010	(191,069)	79,022	270,091	(415,681)	98,701	514,382
1,212	1,212	-	(70,170)	(70,170)	-	(4,652)	(4,652)	-
\$ (13,788)	\$ 2,222	\$ 16,010	\$ (261,239)	\$ 8,852	\$ 270,091	\$ (420,333)	\$ 94,049	\$ 514,382

(continued)

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Healthcare and Family Services**

For the Year Ended June 30, 2009 (Expressed in Thousands)

(continued)

	Special Education Medicaid Matching			Health and Human Services Medicaid Trust		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 192,339	\$ 163,111	\$ (29,228)			
Other				\$ 3,000	\$ 1,463	\$ (1,537)
Less:						
Refunds						
<b>Total revenues</b>	<b>192,339</b>	<b>163,111</b>	<b>(29,228)</b>	<b>3,000</b>	<b>1,463</b>	<b>(1,537)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	200,000	136,616	(63,384)	38,450	29,855	(8,595)
General government						
Capital outlays						
<b>Total expenditures</b>	<b>200,000</b>	<b>136,616</b>	<b>(63,384)</b>	<b>38,450</b>	<b>29,855</b>	<b>(8,595)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(7,661)</b>	<b>26,495</b>	<b>34,156</b>	<b>(35,450)</b>	<b>(28,392)</b>	<b>7,058</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				20,000	20,000	-
Operating transfers-out				(8,500)	(8,500)	-
<b>Total other sources (uses) of financial resources</b>				<b>11,500</b>	<b>11,500</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(7,661)</b>	<b>26,495</b>	<b>34,156</b>	<b>(23,950)</b>	<b>(16,892)</b>	<b>7,058</b>
Budgetary fund balances (deficits), July 1, 2008	(40,061)	(40,061)	-	69,502	69,502	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (47,722)</b>	<b>\$ (13,566)</b>	<b>\$ 34,156</b>	<b>\$ 45,552</b>	<b>\$ 52,610</b>	<b>\$ 7,058</b>

Family Care			Drug Rebate Fund			Child Support Administrative		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ -	\$ 200	\$ 200	\$ 170,158	\$ 267,363	\$ 97,205	\$ 120,416	\$ 103,241	\$ (17,175)
26,618	27,875	1,257	1,220	899	(321)	38,967	38,740	(227)
26,618	28,075	1,457	171,378	268,262	96,884	159,383	141,981	(17,402)
40,000	29,519	(10,481)	432,000	431,970	(30)	192,929	172,862	(20,067)
						426	264	(162)
						1,019	77	(942)
40,000	29,519	(10,481)	432,000	431,970	(30)	194,374	173,203	(21,171)
(13,382)	(1,444)	11,938	(260,622)	(163,708)	96,914	(34,991)	(31,222)	3,769
			197,863	197,863	-	35,000	35,000	-
			(3,000)	(3,000)	-	(1,001)	(1,001)	-
			194,863	194,863	-	33,999	33,999	-
(13,382)	(1,444)	11,938	(65,759)	31,155	96,914	(992)	2,777	3,769
(1,490)	(1,490)	-	(33,929)	(33,929)	-	(17,439)	(17,439)	-
\$ (14,872)	\$ (2,934)	\$ 11,938	\$ (99,688)	\$ (2,774)	\$ 96,914	\$ (18,431)	\$ (14,662)	\$ 3,769

(continued)

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Healthcare and Family Services**

For the Year Ended June 30, 2009 (Expressed in Thousands)

(continued)

	Health Insurance Reserve			Total		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 38,478	\$ 35,380	\$ (3,098)	\$ 2,220,256	\$ 2,877,343	\$ 657,087
Other	1,834,179	1,795,201	(38,978)	3,661,252	3,886,439	225,187
Less:						
Refunds				9,750	91	(9,659)
<b>Total revenues</b>	<b>1,872,657</b>	<b>1,830,581</b>	<b>(42,076)</b>	<b>5,871,758</b>	<b>6,763,691</b>	<b>891,933</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	1,877,541	1,760,916	(116,625)	7,621,405	6,643,601	(977,804)
General government	13,393	9,413	(3,980)	13,819	9,677	(4,142)
Capital outlays				1,019	77	(942)
<b>Total expenditures</b>	<b>1,890,934</b>	<b>1,770,329</b>	<b>(120,605)</b>	<b>7,636,243</b>	<b>6,653,355</b>	<b>(982,888)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(18,277)</b>	<b>60,252</b>	<b>78,529</b>	<b>(1,764,485)</b>	<b>110,336</b>	<b>1,874,821</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				837,587	837,587	-
Operating transfers-out	(5,000)	(5,000)	-	(659,062)	(659,062)	-
<b>Total other sources (uses) of financial resources</b>	<b>(5,000)</b>	<b>(5,000)</b>	<b>-</b>	<b>178,525</b>	<b>178,525</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(23,277)</b>	<b>55,252</b>	<b>78,529</b>	<b>(1,585,960)</b>	<b>288,861</b>	<b>1,874,821</b>
Budgetary fund balances (deficits), July 1, 2008	(109,894)	(109,894)	-	(230,282)	(230,282)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (133,171)</b>	<b>\$ (54,642)</b>	<b>\$ 78,529</b>	<b>\$ (1,816,242)</b>	<b>\$ 58,579</b>	<b>\$ 1,874,821</b>

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State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Revenue**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	State Gaming			Rental Housing Support Program		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes						
Sales taxes						
Public utility taxes						
Federal government						
Other	\$ 759,420	\$ 553,181	\$ (206,239)	\$ 22,997	\$ 17,508	\$ (5,489)
Less:						
Refunds						
<b>Total revenues</b>	<b>759,420</b>	<b>553,181</b>	<b>(206,239)</b>	<b>22,997</b>	<b>17,508</b>	<b>(5,489)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	960	703	(257)			
General government	138,650	107,455	(31,195)	42,100	33,161	(8,939)
Employment and economic development						
Capital outlays	20	15	(5)			
<b>Total expenditures</b>	<b>139,630</b>	<b>108,173</b>	<b>(31,457)</b>	<b>42,100</b>	<b>33,161</b>	<b>(8,939)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>619,790</b>	<b>445,008</b>	<b>(174,782)</b>	<b>(19,103)</b>	<b>(15,653)</b>	<b>3,450</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	3	3	-			
Operating transfers-out	(430,007)	(430,007)	-			
<b>Total other sources (uses) of financial resources</b>	<b>(430,004)</b>	<b>(430,004)</b>	<b>-</b>			
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>189,786</b>	<b>15,004</b>	<b>(174,782)</b>	<b>(19,103)</b>	<b>(15,653)</b>	<b>3,450</b>
Budgetary fund balances (deficits), July 1, 2008	(5,859)	(5,859)	-	20,689	20,689	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ 183,927</b>	<b>\$ 9,145</b>	<b>\$ (174,782)</b>	<b>\$ 1,586</b>	<b>\$ 5,036</b>	<b>\$ 3,450</b>

State and Local Sales Tax Reform			RTA Occupational and Use Tax Replacement			Illinois Sports Facilities		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 245,354	\$ 255,103	\$ 9,749						
245,354	-	(245,354)				\$ 42,000	\$ 39,500	\$ (2,500)
490,708	255,103	(235,605)				42,000	39,500	(2,500)
53,804	53,804	-	\$ 26,901	\$ 26,901	\$ -	37,513	37,513	-
53,804	53,804	-	26,901	26,901	-	37,513	37,513	-
436,904	201,299	(235,605)	(26,901)	(26,901)	-	4,487	1,987	(2,500)
1	1	-	26,219	26,219	-			
(208,087)	(208,087)	-	(1)	(1)	-			
(208,086)	(208,086)	-	26,218	26,218	-			
228,818	(6,787)	(235,605)	(683)	(683)	-	4,487	1,987	(2,500)
44,119	44,119	-	(1,686)	(1,686)	-	-	-	-
\$ 272,937	\$ 37,332	\$ (235,605)	\$ (2,369)	\$ (2,369)	\$ -	\$ 4,487	\$ 1,987	\$ (2,500)

(continued)

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Revenue**

For the Year Ended June 30, 2009 (Expressed in Thousands)

(continued)

	Income Tax Refund			McCormick Place Expansion Project		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes	\$ 1,580,223	\$ 1,580,223	\$ -			
Sales taxes				\$ 164,240	\$ 161,847	\$ (2,393)
Public utility taxes						
Federal government	13,680	13,680	-			
Other				164,240	-	(164,240)
Less:						
Refunds	1,577,788	1,567,826	(9,962)			
<b>Total revenues</b>	<b>16,115</b>	<b>26,077</b>	<b>9,962</b>	<b>328,480</b>	<b>161,847</b>	<b>(166,633)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services						
General government						
Employment and economic development				131,996	130,970	(1,026)
Capital outlays						
<b>Total expenditures</b>				<b>131,996</b>	<b>130,970</b>	<b>(1,026)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>16,115</b>	<b>26,077</b>	<b>9,962</b>	<b>196,484</b>	<b>30,877</b>	<b>(165,607)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	4,072	4,072	-			
Operating transfers-out	(95,382)	(95,382)	-	(33,367)	(33,367)	-
<b>Total other sources (uses) of financial resources</b>	<b>(91,310)</b>	<b>(91,310)</b>	<b>-</b>	<b>(33,367)</b>	<b>(33,367)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(75,195)</b>	<b>(65,233)</b>	<b>9,962</b>	<b>163,117</b>	<b>(2,490)</b>	<b>(165,607)</b>
Budgetary fund balances (deficits), July 1, 2008	66,248	66,248	-	10,200	10,200	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (8,947)</b>	<b>\$ 1,015</b>	<b>\$ 9,962</b>	<b>\$ 173,317</b>	<b>\$ 7,710</b>	<b>\$ (165,607)</b>

Local Government Distributive			State Lottery			Personal Property Tax Replacement		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
						\$ 1,042,512	\$ 1,042,512	\$ -
						222,906	222,906	-
			\$ 975,692	\$ 985,901	\$ 10,209	1,772	1,772	-
			48	25	(23)			
			975,644	985,876	10,232	1,267,190	1,267,190	-
\$ 1,177,348	\$ 1,177,123	\$ (225)	376,201	366,413	(9,788)	1,390,053	1,389,134	(919)
			290	162	(128)	13	9	(4)
1,177,348	1,177,123	(225)	376,491	366,575	(9,916)	1,390,066	1,389,143	(923)
(1,177,348)	(1,177,123)	225	599,153	619,301	20,148	(122,876)	(121,953)	923
1,260,731	1,260,731	-	229	229	-	99,294	99,294	-
(44)	(44)	-	(625,012)	(625,012)	-	(51)	(51)	-
1,260,687	1,260,687	-	(624,783)	(624,783)	-	99,243	99,243	-
83,339	83,564	225	(25,630)	(5,482)	20,148	(23,633)	(22,710)	923
(10,948)	(10,948)	-	(17,480)	(17,480)	-	231,766	231,766	-
\$ 72,391	\$ 72,616	\$ 225	\$ (43,110)	\$ (22,962)	\$ 20,148	\$ 208,133	\$ 209,056	\$ 923

(continued)

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Revenue**

For the Year Ended June 30, 2009 (Expressed in Thousands)

(continued)

	Build Illinois			Total		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes				\$ 2,622,735	\$ 2,622,735	\$ -
Sales taxes	\$ 400,441	\$ 400,441	\$ -	810,035	817,391	7,356
Public utility taxes				222,906	222,906	-
Federal government				13,680	13,680	-
Other	107,409	107,409	-	2,318,884	1,705,271	(613,613)
Less:						
Refunds				1,577,836	1,567,851	(9,985)
<b>Total revenues</b>	<b>507,850</b>	<b>507,850</b>	<b>-</b>	<b>4,410,404</b>	<b>3,814,132</b>	<b>(596,272)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services				960	703	(257)
General government				3,205,057	3,153,991	(51,066)
Employment and economic development				169,509	168,483	(1,026)
Capital outlays				323	186	(137)
<b>Total expenditures</b>				<b>3,375,849</b>	<b>3,323,363</b>	<b>(52,486)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>507,850</b>	<b>507,850</b>	<b>-</b>	<b>1,034,555</b>	<b>490,769</b>	<b>(543,786)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	39,466	39,466	-	1,430,015	1,430,015	-
Operating transfers-out	(547,316)	(547,316)	-	(1,939,267)	(1,939,267)	-
<b>Total other sources (uses) of financial resources</b>	<b>(507,850)</b>	<b>(507,850)</b>	<b>-</b>	<b>(509,252)</b>	<b>(509,252)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>525,303</b>	<b>(18,483)</b>	<b>(543,786)</b>
Budgetary fund balances (deficits), July 1, 2008	-	-	-	337,049	337,049	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 862,352</b>	<b>\$ 318,566</b>	<b>\$ (543,786)</b>

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State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Transportation**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Public Transportation			Downstate Public Transportation		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>EXPENDITURES:</b>						
Current:						
General government	\$ 453,500	\$ 401,159	\$ (52,341)	\$ 141,245	\$ 128,576	\$ (12,669)
<b>Total expenditures</b>	<b>453,500</b>	<b>401,159</b>	<b>(52,341)</b>	<b>141,245</b>	<b>128,576</b>	<b>(12,669)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(453,500)</b>	<b>(401,159)</b>	<b>52,341</b>	<b>(141,245)</b>	<b>(128,576)</b>	<b>12,669</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	382,360	382,360	-	151,945	151,945	-
Operating transfers-out	(199)	(199)	-	(46)	(46)	-
<b>Total other sources (uses) of financial resources</b>	<b>382,161</b>	<b>382,161</b>	<b>-</b>	<b>151,899</b>	<b>151,899</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(71,339)</b>	<b>(18,998)</b>	<b>52,341</b>	<b>10,654</b>	<b>23,323</b>	<b>12,669</b>
Budgetary fund balances (deficits), July 1, 2008	18,267	18,267	-	19,876	19,876	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (53,072)</b>	<b>\$ (731)</b>	<b>\$ 52,341</b>	<b>\$ 30,530</b>	<b>\$ 43,199</b>	<b>\$ 12,669</b>

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 594,745	\$ 529,735	\$ (65,010)	
594,745	529,735	(65,010)	
(594,745)	(529,735)	65,010	
534,305	534,305	-	
(245)	(245)	-	
534,060	534,060	-	
(60,685)	4,325	65,010	
38,143	38,143	-	
\$ (22,542)	\$ 42,468	\$ 65,010	

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State - Other Code Departments**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Children and Family Services			Corrections		
	DCFS Children's Services			Corrections Reimbursement		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 353,130	\$ 404,031	\$ 50,901	\$ 16,933	\$ 15,873	\$ (1,060)
Other	1,820	2,291	471	17,587	16,803	(784)
<b>Total revenues</b>	<b>354,950</b>	<b>406,322</b>	<b>51,372</b>	<b>34,520</b>	<b>32,676</b>	<b>(1,844)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	431,136	349,117	(82,019)			
General government	1,605	1,288	(317)	1	1	-
Public protection and justice				61,000	12,654	(48,346)
Capital outlays				23,000	21,054	(1,946)
<b>Total expenditures</b>	<b>432,741</b>	<b>350,405</b>	<b>(82,336)</b>	<b>84,001</b>	<b>33,709</b>	<b>(50,292)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(77,791)</b>	<b>55,917</b>	<b>133,708</b>	<b>(49,481)</b>	<b>(1,033)</b>	<b>48,448</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	6	6	-			
Operating transfers-out	(455)	(455)	-	(2,352)	(2,352)	-
<b>Total other sources (uses) of financial resources</b>	<b>(449)</b>	<b>(449)</b>	<b>-</b>	<b>(2,352)</b>	<b>(2,352)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(78,240)</b>	<b>55,468</b>	<b>133,708</b>	<b>(51,833)</b>	<b>(3,385)</b>	<b>48,448</b>
Budgetary fund balances (deficits), July 1, 2008	(75,743)	(75,743)	-	2,657	2,657	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (153,983)</b>	<b>\$ (20,275)</b>	<b>\$ 133,708</b>	<b>\$ (49,176)</b>	<b>\$ (728)</b>	<b>\$ 48,448</b>

State Police					
State Police Whistleblower Reward			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 1,110	\$ 26,813	\$ 25,703	\$ 370,063	\$ 419,904	\$ 49,841
1,110	26,813	25,703	20,517	45,907	25,390
			390,580	465,811	75,231
			431,136	349,117	(82,019)
194	194	-	1,800	1,483	(317)
2,250	2,189	(61)	63,250	14,843	(48,407)
			23,000	21,054	(1,946)
2,444	2,383	(61)	519,186	386,497	(132,689)
(1,334)	24,430	25,764	(128,606)	79,314	207,920
			6	6	-
(2,000)	(2,000)	-	(4,807)	(4,807)	-
(2,000)	(2,000)	-	(4,801)	(4,801)	-
(3,334)	22,430	25,764	(133,407)	74,513	207,920
4,366	4,366	-	(68,720)	(68,720)	-
\$ 1,032	\$ 26,796	\$ 25,764	\$ (202,127)	\$ 5,793	\$ 207,920

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State - Agencies, Boards and Commissions**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Environmental Protection Agency			Other Agencies, Boards, and Commissions		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Motor fuel taxes	\$ 76,789	\$ 74,779	\$ (2,010)			
Public utility taxes				\$ 151,001	\$ 155,367	\$ 4,366
Federal government	70,000	39,534	(30,466)	200	-	(200)
Other	104,148	155,988	51,840	205,420	127,261	(78,159)
Less:						
Refunds	16	4	(12)	6	6	-
<b>Total revenues</b>	<b>250,921</b>	<b>270,297</b>	<b>19,376</b>	<b>356,615</b>	<b>282,622</b>	<b>(73,993)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services				15,946	5,496	(10,450)
Education				2,559	2,550	(9)
General government	4,838	4,583	(255)	76,138	34,217	(41,921)
Employment and economic development				31,570	30,752	(818)
Public protection and justice	3,565	3,057	(508)	22,319	19,103	(3,216)
Environment and business regulation	300,980	288,648	(12,332)	56,600	56,555	(45)
Capital outlays	419	186	(233)	690	44	(646)
<b>Total expenditures</b>	<b>309,802</b>	<b>296,474</b>	<b>(13,328)</b>	<b>205,822</b>	<b>148,717</b>	<b>(57,105)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(58,881)</b>	<b>(26,177)</b>	<b>32,704</b>	<b>150,793</b>	<b>133,905</b>	<b>(16,888)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	30,000	30,000	-	107,412	107,412	-
Operating transfers-out	(14,128)	(14,128)	-	(230,769)	(230,769)	-
<b>Total other sources (uses) of financial resources</b>	<b>15,872</b>	<b>15,872</b>	<b>-</b>	<b>(123,357)</b>	<b>(123,357)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(43,009)</b>	<b>(10,305)</b>	<b>32,704</b>	<b>27,436</b>	<b>10,548</b>	<b>(16,888)</b>
Budgetary fund balances (deficits), July 1, 2008	429,206	429,206	-	35,176	35,176	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ 386,197</b>	<b>\$ 418,901</b>	<b>\$ 32,704</b>	<b>\$ 62,612</b>	<b>\$ 45,724</b>	<b>\$ (16,888)</b>

