

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2011



STATE OF ILLINOIS
COMPTROLLER
JUDY BAAR TOPINKA

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STATE OF ILLINOIS

Comprehensive Annual Financial Report

~ 2011 ~

For Fiscal Year Ended June 30, 2011

Comptroller Judy Baar Topinka

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Introductory Section

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STATE OF ILLINOIS
COMPTROLLER

JUDY BAAR TOPINKA

June 1, 2012

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, 2011. The CAFR is the State's official annual report which provides the readers with the financial position of the State as of June 30, 2011, 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 15 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. Combination of funds is necessary due to the existence of approximately 800 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 and 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. Per the 2010 census, Illinois is the 5th largest state in population with approximately 12.8 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 9.

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 four 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 within the existing fund balance classifications at June 30 and not as liabilities or expenditures. Public Act 97-0075 extended the lapse period to December 31 for fiscal year 2011 to allow the State time to pay fiscal year 2011 expenditures and to allow interest on late payments, paid through December 31, to be included in lapse period transactions.

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, 2011, increased from June 30, 2010. The fund balance in the State's General Fund increased by \$738 million on a GAAP basis, from a deficit of \$8.818 billion, as restated, to a deficit of \$8.080 billion. On the *budgetary basis*, there was a \$4.507 billion fund deficit at June 30, 2011, compared to a \$6.094 billion fund deficit at June 30, 2010, resulting in a \$1.587 billion decrease 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 5.643 million nonfarm payroll jobs and an unemployment rate of 9.3% in fiscal year 2011.

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.

Revenues Initiative

Effective for calendar year 2011, the legislature voted to raise the individual income tax rate from 3% to 5% and the corporate income tax rate from 4.8% to 7%. For individual income taxes, the 5% rate will remain in place until 2015, when it will drop to 3.75% and then fall to 3.25% in 2025. The 7% corporate rate will remain in place until 2015 as well, when it will drop to 5.25% and then to 4.8% in 2025.

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 \$3.016 billion of ARRA monies in fiscal year 2011 into funds in the State Treasury. \$581 million of the ARRA funding was received by the General Revenue Account, a subaccount of the General Fund. In addition to the ARRA monies received into funds in the State Treasury, \$2.131 billion was received by the Unemployment Compensation Trust Fund, a fund held outside of the State Treasury.

Short-term Borrowing

In fiscal year 2011, the State took several actions to help alleviate the ongoing financial problems. Approximately \$275 million was transferred from the Budget Stabilization Fund to the General Revenue Account. Also, in July 2010 the State issued short-term notes totaling \$1.3 billion and deposited the proceeds into the General Revenue Account in order to attempt to alleviate cash flow deficits. The July 2010 issue was repaid prior to June 30, 2011. For financial reporting purposes, both the Budget Stabilization Fund and the General Revenue Account are subaccounts of the General Fund.

Pensions

In February of 2011, \$3.700 billion of general obligation bonds were issued to make the required 2011 pension contributions to the State’s retirement systems.

In April of 2010, Governor Quinn signed Public Act 96-0889 into law, creating a “second-tier” of benefits for future members of the State Employees’ Retirement System. The legislation only affects employees hired after December 31, 2010. The most significant changes include increasing the minimum retirement age for future members, reducing the annual cost-of-living adjustments future members will receive in retirement, and increasing the surviving spouse annuity.

LONG-TERM FINANCIAL PLANNING AND RELEVANT FINANCIAL POLICIES

The fiscal year 2011 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 2011 with \$1.841 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 2011 marked the ninth 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 Fund's revenues in any given year. As of June 30, 2011, the balance in the Budget Stabilization Fund was \$704 thousand, as \$275 million had been transferred to the General Revenue Account.

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, 2010, and 2011, general obligation pension bonds were issued in the amounts of \$10.0 billion, \$3.5 billion and \$3.7 billion, respectively.

As of June 30, 2011, the five State-funded retirement systems were at a 43.4% funded ratio using a five year “smoothing” valuation of assets with \$82.907 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 2011, the State performed an actuarial valuation of the health, dental, vision, and life insurance benefits promised to retirees. The valuation reported a \$33.295 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 for retirees’ benefits. Valuations are performed biannually.

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, 2010, which was the twenty-seventh 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,

Judy Baar Topinka
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, 2010

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.