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 76,789	\$ 74,779	\$ (2,010)	
151,001	155,367	4,366	
70,200	39,534	(30,666)	
309,568	283,249	(26,319)	
22	10	(12)	
607,536	552,919	(54,617)	
15,946	5,496	(10,450)	
2,559	2,550	(9)	
80,976	38,800	(42,176)	
31,570	30,752	(818)	
25,884	22,160	(3,724)	
357,580	345,203	(12,377)	
1,109	230	(879)	
515,624	445,191	(70,433)	
91,912	107,728	15,816	
137,412	137,412	-	
(244,897)	(244,897)	-	
(107,485)	(107,485)	-	
(15,573)	243	15,816	
464,382	464,382	-	
\$ 448,809	\$ 464,625	\$ 15,816	

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State- Environmental Protection Agency**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Underground Storage Tank			Water Revolving Fund		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Motor fuel taxes	\$ 76,789	\$ 74,779	\$ (2,010)			
Federal government				\$ 70,000	\$ 39,534	\$ (30,466)
Other	68	61	(7)	104,000	156,085	52,085
Less:						
Refunds	16	4	(12)			
<b>Total revenues</b>	<b>76,841</b>	<b>74,836</b>	<b>(2,005)</b>	<b>174,000</b>	<b>195,619</b>	<b>21,619</b>
<b>EXPENDITURES:</b>						
Current:						
General government	1,196	1,147	(49)	18	18	-
Public Protection and justice	3,565	3,057	(508)			
Environment and business regulation	58,794	55,652	(3,142)	215,881	214,290	(1,591)
Capital outlays	172	40	(132)			
<b>Total expenditures</b>	<b>63,727</b>	<b>59,896</b>	<b>(3,831)</b>	<b>215,899</b>	<b>214,308</b>	<b>(1,591)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>13,114</b>	<b>14,940</b>	<b>1,826</b>	<b>(41,899)</b>	<b>(18,689)</b>	<b>23,210</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in						
Operating transfers-out	(14,084)	(14,084)	-			
<b>Total other sources (uses) of financial resources</b>	<b>(14,084)</b>	<b>(14,084)</b>	<b>-</b>			
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(970)</b>	<b>856</b>	<b>1,826</b>	<b>(41,899)</b>	<b>(18,689)</b>	<b>23,210</b>
Budgetary fund balances (deficits), July 1, 2008	3,840	3,840	-	421,011	421,011	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ 2,870</b>	<b>\$ 4,696</b>	<b>\$ 1,826</b>	<b>\$ 379,112</b>	<b>\$ 402,322</b>	<b>\$ 23,210</b>

Vehicle Inspection			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 76,789	\$ 74,779	\$ (2,010)
			70,000	39,534	(30,466)
\$ 80	\$ (158)	\$ (238)	104,148	155,988	51,840
			16	4	(12)
80	(158)	(238)	250,921	270,297	19,376
3,624	3,418	(206)	4,838	4,583	(255)
			3,565	3,057	(508)
26,305	18,706	(7,599)	300,980	288,648	(12,332)
247	146	(101)	419	186	(233)
30,176	22,270	(7,906)	309,802	296,474	(13,328)
(30,096)	(22,428)	7,668	(58,881)	(26,177)	32,704
30,000	30,000	-	30,000	30,000	-
(44)	(44)	-	(14,128)	(14,128)	-
29,956	29,956	-	15,872	15,872	-
(140)	7,528	7,668	(43,009)	(10,305)	32,704
4,355	4,355	-	429,206	429,206	-
\$ 4,215	\$ 11,883	\$ 7,668	\$ 386,197	\$ 418,901	\$ 32,704

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State - Other Agencies, Boards and Commissions**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Housing Development Authority Illinois Affordable Housing Trust			Metropolitan Pier and Exposition Authority MFEA Improvement Bond		
	Final		Variance	Final		Variance
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
<b>REVENUES:</b>						
Public utility taxes						
Federal government						
Other	\$ 65,151	\$ 41,545	\$ (23,606)			
Less:						
Refunds						
<b>Total revenues</b>	<b>65,151</b>	<b>41,545</b>	<b>(23,606)</b>			
<b>EXPENDITURES:</b>						
Current:						
Health and social services	14,523	4,608	(9,915)			
Education						
General government	75,300	33,470	(41,830)			
Employment and economic development				\$ 31,570	\$ 30,752	\$ (818)
Public protection and justice						
Environment and business regulation						
Capital outlays						
<b>Total expenditures</b>	<b>89,823</b>	<b>38,078</b>	<b>(51,745)</b>	<b>31,570</b>	<b>30,752</b>	<b>(818)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(24,672)</b>	<b>3,467</b>	<b>28,139</b>	<b>(31,570)</b>	<b>(30,752)</b>	<b>818</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	2	2	-	30,752	30,752	-
Operating transfers-out	(2,005)	(2,005)	-			
<b>Total other sources (uses) of financial resources</b>	<b>(2,003)</b>	<b>(2,003)</b>	<b>-</b>	<b>30,752</b>	<b>30,752</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(26,675)</b>	<b>1,464</b>	<b>28,139</b>	<b>(818)</b>	<b>-</b>	<b>818</b>
Budgetary fund balances (deficits), July 1, 2008	231	231	-	5	5	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (26,444)</b>	<b>\$ 1,695</b>	<b>\$ 28,139</b>	<b>\$ (813)</b>	<b>\$ 5</b>	<b>\$ 818</b>

Illinois Commerce Commission			State Board of Education			State Fire Marshal		
Wireless Service Emergency			School Infrastructure			Fire Prevention		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 57,683	\$ 54,748	\$ (2,935)	\$ 93,318	\$ 100,619	\$ 7,301	\$ 200	\$ -	\$ (200)
57,683	-	(57,683)	60,000	60,000	-	22,586	25,716	3,130
						6	6	-
115,366	54,748	(60,618)	153,318	160,619	7,301	22,780	25,710	2,930
						1,423	888	(535)
			113	104	(9)	2,446	2,446	-
			665	589	(76)	173	158	(15)
						22,319	19,103	(3,216)
56,600	56,555	(45)				690	44	(646)
56,600	56,555	(45)	778	693	(85)	27,051	22,639	(4,412)
58,766	(1,807)	(60,573)	152,540	159,926	7,386	(4,271)	3,071	7,342
13,339	13,339	-	63,319	63,319	-			
			(228,062)	(228,062)	-	(702)	(702)	-
13,339	13,339	-	(164,743)	(164,743)	-	(702)	(702)	-
72,105	11,532	(60,573)	(12,203)	(4,817)	7,386	(4,973)	2,369	7,342
8,670	8,670	-	7,856	7,856	-	18,414	18,414	-
\$ 80,775	\$ 20,202	\$ (60,573)	\$ (4,347)	\$ 3,039	\$ 7,386	\$ 13,441	\$ 20,783	\$ 7,342

(continued)

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State - Other Agencies, Boards and Commissions**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Total		
	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>			
Public utility taxes	\$ 151,001	\$ 155,367	\$ 4,366
Federal government	200	-	(200)
Other	205,420	127,261	(78,159)
Less:			
Refunds	6	6	-
<b>Total revenues</b>	<b>356,615</b>	<b>282,622</b>	<b>(73,993)</b>
<b>EXPENDITURES:</b>			
Current:			
Health and social services	15,946	5,496	(10,450)
Education	2,559	2,550	(9)
General government	76,138	34,217	(41,921)
Employment and economic development	31,570	30,752	(818)
Public protection and justice	22,319	19,103	(3,216)
Environment and business regulation	56,600	56,555	(45)
Capital outlays	690	44	(646)
<b>Total expenditures</b>	<b>205,822</b>	<b>148,717</b>	<b>(57,105)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>150,793</b>	<b>133,905</b>	<b>(16,888)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>			
Operating transfers-in	107,412	107,412	-
Operating transfers-out	(230,769)	(230,769)	-
<b>Total other sources (uses) of financial resources</b>	<b>(123,357)</b>	<b>(123,357)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>27,436</b>	<b>10,548</b>	<b>(16,888)</b>
Budgetary fund balances (deficits), July 1, 2008	35,176	35,176	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ 62,612</b>	<b>\$ 45,724</b>	<b>\$ (16,888)</b>

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State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Bond Financed Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Transportation			Capital Development Board		
	Transportation Bond Series B			Capital Development		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Other				\$ -	\$ 53	\$ 53
<b>Total revenues</b>				-	53	53
<b>EXPENDITURES:</b>						
Current:						
Education				513	513	-
General government				14,315	13,279	(1,036)
Employment and economic development				3,760	2,157	(1,603)
Transportation	\$ 45,533	\$ 45,529	\$ (4)			
Environment and business regulation				6,321	6,096	(225)
Capital outlays				63,154	62,858	(296)
<b>Total expenditures</b>	45,533	45,529	(4)	88,063	84,903	(3,160)
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(45,533)	(45,529)	4	(88,063)	(84,850)	3,213
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Proceeds from general and special obligation bond issues	60,580	60,580	-	65,629	65,629	-
<b>Total other sources (uses) of financial resources</b>	60,580	60,580	-	65,629	65,629	-
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	15,047	15,051	4	(22,434)	(19,221)	3,213
Budgetary fund balances (deficits), July 1, 2008	312	312	-	33,988	33,988	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	\$ 15,359	\$ 15,363	\$ 4	\$ 11,554	\$ 14,767	\$ 3,213

Final Budget	Other		Final Budget	Total	
	Actual	Variance Over (Under)		Actual	Variance Over (Under)
\$ -	\$ 438	\$ 438	\$ -	\$ 491	\$ 491
-	438	438	-	491	491
11,403	9,796	(1,607)	11,916	10,309	(1,607)
3,820	3,402	(418)	18,135	16,681	(1,454)
14,435	1,051	(13,384)	18,195	3,208	(14,987)
3,304	3,291	(13)	48,837	48,820	(17)
3,795	3,365	(430)	10,116	9,461	(655)
8,020	9,375	1,355	71,174	72,233	1,059
44,777	30,280	(14,497)	178,373	160,712	(17,661)
(44,777)	(29,842)	14,935	(178,373)	(160,221)	18,152
25,242	25,242	-	151,451	151,451	-
25,242	25,242	-	151,451	151,451	-
(19,535)	(4,600)	14,935	(26,922)	(8,770)	18,152
39,483	39,483	-	73,783	73,783	-
\$ 19,948	\$ 34,883	\$ 14,935	\$ 46,861	\$ 65,013	\$ 18,152

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Debt Service Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	General Obligation Bond, Retirement, and Interest			Build Illinois Bond, Retirement, and Interest		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Other	\$ 104,924	\$ 117,174	\$ 12,250	\$ 180	\$ 138	\$ (42)
<b>Total revenues</b>	<b>104,924</b>	<b>117,174</b>	<b>12,250</b>	<b>180</b>	<b>138</b>	<b>(42)</b>
<b>EXPENDITURES:</b>						
Debt service:						
Principal	2,032,151	2,011,151	(21,000)	304,000	274,176	(29,824)
Interest	1,162,985	1,133,052	(29,933)			
<b>Total expenditures</b>	<b>3,195,136</b>	<b>3,144,203</b>	<b>(50,933)</b>	<b>304,000</b>	<b>274,176</b>	<b>(29,824)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(3,090,212)</b>	<b>(3,027,029)</b>	<b>63,183</b>	<b>(303,820)</b>	<b>(274,038)</b>	<b>29,782</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	3,366,315	3,366,315	-	274,176	274,176	-
Operating transfers-out	(335,000)	(335,000)	-			
<b>Total other sources (uses) of financial resources</b>	<b>3,031,315</b>	<b>3,031,315</b>	<b>-</b>	<b>274,176</b>	<b>274,176</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(58,897)</b>	<b>4,286</b>	<b>63,183</b>	<b>(29,644)</b>	<b>138</b>	<b>29,782</b>
Budgetary fund balances (deficits), July 1, 2008	634,917	634,917	-	2,880	2,880	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ 576,020</b>	<b>\$ 639,203</b>	<b>\$ 63,183</b>	<b>\$ (26,764)</b>	<b>\$ 3,018</b>	<b>\$ 29,782</b>

Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 300	\$ 5	\$ (295)	\$ 105,404	\$ 117,317	\$ 11,913
300	5	(295)	105,404	117,317	11,913
14,500	13,950	(550)	2,350,651	2,299,277	(51,374)
			1,162,985	1,133,052	(29,933)
14,500	13,950	(550)	3,513,636	3,432,329	(81,307)
(14,200)	(13,945)	255	(3,408,232)	(3,315,012)	93,220
14,096	14,096	-	3,654,587	3,654,587	-
			(335,000)	(335,000)	-
14,096	14,096	-	3,319,587	3,319,587	-
(104)	151	255	(88,645)	4,575	93,220
11,546	11,546	-	649,343	649,343	-
\$ 11,442	\$ 11,697	\$ 255	\$ 560,698	\$ 653,918	\$ 93,220

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Code Departments			Agencies, Boards & Commissions		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 1,249,514	\$ 1,406,164	\$ 156,650	\$ 2,183,224	\$ 2,467,211	\$ 283,987
Other	95,887	106,706	10,819	1,260	637	(623)
Less:						
Refunds	1,650	1	(1,649)			
<b>Total revenues</b>	<b>1,343,751</b>	<b>1,512,869</b>	<b>169,118</b>	<b>2,184,484</b>	<b>2,467,848</b>	<b>283,364</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	1,383,494	1,059,760	(323,734)	2,100	-	(2,100)
Education				2,767,541	1,984,887	(782,654)
General government	666	583	(83)	56	56	-
Employment and economic development	664,231	369,197	(295,034)			
Transportation	96,041	96,016	(25)			
Public protection and justice				364,600	109,283	(255,317)
Environment and business regulation				146,952	105,182	(41,770)
Capital outlays	7,846	319	(7,527)	1,455	444	(1,011)
<b>Total expenditures</b>	<b>2,152,278</b>	<b>1,525,875</b>	<b>(626,403)</b>	<b>3,282,704</b>	<b>2,199,852</b>	<b>(1,082,852)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(808,527)</b>	<b>(13,006)</b>	<b>795,521</b>	<b>(1,098,220)</b>	<b>267,996</b>	<b>1,366,216</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	12,017	12,017	-			
Operating transfers-out	(15,415)	(15,415)	-	(21,881)	(21,881)	-
<b>Total other sources (uses) of financial resources</b>	<b>(3,398)</b>	<b>(3,398)</b>	<b>-</b>	<b>(21,881)</b>	<b>(21,881)</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(8,924)</b>	<b>(8,924)</b>	<b>-</b>	<b>(2,644)</b>	<b>(2,644)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>(820,849)</b>	<b>(25,328)</b>	<b>795,521</b>	<b>(1,122,745)</b>	<b>243,471</b>	<b>1,366,216</b>
Budgetary fund balances (deficits), July 1, 2008, as previously reported	(50,826)	(50,826)	-	(289,567)	(289,567)	-
Reclassifications between budgetary/nonbudgetary funds-net						
Budgetary fund balances (deficits), July 1, 2008, as reclassified	(50,826)	(50,826)	-	(289,567)	(289,567)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (871,675)</b>	<b>\$ (76,154)</b>	<b>\$ 795,521</b>	<b>\$ (1,412,312)</b>	<b>\$ (46,096)</b>	<b>\$ 1,366,216</b>

Higher Education								
Illinois Student Assistance Commission			Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 96,383	\$ 128,773	\$ 32,390	\$ 245,046	\$ 228,926	\$ (16,120)	\$ 3,774,167	\$ 4,231,074	\$ 456,907
136,493	121,009	(15,484)	31,480	22,582	(8,898)	265,120	250,934	(14,186)
			1,194	4	(1,190)	2,844	5	(2,839)
232,876	249,782	16,906	275,332	251,504	(23,828)	4,036,443	4,482,003	445,560
			311,764	130,400	(181,364)	1,697,358	1,190,160	(507,198)
336,939	257,366	(79,573)	23,782	9,514	(14,268)	3,128,262	2,251,767	(876,495)
			356,851	7,751	(349,100)	357,573	8,390	(349,183)
			896,436	44,867	(851,569)	1,560,667	414,064	(1,146,603)
			19,711	19,711	-	115,752	115,727	(25)
			59,251	35,000	(24,251)	423,851	144,283	(279,568)
			50,452	30,812	(19,640)	197,404	135,994	(61,410)
535	108	(427)	1,045	148	(897)	10,881	1,019	(9,862)
337,474	257,474	(80,000)	1,719,292	278,203	(1,441,089)	7,491,748	4,261,404	(3,230,344)
(104,598)	(7,692)	96,906	(1,443,960)	(26,699)	1,417,261	(3,455,305)	220,599	3,675,904
			28,135	28,135	-	40,152	40,152	-
(2)	(2)	-	(1,927)	(1,927)	-	(39,225)	(39,225)	-
(2)	(2)	-	26,208	26,208	-	927	927	-
			(4,584)	(4,584)	-	(16,152)	(16,152)	-
(104,600)	(7,694)	96,906	(1,422,336)	(5,075)	1,417,261	(3,470,530)	205,374	3,675,904
38,677	38,677	-	11,244	11,244	-	(290,472)	(290,472)	-
			35	35	-	35	35	-
38,677	38,677	-	11,279	11,279	-	(290,437)	(290,437)	-
\$ (65,923)	\$ 30,983	\$ 96,906	\$ (1,411,057)	\$ 6,204	\$ 1,417,261	\$ (3,760,967)	\$ (85,063)	\$ 3,675,904

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Code Departments**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Commerce and Economic Opportunity			Human Services		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 167,697	\$ 282,754	\$ 115,057	\$ 599,566	\$ 661,515	\$ 61,949
Other	-	18	18	70,252	80,874	10,622
Less:						
Refunds	1,070	1	(1,069)	205	-	(205)
<b>Total revenues</b>	<b>166,627</b>	<b>282,771</b>	<b>116,144</b>	<b>669,613</b>	<b>742,389</b>	<b>72,776</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	139,943	137,514	(2,429)	975,931	729,527	(246,404)
General government	1	1	-	148	148	-
Employment and economic development	402,504	148,231	(254,273)			
Transportation						
Capital outlays	22	4	(18)	3,530	132	(3,398)
<b>Total expenditures</b>	<b>542,470</b>	<b>285,750</b>	<b>(256,720)</b>	<b>979,609</b>	<b>729,807</b>	<b>(249,802)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(375,843)</b>	<b>(2,979)</b>	<b>372,864</b>	<b>(309,996)</b>	<b>12,582</b>	<b>322,578</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				12,017	12,017	-
Operating transfers-out	(340)	(340)	-	(14,323)	(14,323)	-
<b>Total other sources (uses) of financial resources</b>	<b>(340)</b>	<b>(340)</b>	<b>-</b>	<b>(2,306)</b>	<b>(2,306)</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>				<b>(8,825)</b>	<b>(8,825)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>(376,183)</b>	<b>(3,319)</b>	<b>372,864</b>	<b>(321,127)</b>	<b>1,451</b>	<b>322,578</b>
Budgetary fund balances (deficits), July 1, 2008	(12,924)	(12,924)	-	(13,982)	(13,982)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (389,107)</b>	<b>\$ (16,243)</b>	<b>\$ 372,864</b>	<b>\$ (335,109)</b>	<b>\$ (12,531)</b>	<b>\$ 322,578</b>

	Other			Total		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$	482,251	\$ 461,895	\$ (20,356)	\$ 1,249,514	\$ 1,406,164	\$ 156,650
	25,635	25,814	179	95,887	106,706	10,819
	375	-	(375)	1,650	1	(1,649)
	507,511	487,709	(19,802)	1,343,751	1,512,869	169,118
	267,620	192,719	(74,901)	1,383,494	1,059,760	(323,734)
	517	434	(83)	666	583	(83)
	261,727	220,966	(40,761)	664,231	369,197	(295,034)
	96,041	96,016	(25)	96,041	96,016	(25)
	4,294	183	(4,111)	7,846	319	(7,527)
	630,199	510,318	(119,881)	2,152,278	1,525,875	(626,403)
	(122,688)	(22,609)	100,079	(808,527)	(13,006)	795,521
				12,017	12,017	-
	(752)	(752)	-	(15,415)	(15,415)	-
	(752)	(752)	-	(3,398)	(3,398)	-
	(99)	(99)	-	(8,924)	(8,924)	-
	(123,539)	(23,460)	100,079	(820,849)	(25,328)	795,521
	(23,920)	(23,920)	-	(50,826)	(50,826)	-
\$	(147,459)	\$ (47,380)	\$ 100,079	\$ (871,675)	\$ (76,154)	\$ 795,521

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Department of Commerce and Economic Opportunity**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Low Income Home Energy Block Grant			Community Services Block Grant		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 102,660	\$ 218,324	\$ 115,664	\$ 29,634	\$ 31,265	\$ 1,631
Other				-	17	17
Less:						
Refunds	600	-	(600)	170	-	(170)
<b>Total revenues</b>	<b>102,060</b>	<b>218,324</b>	<b>116,264</b>	<b>29,464</b>	<b>31,282</b>	<b>1,818</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	139,943	137,514	(2,429)			
General government	1	1	-			
Employment and economic development	167,699	83,183	(84,516)	99,141	32,751	(66,390)
Capital outlays	3	3	-	5	1	(4)
<b>Total expenditures</b>	<b>307,646</b>	<b>220,701</b>	<b>(86,945)</b>	<b>99,146</b>	<b>32,752</b>	<b>(66,394)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(205,586)</b>	<b>(2,377)</b>	<b>203,209</b>	<b>(69,682)</b>	<b>(1,470)</b>	<b>68,212</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-out						
<b>Total other sources (uses) of financial resources</b>						
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(205,586)</b>	<b>(2,377)</b>	<b>203,209</b>	<b>(69,682)</b>	<b>(1,470)</b>	<b>68,212</b>
Budgetary fund balances (deficits), July 1, 2008	(7,445)	(7,445)	-	(2,574)	(2,574)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (213,031)</b>	<b>\$ (9,822)</b>	<b>\$ 203,209</b>	<b>\$ (72,256)</b>	<b>\$ (4,044)</b>	<b>\$ 68,212</b>

Community Development/ Small Cities Block Grant			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 35,403	\$ 33,165	\$ (2,238)	\$ 167,697	\$ 282,754	\$ 115,057
-	1	1	-	18	18
300	1	(299)	1,070	1	(1,069)
35,103	33,165	(1,938)	166,627	282,771	116,144
			139,943	137,514	(2,429)
			1	1	-
135,664	32,297	(103,367)	402,504	148,231	(254,273)
14	-	(14)	22	4	(18)
135,678	32,297	(103,381)	542,470	285,750	(256,720)
(100,575)	868	101,443	(375,843)	(2,979)	372,864
(340)	(340)	-	(340)	(340)	-
(340)	(340)	-	(340)	(340)	-
(100,915)	528	101,443	(376,183)	(3,319)	372,864
(2,905)	(2,905)	-	(12,924)	(12,924)	-
\$ (103,820)	\$ (2,377)	\$ 101,443	\$ (389,107)	\$ (16,243)	\$ 372,864

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Department of Human Services**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Prevention and Treatment of Alcohol and Substance Abuse Block Grant			Vocational Rehabilitation		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 66,650	\$ 64,029	\$ (2,621)	\$ 106,323	\$ 105,578	\$ (745)
Other				2,020	2,963	943
Less:						
Refunds				5	-	(5)
<b>Total revenues</b>	<b>66,650</b>	<b>64,029</b>	<b>(2,621)</b>	<b>108,338</b>	<b>108,541</b>	<b>203</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	78,831	67,363	(11,468)	160,380	109,192	(51,188)
General government	17	17	-	125	125	-
Capital outlays	14	-	(14)	1,746	79	(1,667)
<b>Total expenditures</b>	<b>78,862</b>	<b>67,380</b>	<b>(11,482)</b>	<b>162,251</b>	<b>109,396</b>	<b>(52,855)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(12,212)</b>	<b>(3,351)</b>	<b>8,861</b>	<b>(53,913)</b>	<b>(855)</b>	<b>53,058</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in						
Operating transfers-out						
<b>Total other sources (uses) of financial resources</b>						
<b>Budgetary funds-nonbudgeted accounts</b>						
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>(12,212)</b>	<b>(3,351)</b>	<b>8,861</b>	<b>(53,913)</b>	<b>(855)</b>	<b>53,058</b>
Budgetary fund balances (deficits), July 1, 2008	(10,970)	(10,970)	-	8,713	8,713	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (23,182)</b>	<b>\$ (14,321)</b>	<b>\$ 8,861</b>	<b>\$ (45,200)</b>	<b>\$ 7,858</b>	<b>\$ 53,058</b>

Community Developmental Disabilities Services Medicaid Trust			DHS Special Purpose Trust			Old Age Survivors Insurance		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 31,201 480	\$ 34,760 234	\$ 3,559 (246)	\$ 134,273 12	\$ 166,512 2	\$ 32,239 (10)	\$ 60,530 -	\$ 65,234 1	\$ 4,704 1
31,681	34,994	3,313	134,285	166,514	32,229	60,530	65,235	4,705
22,000	13,731	(8,269)	282,792 4	169,217 4	(113,575) -	82,709 2	65,287 2	(17,422) -
22,000	13,731	(8,269)	282,796	169,221	(113,575)	84,481	65,342	(19,139)
9,681	21,263	11,582	(148,511)	(2,707)	145,804	(23,951)	(107)	23,844
(14,323)	(14,323)	-	12,017	12,017	-			
(14,323)	(14,323)	-	12,017	12,017	-			
			(8,825)	(8,825)	-			
(4,642)	6,940	11,582	(145,319)	485	145,804	(23,951)	(107)	23,844
1,437	1,437	-	(656)	(656)	-	(2,383)	(2,383)	-
\$ (3,205)	\$ 8,377	\$ 11,582	\$ (145,975)	\$ (171)	\$ 145,804	\$ (26,334)	\$ (2,490)	\$ 23,844

(continued)

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Department of Human Services**

For the Year Ended June 30, 2009 (Expressed in Thousands)

(continued)

	USDA Women, Infants and Children			Total		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 200,589	\$ 225,402	\$ 24,813	\$ 599,566	\$ 661,515	\$ 61,949
Other	67,740	77,674	9,934	70,252	80,874	10,622
Less:						
Refunds	200	-	(200)	205	-	(205)
<b>Total revenues</b>	<b>268,129</b>	<b>303,076</b>	<b>34,947</b>	<b>669,613</b>	<b>742,389</b>	<b>72,776</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	349,219	304,737	(44,482)	975,931	729,527	(246,404)
General government				148	148	-
Capital outlays				3,530	132	(3,398)
<b>Total expenditures</b>	<b>349,219</b>	<b>304,737</b>	<b>(44,482)</b>	<b>979,609</b>	<b>729,807</b>	<b>(249,802)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(81,090)</b>	<b>(1,661)</b>	<b>79,429</b>	<b>(309,996)</b>	<b>12,582</b>	<b>322,578</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				12,017	12,017	-
Operating transfers-out				(14,323)	(14,323)	-
<b>Total other sources (uses) of financial resources</b>				<b>(2,306)</b>	<b>(2,306)</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>				<b>(8,825)</b>	<b>(8,825)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>(81,090)</b>	<b>(1,661)</b>	<b>79,429</b>	<b>(321,127)</b>	<b>1,451</b>	<b>322,578</b>
Budgetary fund balances (deficits), July 1, 2008	(10,123)	(10,123)	-	(13,982)	(13,982)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (91,213)</b>	<b>\$ (11,784)</b>	<b>\$ 79,429</b>	<b>\$ (335,109)</b>	<b>\$ (12,531)</b>	<b>\$ 322,578</b>

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State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Other Code Departments**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Aging			Employment Security		
	Services for Older Americans			Federal Title III Social Security and Employment		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 59,886	\$ 61,542	\$ 1,656	\$ 163,000	\$ 188,742	\$ 25,742
Other				12,825	13,679	854
Less:						
Refunds				300	-	(300)
<b>Total revenues</b>	<b>59,886</b>	<b>61,542</b>	<b>1,656</b>	<b>175,525</b>	<b>202,421</b>	<b>26,896</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	80,480	59,981	(20,499)			
General government				380	326	(54)
Employment and economic development				261,727	220,966	(40,761)
Transportation						
Capital outlays	1	-	(1)	2,772	75	(2,697)
<b>Total expenditures</b>	<b>80,481</b>	<b>59,981</b>	<b>(20,500)</b>	<b>264,879</b>	<b>221,367</b>	<b>(43,512)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(20,595)</b>	<b>1,561</b>	<b>22,156</b>	<b>(89,354)</b>	<b>(18,946)</b>	<b>70,408</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-out				(752)	(752)	-
<b>Total other sources (uses) of financial resources</b>				<b>(752)</b>	<b>(752)</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(99)</b>	<b>(99)</b>	<b>-</b>			
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>(20,694)</b>	<b>1,462</b>	<b>22,156</b>	<b>(90,106)</b>	<b>(19,698)</b>	<b>70,408</b>
Budgetary fund balances (deficits), July 1, 2008	(13,069)	(13,069)	-	79	79	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (33,763)</b>	<b>\$ (11,607)</b>	<b>\$ 22,156</b>	<b>\$ (90,027)</b>	<b>\$ (19,619)</b>	<b>\$ 70,408</b>

Public Health			Transportation			Total		
Public Health Services			Federal/Local Airport					
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 135,365	\$ 129,114	\$ (6,251)	\$ 124,000	\$ 82,497	\$ (41,503)	\$ 482,251	\$ 461,895	\$ (20,356)
810	1,439	629	12,000	10,696	(1,304)	25,635	25,814	179
75	-	(75)				375	-	(375)
136,100	130,553	(5,547)	136,000	93,193	(42,807)	507,511	487,709	(19,802)
187,140	132,738	(54,402)				267,620	192,719	(74,901)
137	108	(29)				517	434	(83)
			96,041	96,016	(25)	261,727	220,966	(40,761)
1,521	108	(1,413)				96,041	96,016	(25)
188,798	132,954	(55,844)	96,041	96,016	(25)	4,294	183	(4,111)
(52,698)	(2,401)	50,297	39,959	(2,823)	(42,782)	(122,688)	(22,609)	100,079
						(752)	(752)	-
						(752)	(752)	-
						(99)	(99)	-
(52,698)	(2,401)	50,297	39,959	(2,823)	(42,782)	(123,539)	(23,460)	100,079
(14,858)	(14,858)	-	3,928	3,928	-	(23,920)	(23,920)	-
\$ (67,556)	\$ (17,259)	\$ 50,297	\$ 43,887	\$ 1,105	\$ (42,782)	\$ (147,459)	\$ (47,380)	\$ 100,079

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Agencies, Boards & Commissions**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	State Board of Education			Illinois Emergency Management Agency		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 1,953,040	\$ 2,192,660	\$ 239,620	\$ 112,859	\$ 152,544	\$ 39,685
Other	-	37	37	-	-	-
<b>Total revenues</b>	<b>1,953,040</b>	<b>2,192,697</b>	<b>239,657</b>	<b>112,859</b>	<b>152,544</b>	<b>39,685</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services				2,100	-	(2,100)
Education	2,767,541	1,984,887	(782,654)			
General government	3	3	-			
Public protection and justice				268,000	78,426	(189,574)
Environment and business regulation				84,091	61,499	(22,592)
Capital outlays	612	223	(389)			
<b>Total expenditures</b>	<b>2,768,156</b>	<b>1,985,113</b>	<b>(783,043)</b>	<b>354,191</b>	<b>139,925</b>	<b>(214,266)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(815,116)</b>	<b>207,584</b>	<b>1,022,700</b>	<b>(241,332)</b>	<b>12,619</b>	<b>253,951</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-out	(21,881)	(21,881)	-			
<b>Total other sources (uses) of financial resources</b>	<b>(21,881)</b>	<b>(21,881)</b>	<b>-</b>			
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(2,533)</b>	<b>(2,533)</b>	<b>-</b>	<b>(111)</b>	<b>(111)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>(839,530)</b>	<b>183,170</b>	<b>1,022,700</b>	<b>(241,443)</b>	<b>12,508</b>	<b>253,951</b>
Budgetary fund balances (deficits), July 1, 2008	(288,375)	(288,375)	-	(24,970)	(24,970)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (1,127,905)</b>	<b>\$ (105,205)</b>	<b>\$ 1,022,700</b>	<b>\$ (266,413)</b>	<b>\$ (12,462)</b>	<b>\$ 253,951</b>

	Other			Total		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$	117,325	\$ 122,007	\$ 4,682	\$ 2,183,224	\$ 2,467,211	\$ 283,987
	1,260	600	(660)	1,260	637	(623)
	118,585	122,607	4,022	2,184,484	2,467,848	283,364

				2,100	-	(2,100)
				2,767,541	1,984,887	(782,654)
53	53	-	56	56	-	-
96,600	30,857	(65,743)	364,600	109,283	(255,317)	
62,861	43,683	(19,178)	146,952	105,182	(41,770)	
843	221	(622)	1,455	444	(1,011)	
160,357	74,814	(85,543)	3,282,704	2,199,852	(1,082,852)	
(41,772)	47,793	89,565	(1,098,220)	267,996	1,366,216	

			(21,881)	(21,881)	-
			(21,881)	(21,881)	-
			(2,644)	(2,644)	-

(41,772)	47,793	89,565	(1,122,745)	243,471	1,366,216
23,778	23,778	-	(289,567)	(289,567)	-
\$ (17,994)	\$ 71,571	\$ 89,565	\$ (1,412,312)	\$ (46,096)	\$ 1,366,216

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - State Board of Education**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	S.B.E. Department of Agriculture			S.B.E. Federal Department of Education		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 499,721	\$ 537,160	\$ 37,439	\$ 1,453,319	\$ 1,655,500	\$ 202,181
Other	-	37	37			
<b>Total revenues</b>	<b>499,721</b>	<b>537,197</b>	<b>37,476</b>	<b>1,453,319</b>	<b>1,655,500</b>	<b>202,181</b>
<b>EXPENDITURES:</b>						
Current:						
Education	537,576	531,833	(5,743)	2,229,965	1,453,054	(776,911)
General government	2	2	-	1	1	-
Capital outlays	157	129	(28)	455	94	(361)
<b>Total expenditures</b>	<b>537,735</b>	<b>531,964</b>	<b>(5,771)</b>	<b>2,230,421</b>	<b>1,453,149</b>	<b>(777,272)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(38,014)</b>	<b>5,233</b>	<b>43,247</b>	<b>(777,102)</b>	<b>202,351</b>	<b>979,453</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-out				(21,881)	(21,881)	-
<b>Total other sources (uses) of financial resources</b>				<b>(21,881)</b>	<b>(21,881)</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(47)</b>	<b>(47)</b>	<b>-</b>	<b>(2,486)</b>	<b>(2,486)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>(38,061)</b>	<b>5,186</b>	<b>43,247</b>	<b>(801,469)</b>	<b>177,984</b>	<b>979,453</b>
Budgetary fund balances (deficits), July 1, 2008	(17,112)	(17,112)	-	(271,263)	(271,263)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (55,173)</b>	<b>\$ (11,926)</b>	<b>\$ 43,247</b>	<b>\$ (1,072,732)</b>	<b>\$ (93,279)</b>	<b>\$ 979,453</b>