Linda C. Davison

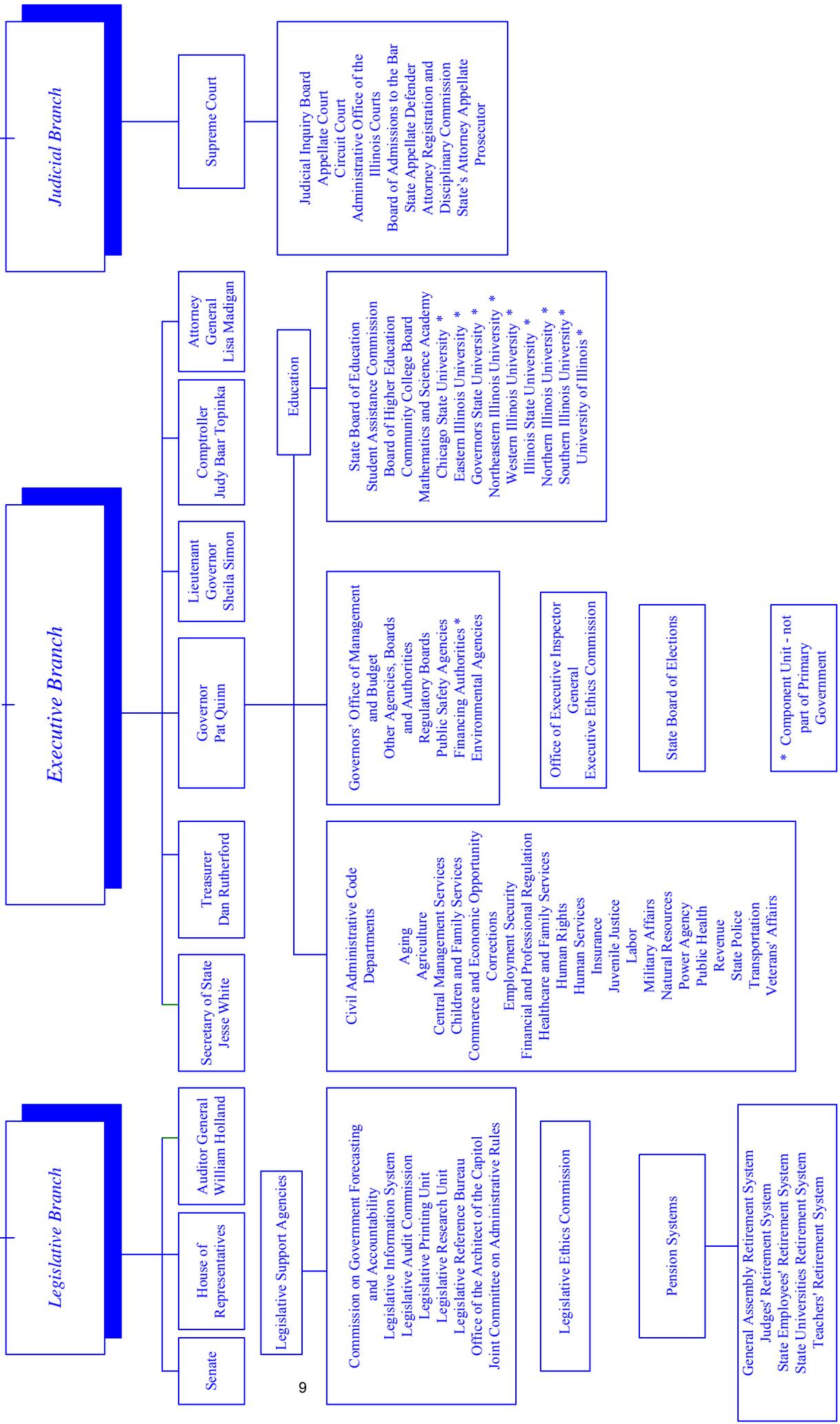
President

Jeffrey R. Emmer

Executive Director

State of Illinois

Organizational Chart
June 30, 2011



* Component Unit - not part of Primary Government

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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 Judy Baar Topinka, 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, 2011, 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 10%, 19%, 7%, and 4%, respectively, of the total assets, total net assets, total revenues, 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, 2011, 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.

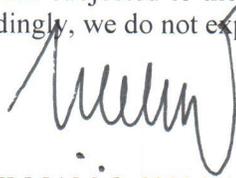
As discussed in Note 2, the financial statements have been restated as of July 1, 2010 for a prior year reporting error. In addition, due to the implementation of GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, certain fund balances were reclassified as of June 30, 2010.

The deficit for net assets of governmental activities in fiscal year 2011 continued to increase by \$6,282,545,000 from \$37,535,105,000 at June 30, 2010 to \$43,817,650,000 at June 30, 2011. 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 1, 2012 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 1, 2012

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, 2011. 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 31) 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 32 and 33) 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 35 and 37) 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 49 of this report.

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

The fund financial statements begin on page 34 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 163. 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 42. 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 the General Fund, nonmajor governmental funds, 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 \$5.973 billion or 16.3% during the current fiscal year. The net assets of the State’s governmental activities decreased \$6.283 billion or 16.7% and the net assets of the State’s business-type activities increased \$310 million or 32.3%. 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, 2011 and 2010:

Net Assets as of June 30 (in millions of dollars)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Assets:						
Current and other non-current assets	\$ 16,645	\$ 15,890	\$ 6,418	\$ 6,567	\$ 23,063	\$ 22,457
Capital assets	20,158	19,447	4	4	20,162	19,451
Deferred outflow s of derivative instruments	100	117	-	-	100	117
Total assets and deferred outflow of resources	36,903	35,454	6,422	6,571	43,325	42,025
Liabilities:						
Other liabilities	17,590	17,930	3,039	3,251	20,629	21,181
Long-term liabilities	63,131	55,059	2,114	2,361	65,245	57,420
Total liabilities	80,721	72,989	5,153	5,612	85,874	78,601
Net assets:						
Invested in capital assets, net of related debt	14,697	14,771	4	4	14,701	14,775
Restricted	3,447	1,256	2,363	2,183	5,810	3,439
Unrestricted	(61,962)	(53,562)	(1,098)	(1,228)	(63,060)	(54,790)
Total net assets	\$(43,818)	\$ (37,535)	\$ 1,269	\$ 959	\$(42,549)	\$(36,576)

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 (\$20.162 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 (\$24.026 billion) and bonds payable obligation (\$32.865 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 increased \$1.3 billion from \$42.025 billion at June 30, 2010, to \$43.325 billion at June 30, 2011, due mainly to \$711 million more in capital assets, \$396 million more in cash held at the State Treasurer and \$297 million more in securities lending collateral balances. The State's increase in liabilities of \$7.273 billion from \$78.601 billion at June 30, 2010, to \$85.874 billion at June 30, 2011, resulted mainly from the issuance of \$4.9 billion in general obligation bonds, as well as increases in the State's net pension obligation of \$1.763 billion and net other postemployment benefit obligation of \$1.838 billion.

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)