Total		
Final Budget	Actual	Variance Over (Under)
\$ 1,953,040	\$ 2,192,660	\$ 239,620
-	37	37
1,953,040	2,192,697	239,657

2,767,541	1,984,887	(782,654)
3	3	-
612	223	(389)
2,768,156	1,985,113	(783,043)

(815,116)	207,584	1,022,700
(21,881)	(21,881)	-
(21,881)	(21,881)	-
(2,533)	(2,533)	-

(839,530)	183,170	1,022,700
(288,375)	(288,375)	-
\$ (1,127,905)	\$ (105,205)	\$ 1,022,700

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Illinois Emergency Management Agency**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Federal Aid Disaster			Federal Civil Preparedness Administrative		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 24,572	\$ 59,925	\$ 35,353	\$ 88,287	\$ 92,619	\$ 4,332
<b>Total revenues</b>	<b>24,572</b>	<b>59,925</b>	<b>35,353</b>	<b>88,287</b>	<b>92,619</b>	<b>4,332</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services				2,100	-	(2,100)
Public protection and justice				268,000	78,426	(189,574)
Environment and business regulation	82,000	61,124	(20,876)	2,091	375	(1,716)
<b>Total expenditures</b>	<b>82,000</b>	<b>61,124</b>	<b>(20,876)</b>	<b>272,191</b>	<b>78,801</b>	<b>(193,390)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(57,428)</b>	<b>(1,199)</b>	<b>56,229</b>	<b>(183,904)</b>	<b>13,818</b>	<b>197,722</b>
<b>Budgetary funds-nonbudgeted accounts</b>				<b>(111)</b>	<b>(111)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and budgetary funds-nonbudgeted accounts</b>	<b>(57,428)</b>	<b>(1,199)</b>	<b>56,229</b>	<b>(184,015)</b>	<b>13,707</b>	<b>197,722</b>
Budgetary fund balances (deficits), July 1, 2008	(1,404)	(1,404)	-	(23,566)	(23,566)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (58,832)</b>	<b>\$ (2,603)</b>	<b>\$ 56,229</b>	<b>\$ (207,581)</b>	<b>\$ (9,859)</b>	<b>\$ 197,722</b>

	Total		
Final	Actual	Variance	
Budget		Over (Under)	
\$ 112,859	\$ 152,544	\$ 39,685	
112,859	152,544	39,685	
2,100	-	(2,100)	
268,000	78,426	(189,574)	
84,091	61,499	(22,592)	
354,191	139,925	(214,266)	
(241,332)	12,619	253,951	
(111)	(111)	-	
(241,443)	12,508	253,951	
(24,970)	(24,970)	-	
\$ (266,413)	\$ (12,462)	\$ 253,951	

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Other Agencies, Boards & Commissions**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Environmental Protection Agency			Criminal Justice Authority		
	U.S. Environmental Protection			Criminal Justice Trust		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 56,000	\$ 45,801	\$ (10,199)	\$ 61,325	\$ 76,206	\$ 14,881
Other	-	2	2	1,260	598	(662)
<b>Total revenues</b>	<b>56,000</b>	<b>45,803</b>	<b>(10,197)</b>	<b>62,585</b>	<b>76,804</b>	<b>14,219</b>
<b>EXPENDITURES:</b>						
Current:						
General government	22	22	-	31	31	-
Public protection and justice				96,600	30,857	(65,743)
Environment and business regulation	62,861	43,683	(19,178)			
Capital outlays	843	221	(622)			
<b>Total expenditures</b>	<b>63,726</b>	<b>43,926</b>	<b>(19,800)</b>	<b>96,631</b>	<b>30,888</b>	<b>(65,743)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(7,726)</b>	<b>1,877</b>	<b>9,603</b>	<b>(34,046)</b>	<b>45,916</b>	<b>79,962</b>
Budgetary fund balances (deficits), July 1, 2008	2,535	2,535	-	21,243	21,243	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (5,191)</b>	<b>\$ 4,412</b>	<b>\$ 9,603</b>	<b>\$ (12,803)</b>	<b>\$ 67,159</b>	<b>\$ 79,962</b>

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 117,325	\$ 122,007	\$ 4,682	
1,260	600	(660)	
118,585	122,607	4,022	

53	53	-
96,600	30,857	(65,743)
62,861	43,683	(19,178)
843	221	(622)
160,357	74,814	(85,543)

(41,772)	47,793	89,565
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23,778	23,778	-
\$ (17,994)	\$ 71,571	\$ 89,565

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Student Assistance Commission**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Federal Student Loan			Student Loan Operation		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 96,383	\$ 128,773	\$ 32,390			
Other	96,390	89,759	(6,631)	\$ 40,103	\$ 31,250	\$ (8,853)
<b>Total revenues</b>	<b>192,773</b>	<b>218,532</b>	<b>25,759</b>	<b>40,103</b>	<b>31,250</b>	<b>(8,853)</b>
<b>EXPENDITURES:</b>						
Current:						
Education	260,000	218,418	(41,582)	76,939	38,948	(37,991)
Capital outlays				535	108	(427)
<b>Total expenditures</b>	<b>260,000</b>	<b>218,418</b>	<b>(41,582)</b>	<b>77,474</b>	<b>39,056</b>	<b>(38,418)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(67,227)</b>	<b>114</b>	<b>67,341</b>	<b>(37,371)</b>	<b>(7,806)</b>	<b>29,565</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-out				(2)	(2)	-
<b>Total other sources (uses) of financial resources</b>				<b>(2)</b>	<b>(2)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(67,227)</b>	<b>114</b>	<b>67,341</b>	<b>(37,373)</b>	<b>(7,808)</b>	<b>29,565</b>
Budgetary fund balances (deficits), July 1, 2008	26,663	26,663	-	12,014	12,014	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (40,564)</b>	<b>\$ 26,777</b>	<b>\$ 67,341</b>	<b>\$ (25,359)</b>	<b>\$ 4,206</b>	<b>\$ 29,565</b>

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 96,383	\$ 128,773	\$ 32,390	
136,493	121,009	(15,484)	
232,876	249,782	16,906	

336,939	257,366	(79,573)
535	108	(427)
337,474	257,474	(80,000)

(104,598)	(7,692)	96,906
(2)	(2)	-
(2)	(2)	-

(104,600)	(7,694)	96,906
38,677	38,677	-
\$ (65,923)	\$ 30,983	\$ 96,906

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Revolving Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Central Management Services			Corrections Working Capital		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 376	\$ 3,002	\$ 2,626			
Other	501,311	455,175	(46,136)	\$ 41,147	\$ 43,071	\$ 1,924
Less:						
Refunds	9,603	3	(9,600)	7	4	(3)
<b>Total revenues</b>	<b>492,084</b>	<b>458,174</b>	<b>(33,910)</b>	<b>41,140</b>	<b>43,067</b>	<b>1,927</b>
<b>EXPENDITURES:</b>						
Current:						
General government	724,547	584,722	(139,825)	15	15	-
Transportation						
Public protection and justice				42,039	39,312	(2,727)
Capital outlays	1,487	656	(831)	917	500	(417)
<b>Total expenditures</b>	<b>726,034</b>	<b>585,378</b>	<b>(140,656)</b>	<b>42,971</b>	<b>39,827</b>	<b>(3,144)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(233,950)</b>	<b>(127,204)</b>	<b>106,746</b>	<b>(1,831)</b>	<b>3,240</b>	<b>5,071</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	107,908	107,908	-	7	7	-
Operating transfers-out	(10,417)	(10,417)	-	(1,100)	(1,100)	-
<b>Total other sources (uses) of financial resources</b>	<b>97,491</b>	<b>97,491</b>	<b>-</b>	<b>(1,093)</b>	<b>(1,093)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(136,459)</b>	<b>(29,713)</b>	<b>106,746</b>	<b>(2,924)</b>	<b>2,147</b>	<b>5,071</b>
Budgetary fund balances (deficits), July 1, 2008	(11,988)	(11,988)	-	(1,116)	(1,116)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (148,447)</b>	<b>\$ (41,701)</b>	<b>\$ 106,746</b>	<b>\$ (4,040)</b>	<b>\$ 1,031</b>	<b>\$ 5,071</b>

	Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	
\$ 11,821	\$ 89	\$ (11,732)	\$ 12,197	\$ 3,091	\$ (9,106)	
3,714	3,348	(366)	546,172	501,594	(44,578)	
			9,610	7	(9,603)	
15,535	3,437	(12,098)	548,759	504,678	(44,081)	
21,967	15,775	(6,192)	746,529	600,512	(146,017)	
1,000	721	(279)	1,000	721	(279)	
			42,039	39,312	(2,727)	
81	13	(68)	2,485	1,169	(1,316)	
23,048	16,509	(6,539)	792,053	641,714	(150,339)	
(7,513)	(13,072)	(5,559)	(243,294)	(137,036)	106,258	
11,937	11,937	-	119,852	119,852	-	
(2,501)	(2,501)	-	(14,018)	(14,018)	-	
9,436	9,436	-	105,834	105,834	-	
1,923	(3,636)	(5,559)	(137,460)	(31,202)	106,258	
8,500	8,500	-	(4,604)	(4,604)	-	
\$ 10,423	\$ 4,864	\$ (5,559)	\$ (142,064)	\$ (35,806)	\$ 106,258	

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Revolving Funds - Department of Central Management Services**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	State Garage			Statistical Services		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 6	\$ -	\$ (6)	\$ -	\$ 1	\$ 1
Other	36,503	42,929	6,426	130,003	112,076	(17,927)
Less:						
Refunds	10	1	(9)	6,300	-	(6,300)
<b>Total revenues</b>	<b>36,499</b>	<b>42,928</b>	<b>6,429</b>	<b>123,703</b>	<b>112,077</b>	<b>(11,626)</b>
<b>EXPENDITURES:</b>						
Current:						
General government	48,605	38,585	(10,020)	173,185	120,665	(52,520)
Capital outlays	885	364	(521)	190	20	(170)
<b>Total expenditures</b>	<b>49,490</b>	<b>38,949</b>	<b>(10,541)</b>	<b>173,375</b>	<b>120,685</b>	<b>(52,690)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(12,991)</b>	<b>3,979</b>	<b>16,970</b>	<b>(49,672)</b>	<b>(8,608)</b>	<b>41,064</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	10	10	-	36	36	-
Operating transfers-out	(1,050)	(1,050)	-	(2,174)	(2,174)	-
<b>Total other sources (uses) of financial resources</b>	<b>(1,040)</b>	<b>(1,040)</b>	<b>-</b>	<b>(2,138)</b>	<b>(2,138)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(14,031)</b>	<b>2,939</b>	<b>16,970</b>	<b>(51,810)</b>	<b>(10,746)</b>	<b>41,064</b>
Budgetary fund balances (deficits), July 1, 2008	(5,320)	(5,320)	-	(2,301)	(2,301)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (19,351)</b>	<b>\$ (2,381)</b>	<b>\$ 16,970</b>	<b>\$ (54,111)</b>	<b>\$ (13,047)</b>	<b>\$ 41,064</b>

Communications Revolving			Facilities Management			Workers' Compensation		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 370	\$ 2,979	\$ 2,609				\$ -	\$ 22	\$ 22
123,699	118,267	(5,432)	\$ 209,302	\$ 180,180	\$ (29,122)	1,804	1,723	(81)
3,293	2	(3,291)						
120,776	121,244	468	209,302	180,180	(29,122)	1,804	1,745	(59)
150,466	107,859	(42,607)	224,367	206,045	(18,322)	127,924	111,568	(16,356)
303	181	(122)	109	91	(18)			
150,769	108,040	(42,729)	224,476	206,136	(18,340)	127,924	111,568	(16,356)
(29,993)	13,204	43,197	(15,174)	(25,956)	(10,782)	(126,120)	(109,823)	16,297
29	29	-	51	51	-	107,782	107,782	-
(2,849)	(2,849)	-	(3,344)	(3,344)	-	(1,000)	(1,000)	-
(2,820)	(2,820)	-	(3,293)	(3,293)	-	106,782	106,782	-
(32,813)	10,384	43,197	(18,467)	(29,249)	(10,782)	(19,338)	(3,041)	16,297
(9,150)	(9,150)	-	(2,638)	(2,638)	-	7,421	7,421	-
\$ (41,963)	\$ 1,234	\$ 43,197	\$ (21,105)	\$ (31,887)	\$ (10,782)	\$ (11,917)	\$ 4,380	\$ 16,297

(continued)

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Revolving Funds - Department of Central Management Services**

For the Year Ended June 30, 2009 (Expressed in Thousands)

(continued)

	Final Budget	Total Actual	Variance Over (Under)
<b>REVENUES:</b>			
Federal government	\$ 376	\$ 3,002	\$ 2,626
Other	501,311	455,175	(46,136)
Less:			
Refunds	9,603	3	(9,600)
<b>Total revenues</b>	<u>492,084</u>	<u>458,174</u>	<u>(33,910)</u>
<b>EXPENDITURES:</b>			
Current:			
General government	724,547	584,722	(139,825)
Capital outlays	1,487	656	(831)
<b>Total expenditures</b>	<u>726,034</u>	<u>585,378</u>	<u>(140,656)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(233,950)</u>	<u>(127,204)</u>	<u>106,746</u>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>			
Operating transfers-in	107,908	107,908	-
Operating transfers-out	(10,417)	(10,417)	-
<b>Total other sources (uses) of financial resources</b>	<u>97,491</u>	<u>97,491</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<u>(136,459)</u>	<u>(29,713)</u>	<u>106,746</u>
Budgetary fund balances (deficits), July 1, 2008	(11,988)	(11,988)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<u>\$ (148,447)</u>	<u>\$ (41,701)</u>	<u>\$ 106,746</u>

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State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) State Trust Funds**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Code Departments			Other Agencies, Boards and Commissions		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Sales taxes	\$ 714,811	\$ 714,811	\$ -			
Motor fuel taxes	31,378	31,378	-			
Public utility taxes	301,145	301,145	-			
Federal government	55,787	86,895	31,108	\$ 24,989	\$ 27,812	\$ 2,823
Other	583,092	824,258	241,166	1,326,669	1,327,216	547
Less:						
Refunds	312	273	(39)			
<b>Total revenues</b>	<b>1,685,901</b>	<b>1,958,214</b>	<b>272,313</b>	<b>1,351,658</b>	<b>1,355,028</b>	<b>3,370</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	199,793	169,556	(30,237)			
Education						
General government	93,536	83,739	(9,797)	233,750	107,608	(126,142)
Employment and economic development						
Public protection and justice						
Environment and business regulation						
Capital outlays	2,000	2	(1,998)			
<b>Total expenditures</b>	<b>295,329</b>	<b>253,297</b>	<b>(42,032)</b>	<b>233,750</b>	<b>107,608</b>	<b>(126,142)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,390,572</b>	<b>1,704,917</b>	<b>314,345</b>	<b>1,117,908</b>	<b>1,247,420</b>	<b>129,512</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				175,191	175,191	-
Operating transfers-out	(224,988)	(224,988)	-	(175,113)	(175,113)	-
<b>Total other sources (uses) of financial resources</b>	<b>(224,988)</b>	<b>(224,988)</b>	<b>-</b>	<b>78</b>	<b>78</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(1,503,241)</b>	<b>(1,503,241)</b>	<b>-</b>	<b>(1,321,083)</b>	<b>(1,321,083)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>(337,657)</b>	<b>(23,312)</b>	<b>314,345</b>	<b>(203,097)</b>	<b>(73,585)</b>	<b>129,512</b>
Budgetary fund balances (deficits), July 1, 2008, as previously reported	139,628	139,628	-	296,151	296,151	-
Reclassifications between budgetary/nonbudgetary funds-net						
Budgetary fund balances (deficits), July 1, 2008, as reclassified	139,628	139,628	-	296,151	296,151	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (198,029)</b>	<b>\$ 116,316</b>	<b>\$ 314,345</b>	<b>\$ 93,054</b>	<b>\$ 222,566</b>	<b>\$ 129,512</b>

Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 714,811	\$ 714,811	\$ -
			31,378	31,378	-
			301,145	301,145	-
\$ 11,912	\$ 13,787	\$ 1,875	92,688	128,494	35,806
20,748	32,456	11,708	1,930,509	2,183,930	253,421
			312	273	(39)
32,660	46,243	13,583	3,070,219	3,359,485	289,266
21,591	14,410	(7,181)	221,384	183,966	(37,418)
17,259	4,619	(12,640)	17,259	4,619	(12,640)
3,656	2,029	(1,627)	330,942	193,376	(137,566)
25	20	(5)	25	20	(5)
2,950	1,326	(1,624)	2,950	1,326	(1,624)
12,930	5,787	(7,143)	12,930	5,787	(7,143)
			2,000	2	(1,998)
58,411	28,191	(30,220)	587,490	389,096	(198,394)
(25,751)	18,052	43,803	2,482,729	2,970,389	487,660
5	5	-	175,196	175,196	-
(12,267)	(12,267)	-	(412,368)	(412,368)	-
(12,262)	(12,262)	-	(237,172)	(237,172)	-
(10,866)	(10,866)	-	(2,835,190)	(2,835,190)	-
(48,879)	(5,076)	43,803	(589,633)	(101,973)	487,660
138,337	138,337	-	574,116	574,116	-
(84,393)	(84,393)	-	(84,393)	(84,393)	-
53,944	53,944	-	489,723	489,723	-
\$ 5,065	\$ 48,868	\$ 43,803	\$ (99,910)	\$ 387,750	\$ 487,660