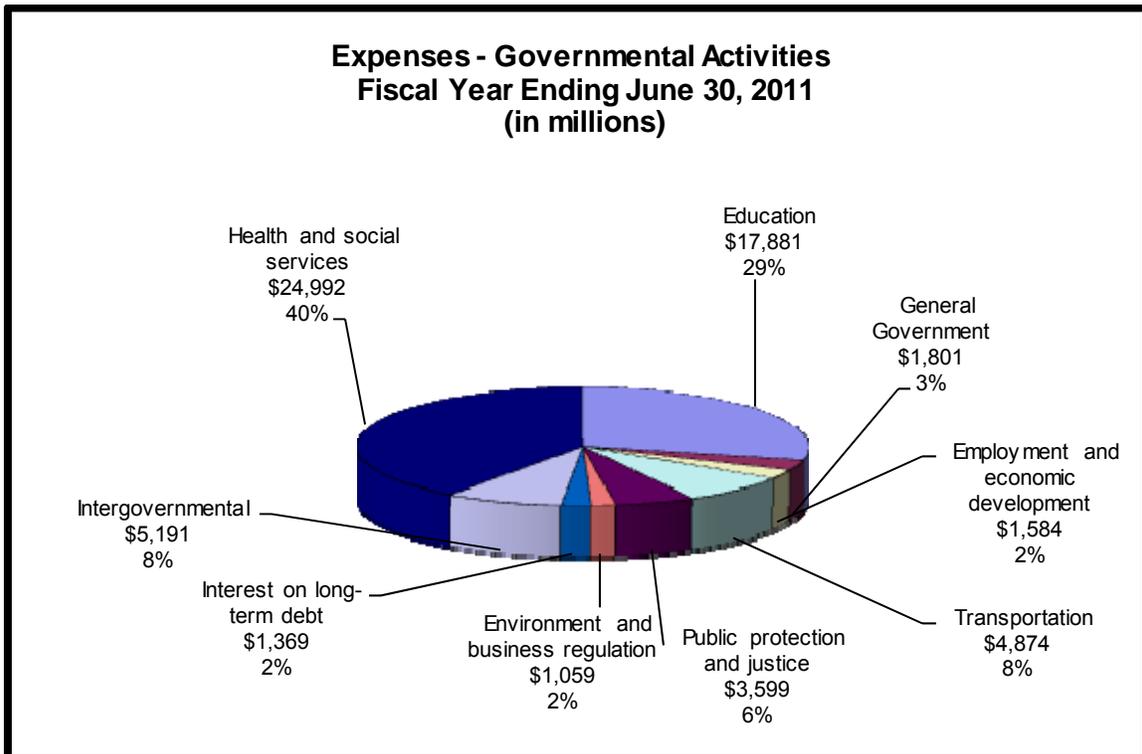
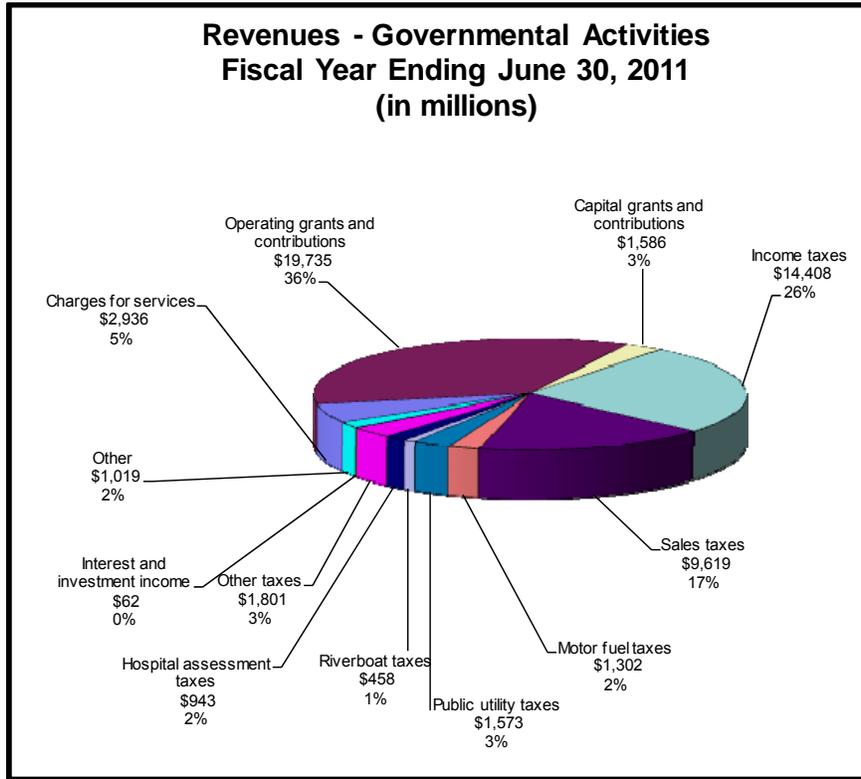
	Governmental		Business-type		Total Primary		Total
	Activities		Activities		Government		Percentage
	2011	2010	2011	2010	2011	2010	2010 to 2011
Revenues							
Program revenues							
Charges for services	\$ 2,936	\$ 2,762	\$ 5,402	\$ 4,378	\$ 8,338	\$ 7,140	16.8%
Operating grants and contributions	19,735	20,734	4,197	5,087	23,932	25,821	(7.3%)
Capital grants and contributions	1,586	965	-	-	1,586	965	64.4%
General revenues							
Income taxes	14,408	10,186	-	-	14,408	10,186	41.4%
Sales taxes	9,619	8,841	-	-	9,619	8,841	8.8%
Motor fuel taxes	1,302	1,295	-	-	1,302	1,295	0.5%
Public utility taxes	1,573	1,558	-	-	1,573	1,558	1.0%
Riverboat taxes	458	483	-	-	458	483	(5.2%)
Hospital assessment taxes	943	970	-	-	943	970	(2.8%)
Other taxes	1,801	1,715	-	-	1,801	1,715	5.0%
Interest and investment earnings	62	52	3	5	65	57	14.0%
Other revenue	1,019	803	3	-	1,022	803	27.3%
Total revenues	55,442	50,364	9,605	9,470	65,047	59,834	8.7%
Expenses							
Health and social services	24,992	24,444	-	-	24,992	24,444	2.2%
Education	17,881	17,256	-	-	17,881	17,256	3.6%
General government	1,801	1,478	-	-	1,801	1,478	21.9%
Employment and economic development	1,584	1,259	-	-	1,584	1,259	25.8%
Transportation	4,874	4,853	-	-	4,874	4,853	0.4%
Public protection and justice	3,599	3,391	-	-	3,599	3,391	6.1%
Environment and business regulation	1,059	1,034	-	-	1,059	1,034	2.4%
Unemployment compensation fund	-	-	6,425	8,260	6,425	8,260	(22.2%)
Water revolving fund	-	-	84	114	84	114	(26.3%)
Prepaid tuition programs	-	-	94	87	94	87	8.0%
Designated account purchase program fund	-	-	58	57	58	57	1.8%
Lottery	-	-	1,601	1,544	1,601	1,544	3.7%
Federal student loans	-	-	239	215	239	215	11.2%
Other business-type activities	-	-	169	140	169	140	20.7%
Intergovernmental	5,191	4,206	-	-	5,191	4,206	23.4%
Interest	1,369	1,184	-	-	1,369	1,184	15.6%
Total expenses	62,350	59,105	8,670	10,417	71,020	69,522	2.2%
Excess (deficiency) before transfers	(6,908)	(8,741)	935	(947)	(5,973)	(9,688)	38.3%
Transfers	625	668	(625)	(668)	-	-	0.0%
(Decrease) in net assets	(6,283)	(8,073)	310	(1,615)	(5,973)	(9,688)	38.3%
Net assets - beginning, as restated	(37,535)	(29,462)	959	2,574	(36,576)	(26,888)	(36.0%)
Net assets - ending	<u>\$ (43,818)</u>	<u>\$ (37,535)</u>	<u>\$ 1,269</u>	<u>\$ 959</u>	<u>\$ (42,549)</u>	<u>\$ (36,576)</u>	<u>(16.3%)</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 \$5.078 billion (10.1%) during fiscal year 2011 with the largest revenue increase consisting of \$4.222 billion in income taxes. This increase was offset by a decrease in operating grants and contributions of \$999 million.

The State's governmental activities expenses increased \$3.245 billion (5.5%) during fiscal year 2011. The State's two largest expenses, health and social services expenses and education expenses, increased \$548 million and \$625 million, 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.

Business-type Activities:

Net assets of business-type activities increased \$310 million during the fiscal year 2011. This increase was attributed mainly to a \$54 million decrease in net assets, compared to a prior year decrease of \$1.733 billion, of the Unemployment Compensation Trust Fund, which had a decrease in unemployment benefit expenses of \$1.835 billion.

FINANCIAL ANALYSIS OF THE STATE'S MAJOR GOVERNMENTAL FUNDS

General Fund

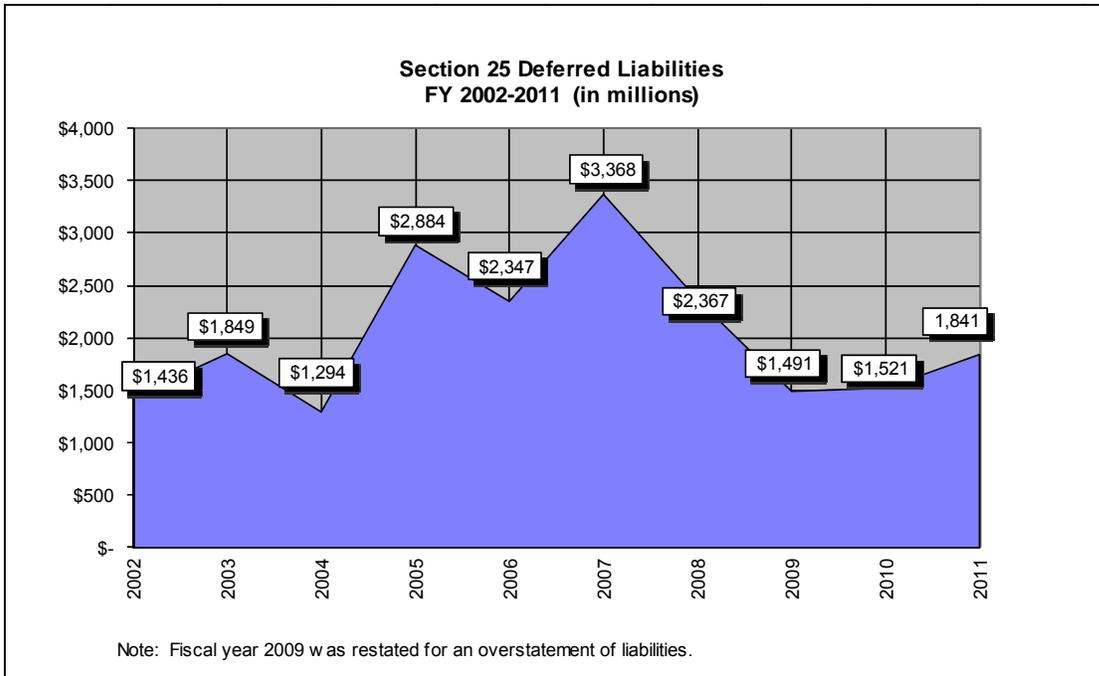
The General Fund accounts for resources obtained and used for those services traditionally provided by the State which are not accounted for in another fund. Accordingly, the majority of the State's tax revenues and program support expenses are accounted for in the General Fund. For financial reporting purposes, the General Fund consists of several accounts of the State which are described on page 163. 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 2011 with a deficit for the tenth consecutive year. At June 30, 2011, the General Funds' budgetary fund balance was a deficit of \$4.507 billion compared to a \$6.094 billion deficit recorded at June 30, 2010. The original budget projected a \$14.843 billion deficit at the end of the fiscal year. The final budget projected a \$7.745 billion deficit. Most of the difference between the General Funds' original budget and the final budget was the result of the issuance of \$3.7 billion in pension bonds, combined with \$1.3 billion in short-term borrowings, which were not originally budgeted.