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) State Trust Funds - Code Departments**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Central Management Services			Human Services		
	Final		Variance	Early Intervention Services Revolving		
	Budget	Actual	Over (Under)	Final	Actual	Variance
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
<b>REVENUES:</b>						
Sales taxes						
Motor fuel taxes						
Public utility taxes						
Federal government	\$ 15	\$ 13	\$ (2)	\$ 55,772	\$ 62,861	\$ 7,089
Other	246,564	251,321	4,757	83,993	67,898	(16,095)
Less:						
Refunds				300	273	(27)
<b>Total revenues</b>	<b>246,579</b>	<b>251,334</b>	<b>4,755</b>	<b>139,465</b>	<b>130,486</b>	<b>(8,979)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services				160,112	145,419	(14,693)
General government	91,759	82,054	(9,705)	20	20	-
Capital outlays						
<b>Total expenditures</b>	<b>91,759</b>	<b>82,054</b>	<b>(9,705)</b>	<b>160,132</b>	<b>145,439</b>	<b>(14,693)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>154,820</b>	<b>169,280</b>	<b>14,460</b>	<b>(20,667)</b>	<b>(14,953)</b>	<b>5,714</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-out	(94)	(94)	-	(1,055)	(1,055)	-
<b>Total other sources (uses) of financial resources</b>	<b>(94)</b>	<b>(94)</b>	<b>-</b>	<b>(1,055)</b>	<b>(1,055)</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(169,706)</b>	<b>(169,706)</b>	<b>-</b>			
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>(14,980)</b>	<b>(520)</b>	<b>14,460</b>	<b>(21,722)</b>	<b>(16,008)</b>	<b>5,714</b>
Budgetary fund balances (deficits), July 1, 2008	6,218	6,218	-	(3,085)	(3,085)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (8,762)</b>	<b>\$ 5,698</b>	<b>\$ 14,460</b>	<b>\$ (24,807)</b>	<b>\$ (19,093)</b>	<b>\$ 5,714</b>

Healthcare and Family Services			Revenue			Total		
Public Aid Recoveries Trust								
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 714,811	\$ 714,811	\$ -	\$ 714,811	\$ 714,811	\$ -
			31,378	31,378	-	31,378	31,378	-
			301,145	301,145	-	301,145	301,145	-
\$ -	\$ 24,021	\$ 24,021				55,787	86,895	31,108
248,221	502,971	254,750	4,314	2,068	(2,246)	583,092	824,258	241,166
			12	-	(12)	312	273	(39)
248,221	526,992	278,771	1,051,636	1,049,402	(2,234)	1,685,901	1,958,214	272,313
39,681	24,137	(15,544)				199,793	169,556	(30,237)
			1,757	1,665	(92)	93,536	83,739	(9,797)
2,000	2	(1,998)				2,000	2	(1,998)
41,681	24,139	(17,542)	1,757	1,665	(92)	295,329	253,297	(42,032)
206,540	502,853	296,313	1,049,879	1,047,737	(2,142)	1,390,572	1,704,917	314,345
(223,839)	(223,839)	-				(224,988)	(224,988)	-
(223,839)	(223,839)	-				(224,988)	(224,988)	-
(274,053)	(274,053)	-	(1,059,482)	(1,059,482)	-	(1,503,241)	(1,503,241)	-
(291,352)	4,961	296,313	(9,603)	(11,745)	(2,142)	(337,657)	(23,312)	314,345
(6,168)	(6,168)	-	142,663	142,663	-	139,628	139,628	-
\$ (297,520)	\$ (1,207)	\$ 296,313	\$ 133,060	\$ 130,918	\$ (2,142)	\$ (198,029)	\$ 116,316	\$ 314,345

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) State Trust Funds - Department of Central Management Services**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Group Insurance Premium			State Employees Deferred Compensation Plan		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 15	\$ 13	\$ (2)			
Other	75,031	79,788	4,757	\$ 171,533	\$ 171,533	\$ -
<b>Total revenues</b>	<b>75,046</b>	<b>79,801</b>	<b>4,755</b>	<b>171,533</b>	<b>171,533</b>	<b>-</b>
<b>EXPENDITURES:</b>						
Current:						
General government	90,740	81,118	(9,622)	1,019	936	(83)
<b>Total expenditures</b>	<b>90,740</b>	<b>81,118</b>	<b>(9,622)</b>	<b>1,019</b>	<b>936</b>	<b>(83)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(15,694)</b>	<b>(1,317)</b>	<b>14,377</b>	<b>170,514</b>	<b>170,597</b>	<b>83</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-out	(57)	(57)	-	(37)	(37)	-
<b>Total other sources (uses) of financial resources</b>	<b>(57)</b>	<b>(57)</b>	<b>-</b>	<b>(37)</b>	<b>(37)</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>				<b>(169,706)</b>	<b>(169,706)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds- nonbudgeted accounts</b>	<b>(15,751)</b>	<b>(1,374)</b>	<b>14,377</b>	<b>771</b>	<b>854</b>	<b>83</b>
Budgetary fund balances (deficits), July 1, 2008	3,191	3,191	-	3,027	3,027	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (12,560)</b>	<b>\$ 1,817</b>	<b>\$ 14,377</b>	<b>\$ 3,798</b>	<b>\$ 3,881</b>	<b>\$ 83</b>

Total		
Final Budget	Actual	Variance Over (Under)
\$ 15	\$ 13	\$ (2)
246,564	251,321	4,757
246,579	251,334	4,755

91,759	82,054	(9,705)
91,759	82,054	(9,705)

154,820	169,280	14,460
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(94)	(94)	-
(94)	(94)	-

(169,706)	(169,706)	-
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(14,980)	(520)	14,460
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6,218	6,218	-
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\$ (8,762)	\$ 5,698	\$ 14,460
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State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) State Trust Funds - Department of Revenue**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Home Rule Municipal ROT			County Option Motor Fuel Tax		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Sales taxes	\$ 714,811	\$ 714,811	\$ -			
Motor fuel taxes				\$ 31,378	\$ 31,378	\$ -
Public utility taxes						
Other	1,943	1,943	-	125	125	-
Less:						
Refunds						
<b>Total revenues</b>	<b>716,754</b>	<b>716,754</b>	<b>-</b>	<b>31,503</b>	<b>31,503</b>	<b>-</b>
<b>EXPENDITURES:</b>						
Current:						
General government	956	940	(16)	801	725	(76)
<b>Total expenditures</b>	<b>956</b>	<b>940</b>	<b>(16)</b>	<b>801</b>	<b>725</b>	<b>(76)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>715,798</b>	<b>715,814</b>	<b>16</b>	<b>30,702</b>	<b>30,778</b>	<b>76</b>
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(731,424)</b>	<b>(731,424)</b>	<b>-</b>	<b>(31,378)</b>	<b>(31,378)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and budgetary funds-nonbudgeted accounts</b>	<b>(15,626)</b>	<b>(15,610)</b>	<b>16</b>	<b>(676)</b>	<b>(600)</b>	<b>76</b>
Budgetary fund balances (deficits), July 1, 2008	97,681	97,681	-	6,237	6,237	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ 82,055</b>	<b>\$ 82,071</b>	<b>\$ 16</b>	<b>\$ 5,561</b>	<b>\$ 5,637</b>	<b>\$ 76</b>

Municipal Telecommunications			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 714,811	\$ 714,811	\$ -
			31,378	31,378	-
\$ 301,145	\$ 301,145	\$ -	301,145	301,145	-
2,246	-	(2,246)	4,314	2,068	(2,246)
12	-	(12)	12	-	(12)
303,379	301,145	(2,234)	1,051,636	1,049,402	(2,234)
			1,757	1,665	(92)
			1,757	1,665	(92)
303,379	301,145	(2,234)	1,049,879	1,047,737	(2,142)
(296,680)	(296,680)	-	(1,059,482)	(1,059,482)	-
6,699	4,465	(2,234)	(9,603)	(11,745)	(2,142)
38,745	38,745	-	142,663	142,663	-
\$ 45,444	\$ 43,210	\$ (2,234)	\$ 133,060	\$ 130,918	\$ (2,142)

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) State Trust Funds - Other Agencies, Boards and Commissions**

For the Year Ended June 30, 2009 (Expressed in Thousands)

	Illinois Housing Development Authority Federal Home Investment Trust			State Employees Retirement System		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 24,989	\$ 27,812	\$ 2,823			
Other	2,715	3,262	547	\$ 1,323,954	\$ 1,323,954	\$ -
<b>Total revenues</b>	<b>27,704</b>	<b>31,074</b>	<b>3,370</b>	<b>1,323,954</b>	<b>1,323,954</b>	<b>-</b>
<b>EXPENDITURES:</b>						
Current:						
General government	33,750	31,121	(2,629)	200,000	76,487	(123,513)
<b>Total expenditures</b>	<b>33,750</b>	<b>31,121</b>	<b>(2,629)</b>	<b>200,000</b>	<b>76,487</b>	<b>(123,513)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(6,046)</b>	<b>(47)</b>	<b>5,999</b>	<b>1,123,954</b>	<b>1,247,467</b>	<b>123,513</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				175,191	175,191	-
Operating transfers-out				(175,113)	(175,113)	-
<b>Total other sources (uses) of financial resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78</b>	<b>78</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>				<b>(1,321,083)</b>	<b>(1,321,083)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>(6,046)</b>	<b>(47)</b>	<b>5,999</b>	<b>(197,051)</b>	<b>(73,538)</b>	<b>123,513</b>
Budgetary fund balances (deficits), July 1, 2008	302	302	-	295,849	295,849	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2009</b>	<b>\$ (5,744)</b>	<b>\$ 255</b>	<b>\$ 5,999</b>	<b>\$ 98,798</b>	<b>\$ 222,311</b>	<b>\$ 123,513</b>

Total		
Final Budget	Actual	Variance Over (Under)
\$ 24,989	\$ 27,812	\$ 2,823
1,326,669	1,327,216	547
1,351,658	1,355,028	3,370
233,750	107,608	(126,142)
233,750	107,608	(126,142)
1,117,908	1,247,420	129,512
175,191	175,191	-
(175,113)	(175,113)	-
78	78	-
(1,321,083)	(1,321,083)	-
(203,097)	(73,585)	129,512
296,151	296,151	-
\$ 93,054	\$ 222,566	\$ 129,512

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# Statistical Section

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## **STATISTICAL SECTION**

This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

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### **Financial Trends**

These schedules contain trend information to help the reader understand how the State's financial performance and well-being have changed over time.	361
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### **Revenue Capacity**

These schedules contain information to help the reader assess the State's most significant revenue sources: the personal income tax and the sales tax.	368
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### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the State's current levels of outstanding debt and the State's ability to issue additional debt in the future.	372
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### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.	380
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### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the State's financial report relates to the services the State provides and the activities it performs.	382
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**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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**Net Assets by Component  
Last Eight Fiscal Year Ends**
**(Accrual Basis of Accounting, Amounts in Thousands)**

	June 30,							
	2009	2008	2007	2006	2005	2004	2003	2002
<b>Governmental Activities</b>								
Invested in capital assets, net of related debt	\$ 14,174,505	\$ 13,688,917	\$ 13,370,326	\$ 12,518,094	\$ 12,088,581	\$ 11,924,560	\$ 11,750,160	\$ 11,250,191
Restricted	998,026	978,277	954,435	956,926	942,154	912,938	1,855,032	1,596,793
Unrestricted	(45,117,097)	(39,213,817)	(35,169,568)	(32,218,061)	(30,611,904)	(28,248,123)	(26,445,507)	(21,586,492)
<b>Total governmental activities net assets</b>	<b>(29,944,566)</b>	<b>(24,546,623)</b>	<b>(20,844,807)</b>	<b>(18,743,041)</b>	<b>(17,581,169)</b>	<b>(15,410,625)</b>	<b>(12,840,315)</b>	<b>(8,739,508)</b>
<b>Business-type activities</b>								
Invested in capital assets, net of related debt	3,630	2,983	2,966	3,114	3,110	3,539	3,615	4,288
Restricted	2,732,443	4,533,482	4,534,492	3,923,607	2,598,458	2,380,247	2,037,232	2,803,667
Unrestricted	(161,927)	(840)	(15,145)	(111,414)	170,619	(352,806)	137,542	195,504
<b>Total business-type activities net assets</b>	<b>2,574,146</b>	<b>4,535,625</b>	<b>4,522,313</b>	<b>3,815,307</b>	<b>2,772,187</b>	<b>2,030,980</b>	<b>2,178,389</b>	<b>3,003,459</b>
<b>Primary government</b>								
Invested in capital assets, net of related debt	14,178,135	13,691,900	13,373,292	12,521,208	12,091,691	11,928,099	11,753,775	11,254,479
Restricted	3,730,469	5,511,759	5,488,927	4,880,533	3,540,612	3,293,185	3,892,264	4,400,460
Unrestricted	(45,279,024)	(39,214,657)	(35,184,713)	(32,329,475)	(30,441,285)	(28,600,929)	(26,307,965)	(21,390,988)
<b>Total primary government net assets</b>	<b>\$(27,370,420)</b>	<b>\$(20,010,998)</b>	<b>\$(16,322,494)</b>	<b>\$(14,927,734)</b>	<b>\$(14,808,982)</b>	<b>\$(13,379,645)</b>	<b>\$(10,661,926)</b>	<b>\$( 5,736,049)</b>

Note: The State did not begin reporting government-wide statements until it implemented GASB Statement No. 34 for the fiscal year ended June 30, 2002. In addition, balances have been restated for prior period adjustments, corrections, and reclassifications when practical.

**Fund Balances, Governmental Funds  
Last Eight Fiscal Year Ends**
**(Modified Accrual Basis of Accounting, Amounts in Thousands)**

	June 30,							
	2009	2008	2007	2006	2005	2004	2003	2002
<b>General fund</b>								
Reserved	\$ 40,803	\$ 67,135	\$ 53,544	\$ 49,921	\$ 50,375	\$ 145,766	\$ 275,203	\$ 101,881
Unreserved	(7,722,306)	(4,102,555)	(4,224,670)	(3,020,145)	(3,349,245)	(2,691,535)	(4,455,975)	(3,049,573)
<b>Total general fund</b>	<b>(7,681,503)</b>	<b>(4,035,420)</b>	<b>(4,171,126)</b>	<b>(2,970,224)</b>	<b>(3,298,870)</b>	<b>(2,545,769)</b>	<b>(4,180,772)</b>	<b>(2,947,692)</b>
<b>All other governmental funds</b>								
Reserved	\$ 507,169	\$ 488,365	\$ 165,428	\$ 180,970	\$ 158,571	\$ 316,714	\$ 166,137	\$ 158,720
Unreserved, reported in:								
Special revenue funds	2,048,763	2,215,352	2,441,850	2,506,755	1,830,925	1,784,366	11,044,754	2,587,096
Debt service funds	837,423	850,615	834,197	823,784	836,740	792,078	1,217,431	638,407
Capital projects funds	15,991	46,248	143,539	465,974	32,959	(21,857)	37,208	142,562
Permanent funds	916	1,248	1,131	1,108	418	539	2,897	2,931
<b>Total all other governmental funds</b>	<b>\$ 3,410,262</b>	<b>\$ 3,601,828</b>	<b>\$ 3,586,145</b>	<b>\$ 3,978,591</b>	<b>\$ 2,859,613</b>	<b>\$ 2,871,840</b>	<b>\$ 12,468,427</b>	<b>\$ 3,529,716</b>

Notes: Due to changes in the State's fund structure initiated when the State implemented GASB Statement No. 34 for the fiscal year ended June 30, 2002, comparable fund balance information is not available for fiscal years prior to 2002. In addition, balances have been restated for prior period adjustments, corrections, and reclassifications when practical.

The dramatic increase in unreserved fund balances reported in special revenue funds in fiscal year 2003 was the result of the \$10 billion general obligation bond for funding and reimbursing a portion of the State's contributions to the State's retirement system issued just prior to the end of fiscal year 2003. The majority of the bond issue was not distributed until fiscal year 2004.

State of Illinois

Changes in Net Assets

Last Eight Fiscal Years

(Accrual Basis of Accounting, Amounts in Thousands)

	For the Fiscal Year Ended June 30,					
	2009	2008	2007	2006	2005	2004
<b>Governmental Activities:</b>						
<b>Expenses</b>						
Health and social services	\$ 24,057,805	\$ 21,687,952	\$ 21,417,224	\$ 18,591,748	\$ 19,553,743	\$ 17,746,164
Education	16,348,835	15,242,711	14,433,190	13,544,450	13,623,467	13,514,779
General government	1,917,139	1,935,074	1,668,454	1,502,362	492,374	535,511
Employment and economic development	861,955	874,861	988,866	1,091,298	968,262	1,217,263
Transportation	4,192,950	4,198,002	3,818,291	3,484,409	3,615,977	3,530,420
Public protection and justice	3,246,422	3,223,783	2,730,219	2,560,566	2,851,184	2,573,918
Environment and business regulation	872,113	926,138	835,328	733,128	899,723	778,161
Intergovernmental-revenue sharing	4,631,525	5,139,754	5,036,015	4,565,480	4,197,679	3,696,687
Interest	1,123,866	1,137,058	1,200,754	1,222,382	1,218,077	1,149,157
<b>Total governmental activities expenses</b>	<b>57,252,610</b>	<b>54,365,333</b>	<b>52,128,341</b>	<b>47,295,823</b>	<b>47,420,486</b>	<b>44,742,060</b>
<b>Program revenues</b>						
Charges for services:						
Health and social services	177,666	154,884	137,591	119,559	110,330	102,745
Education	4,446	4,529	14,650	4,381	6,685	10,630
General government	2,109,969	2,100,042	2,046,175	1,968,930	1,986,302	1,855,274
Employment and economic development	20,208	19,714	22,075	22,933	20,351	19,992
Transportation	53,885	78,574	44,292	30,483	28,829	21,632
Public protection and justice	57,543	97,923	89,335	92,988	87,934	79,504
Environment and business regulation	346,929	344,794	361,174	365,324	377,194	390,085
Operating grants and contributions	18,041,268	14,287,548	14,537,244	13,498,279	13,897,415	13,060,543
Capital grants and contributions	1,495,709	1,274,394	1,025,947	1,040,220	866,924	862,165
<b>Total governmental activities program revenues</b>	<b>22,307,623</b>	<b>18,362,402</b>	<b>18,278,483</b>	<b>17,143,097</b>	<b>17,381,964</b>	<b>16,402,570</b>
<b>Total governmental activities net program expense</b>	<b>(34,944,987)</b>	<b>(36,002,931)</b>	<b>(33,849,858)</b>	<b>(30,152,726)</b>	<b>(30,038,522)</b>	<b>(28,339,490)</b>
<b>General revenues and other changes in net assets</b>						
Taxes						
Income taxes	11,845,194	13,413,993	12,337,762	11,224,605	10,391,204	9,059,096
Sales taxes	9,157,404	10,147,458	9,846,437	9,603,316	9,150,521	8,941,852
Motor fuel taxes	1,349,275	1,405,713	1,443,544	1,426,605	1,425,794	1,402,081
Public utility taxes	1,678,023	1,691,688	1,605,502	1,523,795	1,521,187	1,510,606
Riverboat taxes	533,271	696,835	817,590	813,489	664,569	642,370
Hospital assessment taxes	978,248	804,168	1,538,512	75,515	707,619	76,077
Other taxes	2,181,647	2,134,966	1,973,612	1,986,155	2,112,874	1,933,620
Interest and investment income	139,553	325,057	358,191	271,291	144,455	90,573
Other revenues	1,006,261	1,013,148	1,173,423	1,404,974	1,108,333	1,547,298
Gain on capital assets traded-in	4,814	-	-	-	-	-
Transfers	673,354	668,089	653,519	661,109	641,422	568,802
<b>Total general revenues and other changes in net assets</b>	<b>29,547,044</b>	<b>32,301,115</b>	<b>31,748,092</b>	<b>28,990,854</b>	<b>27,867,978</b>	<b>25,772,375</b>
<b>Total governmental activities change in net assets</b>	<b>(5,397,943)</b>	<b>(3,701,816)</b>	<b>(2,101,766)</b>	<b>(1,161,872)</b>	<b>(2,170,544)</b>	<b>(2,567,115)</b>

Note: The State did not begin reporting government-wide statements until it implemented GASB Statement No. 34 for the fiscal year ended June 30, 2002. In addition, balances have been restated for prior period adjustments, corrections, and reclassifications when practical.