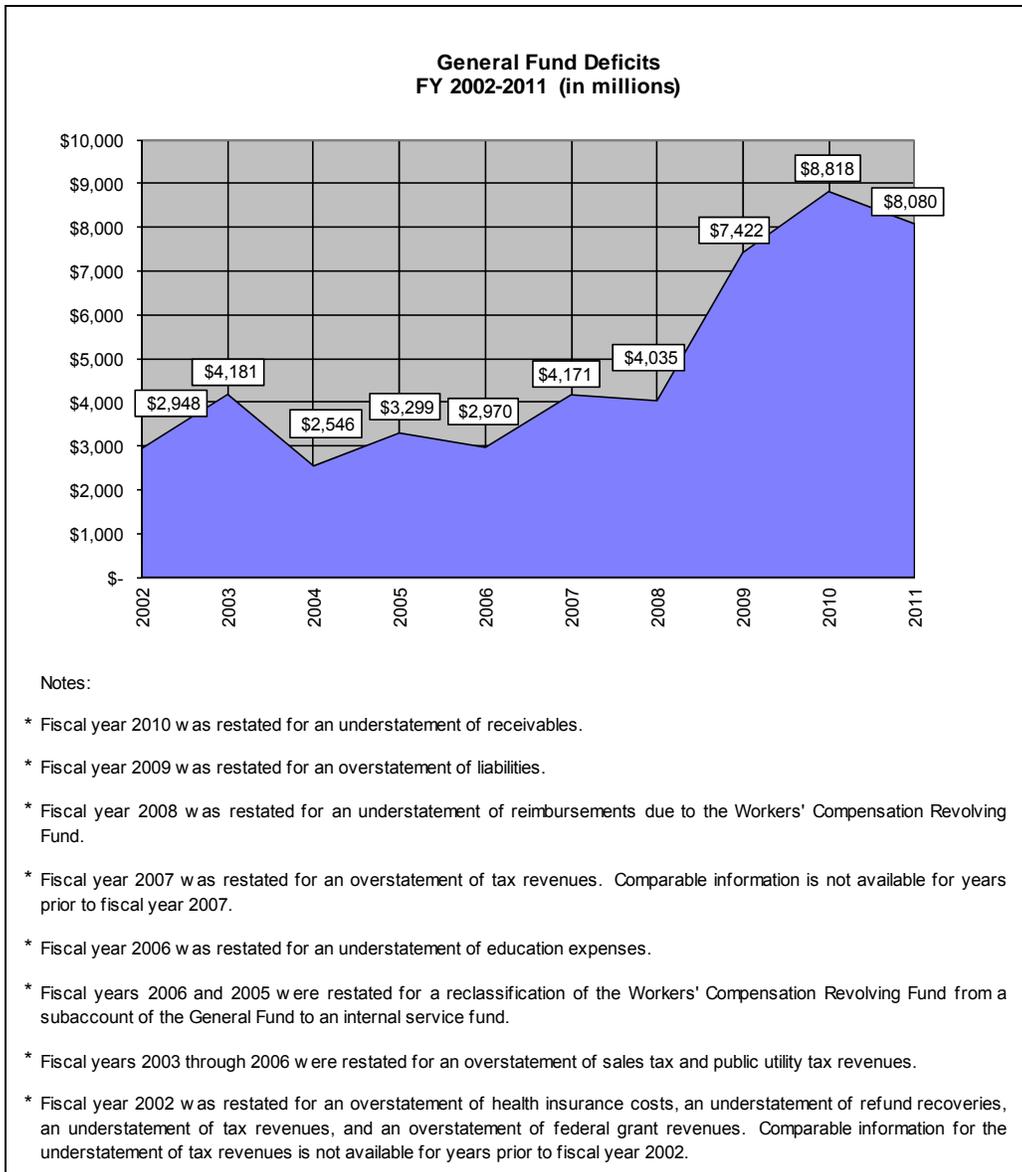
The majority of the \$3.238 billion increase in the General Funds' budgetary balance between the final budget and the actual results was due to \$2.615 billion more in actual revenues than budgeted revenues and \$623 million less in actual expenditures than budgeted expenditures. Actual income tax revenues were \$2.821 billion more than budgeted, as, during fiscal year 2011, the legislature voted to raise the individual income tax rate from 3% to 5% and the corporate income tax rate from 4.8% to 7%, effective January 1, 2011.

The General Fund's assets at June 30, 2011, were \$6.617 billion, which is an increase of \$178 million from the June 30, 2010, balance of \$6.439 billion. Intergovernmental receivables decreased \$835 million and amounts due from other funds increased \$175 million, while cash increased \$827 million from June 30, 2010.

The General Fund's liabilities at June 30, 2011, were \$14.697 billion, which is a decrease of \$655 million from the June 30, 2010, balance of \$15.352 billion. Cash flow problems caused the State to hold over \$3.798 billion in payments in the General Fund, which are included in the liabilities reported at June 30, 2011. Another factor that determines a significant portion of the General Fund liabilities is the accrued liabilities payable from future year's appropriations. 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 increased \$320 million from \$1.521 billion at June 30, 2010 to \$1.841 billion at June 30, 2011.



During fiscal year 2011, the General Fund's fund deficit decreased from \$8.818 billion to \$8.080 billion, a \$738 million decrease. The current year decrease in the fund deficit was driven by a \$1.980 billion increase in revenues and partially offset by a \$964 million increase in expenditures, in comparison to fiscal year 2010. Fiscal year 2010 had an increase in fund deficit of \$1.817 billion.



During fiscal year 2011, General Fund revenues increased \$1.980 billion to \$33.597 billion. An increase in income taxes of \$3.089 billion was the largest increase in revenues. The increase was the result of the legislative vote to increase individual and corporate income tax rates effective January 1, 2011. This increase, along with a \$463 million increase in sales taxes, was offset by a decrease in federal government revenue of \$1.565 billion, mostly due to the decline in proceeds of the American Recovery and Reinvestment Act. General Fund expenditures increased \$964 million to \$32.483 billion in fiscal year 2011 due mainly to increased spending on health and social services programs of \$475 million and transportation programs of \$449 million.

Road Fund

The Road Fund incurred a \$236 million increase in fund balance in the current year and has a \$433 million fund balance. Federal government revenue increased \$321 million to \$1.820 billion in fiscal year 2011, due mostly to increases in capital grants.

State Construction Account

The State Construction Account's fund balance increased \$65 million in fiscal year 2011 to an ending fund balance of \$210 million. Capital outlay expenditures decreased significantly from \$708 million in fiscal year 2010 to \$514 million in fiscal year 2011.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

At June 30, 2011, the State had \$20.162 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	
	2011	2010	2011	2010	2011	2010
Land and land improvements	\$ 2,918	\$ 2,805	\$ -	\$ -	\$ 2,918	\$ 2,805
Site improvements	339	357	-	-	339	357
Buildings and building improvements	2,150	2,212	1	1	2,151	2,213
Equipment	216	232	2	3	218	235
Intangible assets	159	124	1	-	160	124
Infrastructure	14,293	13,628	-	-	14,293	13,628
Other	38	38	-	-	38	38
Subtotal	20,113	19,396	4	4	20,117	19,400
Construction in progress	45	51	-	-	45	51
Total	\$ 20,158	\$ 19,447	\$ 4	\$ 4	\$ 20,162	\$ 19,451

Infrastructure assets consist of 71% of the State's net capital assets and comprise \$1.772 billion of the \$2.035 billion (87%) 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 89.

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

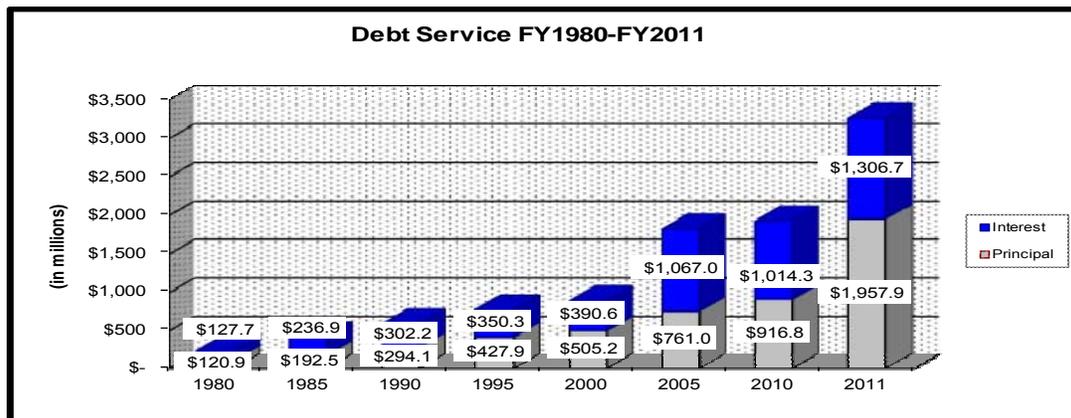
indirect debt which means that the asset is the property of a local government but part of the payment of the debt service comes from State resources. Lastly, some revenue bonds can be considered conduit debt which implies no obligation for the State. More detailed information regarding the State's long-term debt obligations is presented in Notes 9, 10 and 11 to the financial statements beginning on page 98.