Revenue from hospital assessment taxes increased significantly during fiscal year 2007 as the State retroactively assessed taxes for fiscal year 2006 revenues upon approval in November 2006 by the federal government of the State's Hospital Assessment plan.

**Schedule 3**

<u>2003</u>	<u>2002</u>
\$ 16,495,962	\$ 15,773,221
12,962,131	12,309,072
846,163	610,701
1,342,665	1,275,772
3,807,907	3,794,674
2,498,208	2,563,888
867,002	823,035
3,473,281	3,728,891
672,707	547,583
<u>42,966,026</u>	<u>41,426,837</u>

96,670	130,104
2,306	2,306
1,614,665	1,601,352
24,983	17,851
20,685	20,945
81,633	111,918
232,659	249,159
11,824,638	10,851,169
719,759	805,023
<u>14,617,998</u>	<u>13,789,827</u>

(28,348,028)    (27,637,010)

8,509,857	8,612,430
8,227,295	8,299,981
1,325,748	1,353,947
1,605,144	1,508,633
670,478	580,208
83,276	68,507
1,827,859	1,695,624
124,407	225,460
1,344,446	755,939
-	-
528,711	548,791
<u>24,247,221</u>	<u>23,649,520</u>

(4,100,807)    (3,987,490)

State of Illinois

Changes in Net Assets

Last Eight Fiscal Years

(Accrual Basis of Accounting, Amounts in Thousands)

	For the Fiscal Year Ended June 30,					
	2009	2008	2007	2006	2005	2004
<b>Business-Type Activities:</b>						
<b>Expenses</b>						
Unemployment compensation trust	5,086,053	1,991,147	1,795,169	1,731,262	1,982,556	2,672,436
Water revolving	18,085	17,689	22,820	22,620	23,988	18,519
Prepaid tuition program	74,718	73,559	61,641	50,730	41,148	35,771
Designated account purchase program	62,622	101,174	303,817	267,707	167,074	110,961
Insurance programs	-	-	-	409,726	379,752	335,476
Lottery	1,443,717	1,411,951	1,370,559	1,334,373	1,196,982	1,144,936
Federal student loans	199,964	192,771	180,554	146,053	123,694	102,715
Other	122,312	148,273	212,217	93,633	95,892	93,990
<b>Total business-type activities expenses</b>	<b>7,007,471</b>	<b>3,936,564</b>	<b>3,946,777</b>	<b>4,056,104</b>	<b>4,011,086</b>	<b>4,514,804</b>
<b>Program revenues</b>						
Charges for services:						
Unemployment compensation trust	1,600,817	1,998,139	2,391,445	2,678,643	2,602,747	2,336,187
Water revolving	46,007	44,163	62,818	55,557	49,833	38,018
Prepaid tuition program	(153,932)	(75,740)	127,123	52,090	49,979	50,263
Designated account purchase program	50,809	74,913	192,214	163,023	107,734	89,077
Insurance programs	-	-	-	421,950	376,730	326,380
Lottery	2,082,039	2,062,048	2,003,739	1,968,755	1,818,422	1,712,831
Federal student loans	19,756	25,629	172,003	134,277	117,980	98,698
Other	130,858	136,975	166,230	96,398	120,799	136,067
Operating grants and contributions	1,866,986	246,854	178,263	140,578	120,347	140,484
<b>Total business-type activities program revenues</b>	<b>5,643,340</b>	<b>4,512,981</b>	<b>5,293,835</b>	<b>5,711,271</b>	<b>5,364,571</b>	<b>4,928,005</b>
<b>Total business-type activities net program revenue (expense)</b>	<b>(1,364,131)</b>	<b>576,417</b>	<b>1,347,058</b>	<b>1,655,167</b>	<b>1,353,485</b>	<b>413,201</b>
<b>General revenues and other changes in net assets</b>						
Interest and investment income	76,006	115,694	86,036	48,698	27,679	8,057
Other revenues	-	145	1,900	364	1,465	135
Special items	-	(10,855)	-	-	-	-
Transfers	(673,354)	(668,089)	(653,519)	(661,109)	(641,422)	(568,802)
<b>Total business-type activities general revenues and other changes in net assets</b>	<b>(597,348)</b>	<b>(563,105)</b>	<b>(565,583)</b>	<b>(612,047)</b>	<b>(612,278)</b>	<b>(560,610)</b>
<b>Total business-type activities change in net assets</b>	<b>(1,961,479)</b>	<b>13,312</b>	<b>781,475</b>	<b>1,043,120</b>	<b>741,207</b>	<b>(147,409)</b>
<b>Total primary government change in net assets</b>	<b>\$ (7,359,422)</b>	<b>\$ (3,688,504)</b>	<b>\$ (1,320,291)</b>	<b>\$ (118,752)</b>	<b>\$ (1,429,337)</b>	<b>\$ (2,714,524)</b>

Note: Effective for the year ended June 30, 2007, the Teachers Health Insurance Security Fund and the Community College Health Insurance Security Fund are reported as pension (and other employment benefit) funds. They were reported as enterprise funds in previous years.

**Schedule 3 (continued)**

<u>2003</u>	<u>2002</u>
3,054,290	2,667,222
15,828	9,472
25,825	15,864
112,153	105,345
294,569	269,068
1,054,094	1,033,457
117,718	116,569
134,251	135,619
<u>4,808,728</u>	<u>4,352,616</u>
2,009,704	1,422,942
38,169	34,147
13,615	(6,410)
91,748	96,556
320,299	290,357
1,589,846	1,598,982
115,540	114,719
144,080	127,071
155,607	361,689
<u>4,478,608</u>	<u>4,040,053</u>
<u>(330,120)</u>	<u>(312,563)</u>
33,647	89,136
114	100
-	-
<u>(528,711)</u>	<u>(548,791)</u>
<u>(494,950)</u>	<u>(459,555)</u>
<u>(825,070)</u>	<u>(772,118)</u>
<u><u>\$(4,925,877)</u></u>	<u><u>\$(4,759,608)</u></u>

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## Changes in Fund Balances, Governmental Funds

Last Eight Fiscal Years

(Modified Accrual Basis of Accounting, Amounts in Thousands)

	For the Fiscal Year Ended June 30,							
	2009	2008	2007	2006	2005	2004	2003	2002
<b>Revenues</b>								
Income taxes	\$ 11,860,233	\$ 13,546,025	\$ 12,244,124	\$ 11,253,161	\$ 10,382,711	\$ 9,029,052	\$ 8,504,873	\$ 8,665,700
Sales taxes	9,156,235	10,142,098	9,864,637	9,590,006	9,148,752	8,937,628	8,227,102	8,307,399
Motor fuel taxes	1,350,032	1,410,656	1,436,518	1,426,963	1,425,776	1,408,961	1,377,995	1,355,665
Public utility taxes	1,667,389	1,695,635	1,615,402	1,531,206	1,523,083	1,489,459	1,612,941	1,533,836
Riverboat taxes	533,271	696,835	817,590	813,489	664,569	642,370	670,478	580,208
Hospital assessment taxes	975,086	1,538,237	804,797	75,515	707,619	76,077	83,276	68,507
Other taxes	2,168,168	2,100,913	1,973,752	1,990,265	2,118,860	1,908,260	1,827,394	1,678,874
Federal government	18,148,428	15,123,364	14,343,656	13,568,161	13,345,290	13,087,499	11,756,201	10,941,333
Licenses and fees	2,051,258	2,138,772	2,126,360	2,133,112	2,153,560	2,098,169	1,675,796	1,707,395
Interest and other investment income	136,596	318,787	349,817	265,999	142,798	90,085	123,758	223,641
Other revenues	2,256,182	2,186,591	2,401,881	2,668,622	2,407,546	2,374,839	2,162,727	1,656,079
<b>Total revenues</b>	<b>50,302,878</b>	<b>50,897,913</b>	<b>47,978,534</b>	<b>45,316,499</b>	<b>44,020,564</b>	<b>41,142,399</b>	<b>38,022,541</b>	<b>36,718,637</b>
<b>Expenditures</b>								
Health and social services	23,696,922	21,212,437	21,231,376	18,438,775	19,492,899	18,014,003	16,477,116	15,760,047
Education	14,319,907	13,281,734	12,357,592	11,593,903	12,218,024	18,136,163	11,693,002	11,395,816
General government	1,360,562	1,304,174	1,316,223	1,183,333	228,730	443,041	613,779	379,135
Employment and economic development	802,053	814,898	960,102	1,062,001	963,293	1,246,758	1,344,047	1,272,789
Transportation	3,080,860	3,029,674	2,800,738	2,468,345	2,702,364	2,736,531	2,942,719	2,972,064
Public protection and justice	2,817,374	2,723,434	2,488,988	2,338,618	2,700,104	2,887,584	2,434,904	2,476,364
Environment and business regulation	802,942	797,785	770,455	669,501	858,386	828,729	899,288	805,294
Debt service:								
Principal	928,339	937,114	864,533	820,486	775,756	662,936	735,430	663,553
Interest	1,102,787	1,100,439	1,116,514	1,117,167	1,083,680	1,026,546	490,854	405,449
Capital outlay	1,456,465	1,238,397	1,607,162	1,544,912	1,397,108	1,628,632	1,754,708	1,787,562
Intergovernmental	4,631,525	5,139,754	5,036,015	4,565,480	4,197,679	3,696,687	3,473,281	3,728,891
<b>Total expenditures</b>	<b>54,999,736</b>	<b>51,579,840</b>	<b>50,549,698</b>	<b>45,802,521</b>	<b>46,618,023</b>	<b>51,307,610</b>	<b>42,859,128</b>	<b>41,646,964</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(4,696,858)</b>	<b>(681,927)</b>	<b>(2,571,164)</b>	<b>(486,022)</b>	<b>(2,597,459)</b>	<b>(10,165,211)</b>	<b>(4,836,587)</b>	<b>(4,928,327)</b>
<b>Other Financing Sources (Uses)</b>								
General and special obligation bonds issued	150,000	175,000	258,000	1,140,000	1,075,000	1,525,000	11,894,304	1,650,000
Premiums on general and special obligation bonds issued	2,290	6,724	12,085	63,780	73,513	76,773	116,805	67,192
Discounts on general obligation bonds issued	-	-	-	-	-	-	(2,869)	-
General and special obligation refunding bonds issued	-	-	329,000	274,950	-	617,175	695,025	654,045
Premiums on general and special obligation refunding bonds issued	-	-	14,014	11,824	-	63,171	65,573	50,269
Transfers-in	9,554,492	11,883,985	9,088,399	8,779,739	10,017,074	10,485,498	7,488,813	5,322,479
Transfers-out	(8,864,876)	(11,214,684)	(8,402,727)	(8,073,119)	(9,331,080)	(9,889,388)	(6,960,102)	(4,783,418)
Payment to refunded bond escrow agent	-	-	(341,849)	(285,778)	-	(678,668)	(757,330)	(697,084)
Capital lease financing	1,364	1,625	8,288	1,366	3,232	2,512	4,415	21,829
Proceeds from disposition of capital assets	-	-	-	5,500	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>843,270</b>	<b>852,650</b>	<b>965,210</b>	<b>1,918,262</b>	<b>1,837,739</b>	<b>2,202,073</b>	<b>12,544,634</b>	<b>2,285,312</b>
<b>Net change in fund balances</b>	<b>\$ (3,853,588)</b>	<b>\$ 170,723</b>	<b>\$ (1,605,954)</b>	<b>\$ 1,432,240</b>	<b>\$ (759,720)</b>	<b>\$ (7,963,138)</b>	<b>\$ 7,708,047</b>	<b>\$ (2,643,015)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>3.79%</b>	<b>4.05%</b>	<b>4.05%</b>	<b>4.38%</b>	<b>4.11%</b>	<b>3.40%</b>	<b>2.98%</b>	<b>2.68%</b>

Note: Due to changes in the State's fund structure initiated when the State implemented GASB Statement No. 34 for the fiscal year ended June 30, 2002, comparable fund balance information is not available for fiscal years prior to 2002. In addition, balances have been restated for prior period adjustments, corrections, and reclassifications when practical.

The dramatic increase in net change in fund balances reported in fiscal year 2003 was the result of the \$10 billion general obligation bond issued for funding and reimbursing a portion of the State's contributions to the State's retirement systems. The majority of the bond issue was shown as expenditures in fiscal year 2004 causing a corresponding decrease in net change in fund balance.

Revenue from hospital assessment taxes increased significantly during fiscal year 2008 as the State recognized assessed taxes from the previous fiscal year which were unavailable at June 30, 2007.

**State of Illinois****Personal Income by Industry****Last Ten Calendar Years****(Amounts in Thousands)**

	<b>For the Calendar Year</b>				
	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Farm earnings	\$ 5,188,222	\$ 3,176,180	\$ 2,078,022	\$ 1,830,007	\$ 3,740,372
Agricultural/forestry, fishing, and other	380,804	357,379	344,059	335,074	317,432
Mining	2,405,469	2,131,971	2,765,061	2,317,874	2,055,374
Construction/utilities	27,324,268	28,462,977	28,794,477	26,932,201	25,869,656
Manufacturing	50,231,388	50,068,446	48,647,548	47,039,206	45,944,451
Transportation and public utilities	16,678,484	16,557,328	16,486,056	15,541,871	14,768,596
Wholesale trade	26,741,139	26,295,780	24,612,794	23,160,257	21,925,351
Retail trade	22,451,518	23,021,858	22,162,856	21,515,885	20,897,006
Finance, insurance, and real estate	45,056,748	45,363,010	44,379,687	41,569,224	40,520,637
Services	164,752,517	159,428,372	151,644,458	142,590,569	134,818,796
Federal, civilian	8,644,926	8,431,627	8,172,661	7,975,398	7,678,762
Military	3,321,680	3,107,003	2,911,719	2,834,733	2,741,011
State and local government	44,452,054	42,699,158	40,860,095	39,567,981	41,849,193
Other	128,715,042	124,060,617	110,768,364	98,974,737	92,288,929
<b>Total personal income</b>	<b>\$ 546,344,259</b>	<b>\$ 533,161,706</b>	<b>\$ 504,627,857</b>	<b>\$ 472,185,017</b>	<b>\$ 455,415,566</b>
<b>Tax liability</b>	<b>\$ 8,402,169</b>	<b>\$ 8,762,122</b>	<b>\$ 8,388,536</b>	<b>\$ 7,729,649</b>	<b>\$ 7,394,901</b>
<b>Average effective rate</b>	<b>1.54%</b>	<b>1.64%</b>	<b>1.66%</b>	<b>1.64%</b>	<b>1.62%</b>

Note: The total direct rate for personal income is not available.

Average effective rate equals tax collections divided by income.

Source: U.S. Bureau of Economic Analysis

**State of Illinois****Taxable Sales by Industry****Last Ten Fiscal Years****(Amounts in Thousands)**

	<b>For the Fiscal Year</b>				
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
General merchandise	\$ 17,198,339	\$ 20,795,910	\$ 20,309,083	\$ 19,600,033	\$ 19,088,864
Food	19,434,980	20,055,709	18,894,356	18,832,493	18,362,003
Drinking and eating places	17,362,456	17,839,212	17,116,672	16,627,151	15,652,501
Apparel	9,192,958	6,360,979	6,141,805	5,827,022	5,528,017
Furniture, household, and radio	8,797,308	10,466,904	10,280,540	10,441,898	9,897,051
Lumber, building, and hardware	8,678,872	9,856,565	10,456,412	10,879,756	10,414,709
Automotive and filling stations	30,512,679	41,172,601	35,424,875	36,403,048	32,832,263
Drugs and other retail	24,366,956	25,329,145	24,817,828	22,775,595	21,351,837
Agriculture and extractives	23,809,122	27,059,367	25,952,233	25,522,299	31,350,034
Manufacturing	4,445,506	4,990,610	5,068,327	4,927,891	4,639,168
<b>Total</b>	<b>\$ 163,799,176</b>	<b>\$ 183,927,002</b>	<b>\$ 174,462,131</b>	<b>\$ 171,837,186</b>	<b>\$ 169,116,447</b>

Direct sales tax rate:

Qualifying food, drugs, and medical appliances	1.00%	1.00%	1.00%	1.00%	1.00%
General merchandise	6.25%	6.25%	6.25%	6.25%	6.25%

Source: Department of Revenue

**Schedule 5**

<b>Ended December 31,</b>				
<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
\$ 1,949,195	\$ 955,707	\$ 1,662,354	\$ 1,794,150	\$ 1,078,224
287,288	265,160	244,085	221,372	217,569
1,873,786	1,732,984	1,567,939	1,980,546	1,347,871
24,894,523	24,320,875	23,449,030	22,413,287	20,647,466
45,053,128	44,956,505	45,583,071	47,113,287	45,932,796
13,961,448	13,697,947	13,778,062	12,938,111	12,340,096
20,752,693	20,655,643	20,669,726	20,921,393	19,570,671
20,436,243	19,765,409	19,207,567	18,482,354	17,832,528
37,983,889	37,148,809	35,749,056	34,573,919	31,289,365
126,321,834	122,806,308	119,268,190	115,150,456	107,407,821
7,106,845	6,968,280	6,646,133	6,760,798	6,317,280
2,590,243	2,379,260	2,173,017	2,072,210	2,006,287
42,570,966	36,101,800	34,124,171	31,913,368	30,342,504
90,170,398	91,638,430	91,022,690	89,583,548	82,084,702
<u>\$ 435,952,479</u>	<u>\$ 423,393,117</u>	<u>\$ 415,145,091</u>	<u>\$ 405,918,799</u>	<u>\$ 378,415,180</u>
<u>\$ 6,797,980</u>	<u>\$ 6,500,463</u>	<u>\$ 6,773,749</u>	<u>\$ 7,135,222</u>	<u>\$ 6,745,012</u>
<u>1.56%</u>	<u>1.54%</u>	<u>1.63%</u>	<u>1.76%</u>	<u>1.78%</u>

**Schedule 6**

<b>Ended June 30,</b>				
<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
\$ 18,626,322	\$ 17,988,962	\$ 17,766,204	\$ 16,571,654	\$ 15,719,843
18,741,796	18,433,453	18,259,623	2,165,371	17,167,623
14,968,004	14,036,937	13,746,083	14,030,965	7,627,704
5,159,596	4,806,953	4,681,229	4,832,152	4,615,902
9,224,073	8,529,475	8,492,443	8,828,065	8,937,271
9,593,743	8,582,184	8,334,140	7,638,291	7,603,666
31,613,327	30,962,662	25,372,775	29,693,612	29,911,280
20,414,099	25,348,617	18,403,946	18,202,310	17,048,416
20,922,639	21,010,315	51,228,642	20,974,205	21,889,025
3,896,955	4,059,975	3,885,721	4,568,658	3,330,505
<u>\$ 153,160,554</u>	<u>\$ 153,759,533</u>	<u>\$ 170,170,806</u>	<u>\$ 127,505,283</u>	<u>\$ 133,851,235</u>
1.00%	1.00%	1.00%	1.00%	1.00%
6.25%	6.25%	6.25%	6.25%	6.25%

**Personal Income Tax Filers and Liability by Income Level**  
**Calendar Years 2008 and 1999**  
**(Amounts in Thousands)**

**For the Calendar Year Ended December 31, 2008**

<b>Income Level</b>	<b>Number of Filers</b>	<b>Percentage of Total</b>	<b>Personal Income Tax Liability</b>	<b>Percentage of Total</b>
\$500,001 and higher	40,649	0.72%	\$ 1,719,156	20.46%
\$100,001 - \$500,000	787,948	14.00%	3,119,598	37.13%
\$50,001 - \$100,000	1,337,020	23.76%	2,081,865	24.78%
\$25,001 - \$50,000	1,312,161	23.32%	1,025,260	12.20%
\$25,000 and less	2,149,204	38.20%	456,290	5.43%
<b>Total</b>	<b>5,626,982</b>	<b>100.00%</b>	<b>\$ 8,402,169</b>	<b>100.00%</b>

**For the Calendar Year Ended December 31, 1999**

<b>Income Level</b>	<b>Number of Filers</b>	<b>Percentage of Total</b>	<b>Personal Income Tax Liability</b>	<b>Percentage of Total</b>
\$500,001 and higher	29,529	0.56%	\$ 1,305,302	19.35%
\$100,001 - \$500,000	449,946	8.56%	1,910,628	28.33%
\$50,001 - \$100,000	1,159,528	22.07%	1,912,961	28.36%
\$25,001 - \$50,000	1,323,911	25.20%	1,104,538	16.38%
\$25,000 and less	2,291,181	43.61%	511,583	7.58%
<b>Total</b>	<b>5,254,095</b>	<b>100.00%</b>	<b>\$ 6,745,012</b>	<b>100.00%</b>

Note: Generally, the tax liability for a filer (an individual or married couple) is calculated by taking the filer(s)'s federal adjusted gross income and subtracting the number of exemptions and multiplying the result by the State's income tax rate of 3%. The State exemption amount was \$1,650 for calendar year 1999 and \$2,000 for calendar year 2008. An exemption is allowed on a return for each filer(s) and dependent(s). Additional exemptions are allowed for each filer(s) who is 65 or older and for each filer(s) who is legally blind.

Source: Department of Revenue

**Sales Tax Revenue Payers by Industry**  
**Fiscal Years 2009 and 2000**  
**(Amounts in Thousands)**

	For the Fiscal Year Ended June 30, 2009			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
General merchandise	2,233	0.19%	\$ 1,178,526	10.34%
Food	7,263	0.63%	773,315	6.79%
Drinking and eating places	24,909	2.16%	1,476,333	12.96%
Apparel	7,549	0.65%	685,516	6.02%
Furniture, household, and radio	13,800	1.20%	718,671	6.31%
Lumber, building, and hardware	12,468	1.08%	724,499	6.36%
Automotive and filling stations	953,277	82.56%	2,157,288	18.94%
Drugs and other retail	56,664	4.91%	1,409,555	12.37%
Agriculture and extractives	64,113	5.55%	1,857,501	16.30%
Manufacturing	12,377	1.07%	411,405	3.61%
<b>Total</b>	<b>1,154,653</b>	<b>100.00%</b>	<b>\$ 11,392,609</b>	<b>100.00%</b>

	For the Fiscal Year Ended June 30, 2000			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
General merchandise	1,149	0.39%	\$ 1,022,490	10.98%
Food	9,611	3.30%	566,594	6.09%
Drinking and eating places	25,891	8.90%	1,030,189	11.07%
Apparel	6,399	2.20%	355,718	3.82%
Furniture, household, and radio	18,609	6.40%	650,685	6.99%
Lumber, building, and hardware	13,546	4.66%	570,088	6.12%
Automotive and filling stations	61,742	21.22%	2,037,654	21.89%
Drugs and other retail	63,814	21.93%	983,798	10.57%
Agriculture and extractives	76,879	26.42%	1,693,896	18.19%
Manufacturing	13,321	4.58%	398,546	4.28%
<b>Total</b>	<b>290,961</b>	<b>100.00%</b>	<b>\$ 9,309,658</b>	<b>100.00%</b>

Note: Due to confidentiality issues, the names of the ten largest sales tax revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's sales tax revenue.

Also, in fiscal year 2003, the Department of Revenue changed their system of returns for automobile sales to counting each individual sale of a vehicle as a sales tax return filed.

Source: Department of Revenue

**State of Illinois**

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
(Amounts in Thousands)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>For the Fiscal 2005</u>
<b>Governmental activities</b>					
General obligation bonds	\$ 19,669,908	\$ 20,253,876	\$ 20,865,798	\$ 21,257,664	\$ 20,909,291
Special obligation bonds	2,204,110	2,365,323	2,467,733	2,614,724	2,515,469
Capital leases	8,736	9,727	10,735	11,392	11,139
Installment purchases	19,067	12,302	16,241	10,574	16,123
Certificates of participation	82,895	90,300	97,335	107,580	114,805
<b>Total governmental activities</b>	<u>21,984,716</u>	<u>22,731,528</u>	<u>23,457,842</u>	<u>24,001,934</u>	<u>23,566,827</u>
<b>Business-type activities</b>					
Revenue bonds	1,027,300	879,441	3,709,323	4,454,444	4,675,455
Notes payable	-	-	-	-	-
Capital leases	3	5	-	-	24
Installment purchases	-	-	-	-	-
<b>Total business-type activities</b>	<u>1,027,303</u>	<u>879,446</u>	<u>3,709,323</u>	<u>4,454,444</u>	<u>4,675,479</u>
<b>Total primary government</b>	<u>\$ 23,012,019</u>	<u>\$ 23,610,974</u>	<u>\$ 27,167,165</u>	<u>\$ 28,456,378</u>	<u>\$ 28,242,306</u>
<b>Total primary government debt as a percentage of personal income</b>	<u>4.21%</u>	<u>4.43%</u>	<u>5.38%</u>	<u>6.03%</u>	<u>6.20%</u>
<b>Total amount of primary government debt per capita</b>	<u>\$ 1.784</u>	<u>\$ 1.841</u>	<u>\$ 2.129</u>	<u>\$ 2.240</u>	<u>\$ 2.230</u>

Note: Details regarding the State's debt can be found in Note 8 of the financial statements.

Schedule 9

Year Ended June 30,				
2004	2003	2002	2001	2000
\$ 20,554,896	\$ 19,779,249	\$ 8,300,408	\$ 7,350,525	\$ 6,599,444
2,409,159	2,130,229	1,968,535	1,932,440	1,883,343
13,895	19,022	21,775	14,704	17,532
10,217	19,859	29,166	26,637	21,422
122,965	130,720	138,090	147,915	155,305
<u>23,111,132</u>	<u>22,079,079</u>	<u>10,457,974</u>	<u>9,472,221</u>	<u>8,677,046</u>
3,785,870	3,260,400	2,650,830	1,891,235	1,465,850
685,469	100,294	100,294	100,494	100,594
50	75	75	770	921
4	29	38	7,781	4,167
<u>4,471,393</u>	<u>3,360,798</u>	<u>2,751,237</u>	<u>2,000,280</u>	<u>1,571,532</u>
<u>\$ 27,582,525</u>	<u>\$ 25,439,877</u>	<u>\$ 13,209,211</u>	<u>\$ 11,472,501</u>	<u>\$ 10,248,578</u>
<u>6.33%</u>	<u>6.01%</u>	<u>3.18%</u>	<u>2.83%</u>	<u>2.71%</u>
<u>\$ 2.187</u>	<u>\$ 2.025</u>	<u>\$ 1.056</u>	<u>\$ 0.922</u>	<u>\$ 0.829</u>

**State of Illinois**

**Ratios of General Bonded Debt Outstanding and Debt Limitations**

**Last Ten Fiscal Years**

**(Amounts in Thousands)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>For the Fiscal 2005</u>
<b>General bonded debt</b>					
General obligation bonds	\$ 19,669,908	\$ 20,253,876	\$ 20,865,798	\$ 21,257,664	\$ 20,909,291
Special obligation bonds	2,204,110	2,365,323	2,467,733	2,614,724	2,515,469
	<u>21,874,018</u>	<u>22,619,199</u>	<u>23,333,531</u>	<u>23,872,388</u>	<u>23,424,760</u>
Less: Amounts restricted for debt service	848,302	861,152	846,063	833,273	848,213
<b>Net total general bonded debt</b>	<u>\$ 21,025,716</u>	<u>\$ 21,758,047</u>	<u>\$ 22,487,468</u>	<u>\$ 23,039,115</u>	<u>\$ 22,576,547</u>
<b>Total general bonded debt as a percentage of personal income</b>	<u>3.85%</u>	<u>4.08%</u>	<u>4.46%</u>	<u>4.88%</u>	<u>4.96%</u>
<b>Total general bonded debt as a percentage of taxable sales</b>	<u>12.84%</u>	<u>11.83%</u>	<u>12.89%</u>	<u>13.41%</u>	<u>13.35%</u>
<b>Total amount of general obligation debt per capita</b>	<u>\$ 1.630</u>	<u>\$ 1.696</u>	<u>\$ 1.762</u>	<u>\$ 1.814</u>	<u>\$ 1.782</u>
<b>Authorized general bonded debt</b>					
General obligation bonds	\$ 39,231,174	\$ 34,196,174	\$ 34,196,174	\$ 34,196,174	\$ 34,196,174
Special obligation bonds	4,005,509	4,005,509	4,005,509	4,005,509	4,005,509
<b>Total authorized general bonded debt</b>	<u>\$ 43,236,683</u>	<u>\$ 38,201,683</u>	<u>\$ 38,201,683</u>	<u>\$ 38,201,683</u>	<u>\$ 38,201,683</u>
<b>Issued general bonded debt</b>					
General obligation bonds	\$ 34,140,911	\$ 33,990,911	\$ 33,865,911	\$ 33,278,911	\$ 32,078,961
Special obligation bonds	3,435,413	3,437,968	3,387,968	3,387,968	3,172,968
<b>Total issued general bonded debt</b>	<u>\$ 37,576,324</u>	<u>\$ 37,428,879</u>	<u>\$ 37,253,879</u>	<u>\$ 36,666,879</u>	<u>\$ 35,251,929</u>
<b>General bonded debt margin (Authorized but unissued debt)</b>					
General obligation bonds	\$ 7,809,162	\$ 2,765,379	\$ 2,732,465	\$ 3,110,369	\$ 4,167,371
Special obligation bonds	570,096	567,541	617,541	617,541	832,541
<b>Total general bonded debt margin</b>	<u>\$ 8,379,258</u>	<u>\$ 3,332,920</u>	<u>\$ 3,350,006</u>	<u>\$ 3,727,910</u>	<u>\$ 4,999,912</u>
<b>Issued bonded debt to authorized bonded debt ratio</b>					
General obligation bonds	87.02%	99.40%	99.03%	97.32%	93.81%
Special obligation bonds	85.77%	85.83%	84.58%	84.58%	79.22%
<b>Total issued bonded debt to authorized bonded debt ratio</b>	86.91%	97.98%	97.52%	95.98%	92.28%

Note: Details regarding the State's general obligation bonds can be found in Note 9 of the financial statements.  
 Details regarding the State's special obligation bonds can be found in Note 10 of the financial statements.

The State's authorized bonded debt limits are established by the General Obligation Bond Act (30 ILCS 330),  
 the Metropolitan Civic Center Support Act (30 ILCS 355), and the Build Illinois Bond Act (30 ILCS 425).

Schedule 10

Year Ended June 30,				
2004	2003	2002	2001	2000
\$ 20,554,896	\$ 19,779,249	\$ 8,300,408	\$ 7,350,525	\$ 6,599,444
2,409,159	2,130,229	1,968,535	1,932,440	1,883,343
<u>22,964,055</u>	<u>21,909,478</u>	<u>10,268,943</u>	<u>9,282,965</u>	<u>8,482,787</u>
799,825	745,023	648,156	809,384	925,236
<u>\$ 22,164,230</u>	<u>\$ 21,164,455</u>	<u>\$ 9,620,787</u>	<u>\$ 8,473,581</u>	<u>\$ 7,557,551</u>
<u>5.08%</u>	<u>5.00%</u>	<u>2.32%</u>	<u>2.09%</u>	<u>2.00%</u>
<u>14.47%</u>	<u>13.76%</u>	<u>5.65%</u>	<u>6.65%</u>	<u>5.65%</u>
<u>\$ 1.758</u>	<u>\$ 1.684</u>	<u>\$ 0.769</u>	<u>\$ 0.681</u>	<u>\$ 0.612</u>
\$ 34,196,174	\$ 34,927,174	\$ 24,927,174	\$ 22,534,032	\$ 21,466,658
4,005,509	4,005,509	4,005,509	3,740,715	3,051,970
<u>\$ 38,201,683</u>	<u>\$ 38,932,683</u>	<u>\$ 28,932,683</u>	<u>\$ 26,274,747</u>	<u>\$ 24,518,628</u>
\$ 31,203,961	\$ 29,411,786	\$ 17,134,807	\$ 15,236,337	\$ 13,958,482
2,972,968	2,622,968	2,442,493	2,294,138	2,171,413
<u>\$ 34,176,929</u>	<u>\$ 32,034,754</u>	<u>\$ 19,577,300</u>	<u>\$ 17,530,475</u>	<u>\$ 16,129,895</u>
\$ 4,915,346	\$ 7,204,988	\$ 9,293,541	\$ 8,536,925	\$ 8,586,451
1,032,541	1,382,541	1,563,016	1,446,577	880,557
<u>\$ 5,947,887</u>	<u>\$ 8,587,529</u>	<u>\$ 10,856,557</u>	<u>\$ 9,983,502</u>	<u>\$ 9,467,008</u>
91.25%	84.21%	68.74%	67.61%	65.02%
74.22%	65.48%	60.98%	61.33%	71.15%
89.46%	82.28%	67.67%	66.72%	65.79%

**Pledged Revenue Coverage  
Last Ten Fiscal Years  
(Amounts in Thousands)**

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
<b>PRIMARY GOVERNMENT</b>							
<b>Build Illinois Bond Fund - Pledged revenue of portion of sales tax collections</b>							
2009	\$ 500,012	\$ -	\$ 500,012	\$ 152,065	\$ 113,199	\$ 265,264	1.88
2008	560,514	-	560,514	145,505	120,417	265,922	2.11
2007	545,699	-	545,699	138,515	125,698	264,213	2.07
2006	523,584	-	523,584	116,840	121,566	238,406	2.20
2005	486,767	-	486,767	102,200	118,537	220,737	2.21
2004	451,124	-	451,124	96,029	108,658	204,687	2.20
2003	456,824	-	456,824	94,725	101,215	195,940	2.33
2002	455,118	-	455,118	82,050	87,114	169,164	2.69
2001	484,694	-	484,694	72,964	92,421	165,385	2.93
2000	469,540	-	469,540	68,534	90,454	158,988	2.95
<b>Civic Center Bond Fund - Pledged revenue of portion of sales tax collections</b>							
2009	\$ 19,000	\$ -	\$ 19,000	\$ 8,100	\$ 5,750	\$ 13,850	1.37
2008	19,000	-	19,000	7,610	6,236	13,846	1.37
2007	19,000	-	19,000	7,175	6,677	13,852	1.37
2006	19,000	-	19,000	6,790	7,058	13,848	1.37
2005	19,000	-	19,000	6,455	7,383	13,838	1.37
2004	19,000	-	19,000	6,160	7,682	13,842	1.37
2003	19,000	-	19,000	5,875	7,972	13,847	1.37
2002	19,000	-	19,000	5,585	8,258	13,843	1.37
2001	19,000	-	19,000	5,990	7,872	13,862	1.37
2000	19,000	-	19,000	4,710	9,595	14,305	1.33
<b>Illinois Student Assistance Commission - Pledged revenue of loans receivable repayments</b>							
2009	\$ 50,809	\$ 28,085	\$ 22,724	\$ -	\$ 17,988	\$ 17,988	1.26
2008	74,913	30,472	44,441	150 (a)	57,142	57,292	0.78
2007	192,214	90,691	101,523	40,135 (b)	154,887	195,022	0.52
2006	163,023	91,585	71,438	130,475	132,548	263,023	0.27
2005	107,734	76,197	31,537	97,340	60,100	157,440	0.20
2004	89,077	65,449	23,628	80,375 (c)	31,478	111,853	0.21
2003	91,748	55,401	36,347	137,345	40,900	178,245	0.20
2002	97,034	37,869	59,165	10,805 (d)	49,855	60,660	0.98
2001	141,279	29,161	112,118	13,345 (e)	17,804	31,149	3.60
2000	149,601	24,956	124,645	4,965 (f)	21,832	26,797	4.65

(a) The Commission redeemed \$2.608 billion of principal by the sale of a portion of their student loan portfolio during fiscal year 2008.

(b) The Commission redeemed \$690.2 billion of principal by the sale of a portion of their student loan portfolio during fiscal year 2007.

(c) The Commission redeemed \$50.5 million of principal with bond issuance proceeds in October 2003.

(d) The Commission redeemed \$33.6 million of principal with bond issuance proceeds in January 2002.

(e) The Commission redeemed \$29.5 million of principal with bond issuance proceeds in November 2000.

(f) The Commission redeemed \$34.8 million of principal with bond issuance proceeds in February 2000.

**Pledged Revenue Coverage  
Last Ten Fiscal Years  
(Amounts in Thousands)**

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
<b>MAJOR COMPONENT UNITS</b>							
<b>Illinois Housing Development Authority - Pledged revenue of loans receivable repayments</b>							
2009	\$ 88,542	\$ 6,604	\$ 81,938	\$ 116,119	\$ 75,836	\$ 191,955	0.43
2008	106,031	6,653	99,378	348,355	80,330	428,685	0.23
2007	103,846	6,619	97,227	355,485	77,406	432,891	0.22
2006	91,301	7,478	83,823	251,415	70,237	321,652	0.26
2005	91,505	6,892	84,613	452,138	79,271	531,409	0.16
2004	98,672	6,252	92,420	616,241	99,276	715,517	0.13
2003	125,738	8,134	117,604	392,805	111,058	503,863	0.23
2002	133,750	9,549	124,201	311,697	123,462	435,159	0.29
2001	150,603	8,843	141,760	237,500	129,254	366,754	0.39
2000	150,560	11,538	139,022	358,529	125,340	483,869	0.29
<b>Illinois State Toll Highway Authority - Pledged revenue of toll fees (g)</b>							
2008	\$ 836,557	\$ 406,169	\$ 430,388	\$ 50,030	\$ 145,679	\$ 195,709	2.20
2007	675,190	252,529	422,661	47,350	121,071	168,421	2.51
2006	660,874	219,292	441,582	45,035	72,012	117,047	3.77
2005	642,620	215,796	426,824	13,455	34,924	48,379	8.82
2004	427,390	200,525	226,865	41,235	36,319	77,554	2.93
2003	441,655	195,702	245,953	69,255	38,316	107,571	2.29
2002	384,861	165,469	219,392	37,575	41,195	78,770	2.79
2001	391,716	160,687	231,029	35,890	42,928	78,818	2.93
2000	380,095	151,386	228,709	33,580	44,549	78,129	2.93
1999	357,981	146,881	211,100	27,835	38,730	66,565	3.17
<b>Illinois State University - Pledged revenue of usage fees and rental income</b>							
2009	\$ 78,019	\$ 58,859	\$ 19,160	\$ 5,330	\$ 4,058	\$ 9,388	2.04
2008	75,181	57,809	17,372	5,265	2,647	7,912	2.20
2007	67,176	51,077	16,099	5,185	2,757	7,942	2.03
2006	61,864	49,947	11,917	5,095	1,175	6,270	1.90
2005	57,753	46,088	11,665	4,770	1,219	5,989	1.95
2004	58,448	45,921	12,527	4,790	1,302	6,092	2.06
2003	56,249	44,860	11,389	4,595	1,111	5,706	2.00
2002	54,881	46,773	8,108	4,560	1,145	5,705	1.42
2001	51,120	40,352	10,768	4,305	1,337	5,642	1.91
2000	49,152	37,498	11,654	4,070	1,637	5,707	2.04
<b>Northern Illinois University - Pledged revenue of usage fees and rental income</b>							
2009	\$ 77,095	\$ 66,095	\$ 11,000	\$ 6,060	\$ 4,090	\$ 10,150	1.08
2008	76,692	66,080	10,612	5,945	4,204	10,149	1.05
2007	76,742	69,751	6,991	5,840	4,311	10,151	0.69
2006	72,426	53,745	18,681	5,740	4,406	10,146	1.84
2005	67,645	51,008	16,637	5,595	4,549	10,144	1.64
2004	66,653	51,240	15,413	5,295	4,846	10,141	1.52
2003	64,132	49,394	14,738	5,015	5,128	10,143	1.45
2002	61,549	45,329	16,220	6,095	3,914	10,009	1.62
2001	57,405	47,148	10,257	2,733	5,193	7,926	1.29
2000	50,730	42,233	8,497	1,337	5,221	6,558	1.30

(g) The Illinois State Toll Highway Authority fiscal year is from January 1 to December 31.

**Pledged Revenue Coverage  
Last Ten Fiscal Years  
(Amounts in Thousands)**

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
<b>Southern Illinois University - Pledged revenue of usage fees, rental income, and medical fees</b>							
2009	\$ 137,463	\$ 106,839	\$ 30,624	\$ 12,815	\$ 8,437	\$ 21,252	1.44
2008	125,666	101,535	24,131	12,365	7,592	19,957	1.21
2007	116,481	92,345	24,136	10,920	7,430	18,350	1.32
2006	104,713	86,382	18,331	8,735	5,392	14,127	1.30
2005	97,859	79,784	18,075	8,260	4,478	12,738	1.42
2004	90,316	73,753	16,563	7,465	4,098	11,563	1.43
2003	81,515	65,836	15,679	7,465	4,098	11,563	1.36
2002	80,968	64,612	16,356	7,160	4,007	11,167	1.46
2001	81,183	67,667	13,516	9,385	3,333	12,718	1.06
2000	75,835	67,246	8,589	5,630	4,981	10,611	0.81
<b>University of Illinois - Pledged revenue of usage fees, rental income, and medical fees</b>							
2009	\$ 896,275	\$ 797,980	\$ 98,295	\$ 32,265	\$ 43,325	\$ 75,590	1.30
2008	883,813	784,154	99,659	30,330	44,631	74,961	1.33
2007	841,998	737,499	104,499	29,710	41,118	70,828	1.48
2006	793,906	712,608	81,298	24,080	34,643	58,723	1.38
2005	752,592	674,645	77,947	25,425	29,208	54,633	1.43
2004	810,251	609,442	200,809	22,560	29,179	51,739	3.88
2003	660,059	578,082	81,977	15,755	26,844	42,599	1.92
2002	613,413	540,832	72,581	24,785	23,903	48,688	1.49
2001	665,320	604,468	60,852	18,990	21,530	40,520	1.50
2000	713,905	654,264	59,641	18,985	11,801	30,786	1.94

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**State of Illinois****Demographic and Economic Statistics****Last Ten Calendar Years (expressed in thousands)**

	For the Calendar Year			
	2008	2007	2006	2005
<b>Population</b>				
State	12,902	12,826	12,760	12,704
Percentage change	0.59%	0.52%	0.44%	0.30%
National	304,060	301,290	298,363	295,561
Percentage change	0.92%	0.98%	0.95%	0.91%
<b>Total Personal Income</b>				
State	\$ 546,344,259	\$ 533,161,706	\$ 504,627,857	\$ 472,185,017
Percentage change	2.47%	5.65%	6.87%	3.68%
National	\$ 12,225,589,000	\$ 11,879,836,000	\$ 11,256,516,000	\$ 10,476,669,000
Percentage change	2.91%	5.54%	7.44%	5.52%
<b>Per Capita Personal Income</b>				
State	\$ 42,346	\$ 41,569	\$ 39,548	\$ 37,168
Percentage change	1.87%	5.11%	6.40%	3.37%
National	\$ 40,208	\$ 39,430	\$ 37,728	\$ 35,447
Percentage change	1.97%	4.51%	6.43%	4.57%
<b>Labor Force</b>				
State labor force	6,697	6,690	6,558	6,433
Employed	6,264	6,349	6,255	6,061
Unemployed	433	341	303	372
Unemployment rate	6.5%	5.1%	4.6%	5.8%

Source: U.S. Bureau of Economic Analysis and Department of Employment Security

Ended,						
2004	2003	2002	2001	2000	1999	
12,666	12,611	12,565	12,511	12,438	12,359	
0.44%	0.37%	0.43%	0.59%	0.64%	0.71%	
292,892	290,211	287,727	285,040	282,172	279,040	
0.92%	0.86%	0.94%	1.02%	1.12%	1.15%	
\$ 455,415,566	\$ 435,952,479	\$ 423,393,117	\$ 415,145,091	\$ 405,918,799	\$ 378,415,180	
4.46%	2.97%	1.99%	2.27%	7.27%	5.09%	
\$ 9,928,790,000	\$ 9,369,072,000	\$ 9,054,781,000	\$ 8,878,830,000	\$ 8,554,866,000	\$ 7,906,131,000	
5.97%	3.47%	1.98%	3.79%	8.21%	6.61%	
\$ 35.956	\$ 34.569	\$ 33.696	\$ 33.182	\$ 32.635	\$ 30.619	
4.01%	2.59%	1.55%	1.68%	6.59%	4.35%	
\$ 33.899	\$ 32.284	\$ 31.470	\$ 31.149	\$ 30.318	\$ 28.333	
5.00%	2.59%	1.03%	2.74%	7.00%	5.39%	
6,366	6,343	6,387	6,465	6,468	6,430	
5,969	5,917	5,969	6,114	6,177	6,143	
397	426	418	351	291	287	
6.2%	6.7%	6.5%	5.4%	4.5%	4.6%	

**State of Illinois****Employees by Function****Last Ten Fiscal Years**

	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>Employees 2005</b>
Health and social services	21,912	22,701	22,784	23,230	22,767
Education	767	758	750	763	766
General government	12,205	12,366	12,515	12,421	12,256
Employment and economic development	3,287	3,074	3,213	3,366	3,394
Transportation	7,574	7,638	8,407	8,098	8,261
Public protection and justice	18,886	18,913	19,793	20,181	20,414
Environment and business regulation	4,398	4,694	4,850	4,844	4,788
Total	<u>69,029</u>	<u>70,144</u>	<u>72,312</u>	<u>72,903</u>	<u>72,646</u>

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**Schedule 13**

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**as of June 30,**

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
24,262	24,134	29,016	30,595	30,722
767	806	964	1,056	1,114
11,934	11,804	13,198	13,277	13,048
3,576	3,412	3,829	3,775	3,819
8,760	9,336	10,138	10,167	10,082
20,819	20,320	23,958	23,854	23,104
5,294	5,434	6,318	6,373	6,598
<u>75,412</u>	<u>75,246</u>	<u>87,421</u>	<u>89,097</u>	<u>88,487</u>

**State of Illinois**

**Operating Indicators by Function/Program**

**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>For the Fiscal Year</b>			
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Health and Social Services</b>				
Child abuse and neglect				
Calls to abuse/neglect hotline	258,237	266,011	258,563	257,481
Children investigated	111,574	111,869	111,746	110,225
Medical programs				
Number of children enrolled in medical programs	1,553,227	1,457,829	1,369,050	1,216,983
Number of parents enrolled in medical programs	562,689	580,760	545,502	498,195
Child support				
Number of child support cases with orders	394,123	390,745	420,004	398,888
Family case management				
Number of pregnant women and infants enrolled in FCM	276,801	291,417	292,302	285,459
Persons with disabilities receiving in-home services to prevent institutionalization	39,412	38,093	36,858	35,916
Immunization rates of children under age two	78%	78%	83%	87%
<b>General government</b>				
Taxes				
Number of individual income tax returns processed	6,132,529	6,119,040	5,963,636	5,712,563
Percent of individual income tax returns filed electronically	56%	52%	46%	44%
Total number of payments processed through State Treasury	15,912,093	15,623,763	15,512,005	15,092,629
<b>Education</b>				
Elementary and secondary education				
Public school enrollment	2,112,132	2,113,435	2,118,692	2,111,706
Graduation rate	87.1%	86.5%	85.9%	87.8%
Dropout rate	3.5%	4.1%	3.5%	3.5%
Higher education				
Enrollment	867,090	821,026	814,189	805,764
Degrees conferred	not available	181,370	167,066	163,153
<b>Transportation</b>				
Miles of pavement maintained/improved	2,528	933	908	820
Number of bridges maintained/improved	293	272	274	255
<b>Employment and economic development</b>				
Unemployment insurance *				
Number of claims	872,368	696,109	670,402	702,725
Average duration (weeks)	16.71	17.31	17.34	18.23
State Fair				
State Fair attendees	737,052	613,000	703,000	672,615
DuQuoin State Fair attendees	331,000	298,000	330,000	298,286
Tourism				
Historic site attendance (in thousands)	2,010	2,206	2,221	2,498
<b>Public protection and justice</b>				
Crime Rates				
Violent crime rates per 100,000 in population *	540	548	562	569
Property crime rates per 100,000 in population *	3,010	3,014	3,127	3,171
Total crime rates per 100,000 in population	<u>3,550</u>	<u>3,562</u>	<u>3,689</u>	<u>3,740</u>
Violent crime arrest rates per 100,000 in population *	188	191	201	212
Property crime arrest rates per 100,000 in population *	579	556	547	599
Total crime arrest rates per 100,000 in population	<u>767</u>	<u>747</u>	<u>748</u>	<u>811</u>
Forensic services				
Number of original crime scenes processed	3,081	3,138	3,457	4,816
Number of Deoxyribonucleic Acid (DNA) cases worked	4,590	3,390	2,830	3,464
Total number of forensic cases worked	115,044	112,644	119,045	116,192
Number of DNA offender samples worked	35,722	37,937	46,647	106,374
<b>Environment and business regulation</b>				
Professional Regulation				
Professional complaints received	13,800	10,912	9,498	9,024
Licenses placed on probation	530	455	344	419

\* Statistics for unemployment insurance and crime rates are based on the previous ending calendar year.

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Ended or as of June 30,					
2005	2004	2003	2002	2001	2000
249,764	277,295	293,292	304,804	306,506	306,818
111,830	104,236	97,413	98,181	100,448	103,577
1,159,593	1,094,077	1,022,058	960,000	946,138	Not available
463,506	388,636	Not available	Not available	Not available	Not available
335,568	328,211	331,003	366,353	323,296	322,012
282,840	280,969	277,322	267,402	233,906	230,000
32,549	34,156	31,970	30,016	27,531	24,357
86%	85%	80%	76%	77%	78%
5,798,585	5,757,659	5,782,567	5,831,078	5,700,000	5,621,775
42%	38%	33%	28%	22%	19%
14,896,011	15,157,741	15,979,883	14,078,664	15,988,446	14,884,506
2,062,912	2,060,008	2,084,490	2,071,391	2,048,792	2,027,600
87.4%	86.5%	86.0%	85.2%	83.2%	82.6%
4.0%	4.6%	6.0%	5.1%	5.7%	5.8%
801,548	799,216	781,190	752,753	742,949	735,038
160,806	155,216	149,865	139,154	134,833	129,044
919	1,155	1,561	1,555	1,815	1,219
206	219	319	333	501	254
766,032	855,658	875,777	825,811	636,532	604,070
18.92	19.01	19.01	15.37	15.77	17.60
671,334	725,000	1,264,750	1,130,000	1,162,000	1,063,059
315,731	270,346	500,854	447,955	393,088	411,749
2,772	2,680	2,665	2,656	2,664	2,915
562	573	625	653	669	703
3,282	3,382	3,519	3,586	3,681	3,901
3,844	3,955	4,144	4,239	4,350	4,604
205	206	211	215	220	238
622	653	699	745	762	800
827	859	910	960	982	1,038
4,519	4,198	4,289	4,846	4,896	Not available
3,397	2,812	2,253	2,703	Not available	Not available
116,882	110,863	107,947	109,648	Not available	Not available
65,009	24,244	3,508	2,862	Not available	Not available
9,195	9,781	11,085	9,165	9,702	10,372
488	590	603	436	572	504

**State of Illinois**

**Capital Asset and Infrastructure Statistics by Function/Program  
Last Ten Fiscal Years**

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	<b>For the Fiscal Year</b>				
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Health and social services					
Mental health facilities	18	18	18	18	18
Veterans homes	4	4	4	4	4
Transportation					
Highway miles	16,075	16,090	16,398	16,430	16,459
Bridges	7,693	7,844	8,284	8,296	8,232
Public protection and justice					
Adult correctional facilities	28	28	28	27	27
Juvenile correctional facilities	8	8	8	8	8
Environment and business regulation					
State park acreage	469,244	373,857	371,793	499,515	387,753
Protected natural area acreage	89,399	89,764	89,731	87,731	85,375

Note: No capital asset indicators are available for the education, general government, and employment and economic development functions.

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**Schedule 15**

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**Ended or as of June 30,**

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
18 4	18 4	20 4	20 4	20 4
16,513 8,222	16,538 8,227	16,601 8,230	16,650 8,239	16,717 8,251
27 8	26 8	27 9	27 8	26 8
456,039 82,957	450,814 76,179	440,465 71,163	417,475 66,649	402,302 63,821

Comptroller Daniel W. Hynes is the Chief Fiscal Officer for the State of Illinois, with responsibilities for managing state financial accounts, maintaining payment and contract information, processing approximately 16 million transactions a year, and ensuring that all payments are in accordance with state law. The Comptroller's Office also provides timely and accurate fiscal information and analyses to the Governor, the Illinois General Assembly, and Local Government Officials as well as to the public to enhance governmental accountability and transparency and to assist in the formulation of budgetary policy.