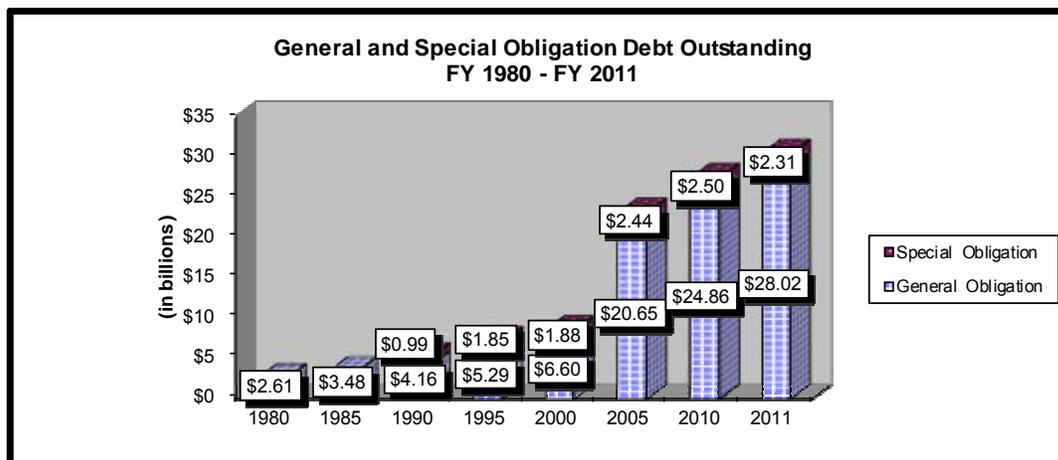
Outstanding Bonded Debt as of June 30 (in millions of dollars)						
Primary Government	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
	General obligation bonds (backed by the State)	\$ 28,016	\$ 24,863	\$ -	\$ -	\$28,016
Special obligation bonds (backed by specific fee revenue)	2,314	2,499	-	-	2,314	2,499
Revenue bonds (backed by specific tax and fee revenue)	1,503 *	-	645	1,023	2,148	1,023
	<u>\$ 31,833</u>	<u>\$ 27,362</u>	<u>\$ 645</u>	<u>\$ 1,023</u>	<u>\$32,478</u>	<u>\$ 28,385</u>

* Revenue bonds were issued by the Railsplitter Tobacco Settlement Authority, a blended component unit of the State.

As shown above, Illinois had outstanding general and special obligation bonds at June 30, 2011 totaling \$30.330 billion. 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 and to fund a portion of the State's unfunded portion of prior year's retirement liabilities. The outstanding amount of \$9.800 billion, \$2.773 billion and \$3.700 billion for pension purposes, issued in 2003, 2010, and 2011 respectively, are included in the outstanding general obligation bonds as of June 30, 2011.

General obligation bonds aggregating \$4.9 billion were issued during fiscal year 2011 at interest rates ranging from 1.75% to 7.35%. Debt service principal of \$1.958 billion and interest costs of \$1.307 billion were paid and charged, respectively, in fiscal year 2011. 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 \$2.148 billion of revenue bonds and \$8.741 billion of non-pension long-term obligations outstanding as of June 30, 2011.

The State’s general obligation bond ratings were A1 with a Negative Outlook by Moody’s Investor Services, A+ with a Negative Outlook by Standard and Poor’s, and A with a Stable Outlook by Fitch Ratings as of June 30, 2011. These ratings were downgraded from A1 with a Stable Outlook by Moody’s and upgraded from A+ with Credit Watch Negative by Standard and Poor’s and A with a Negative Outlook by Fitch at June 30, 2010. In addition, since June 30, 2011, the Moody’s Investor Services rating has been downgraded to A2 with a Stable Outlook.

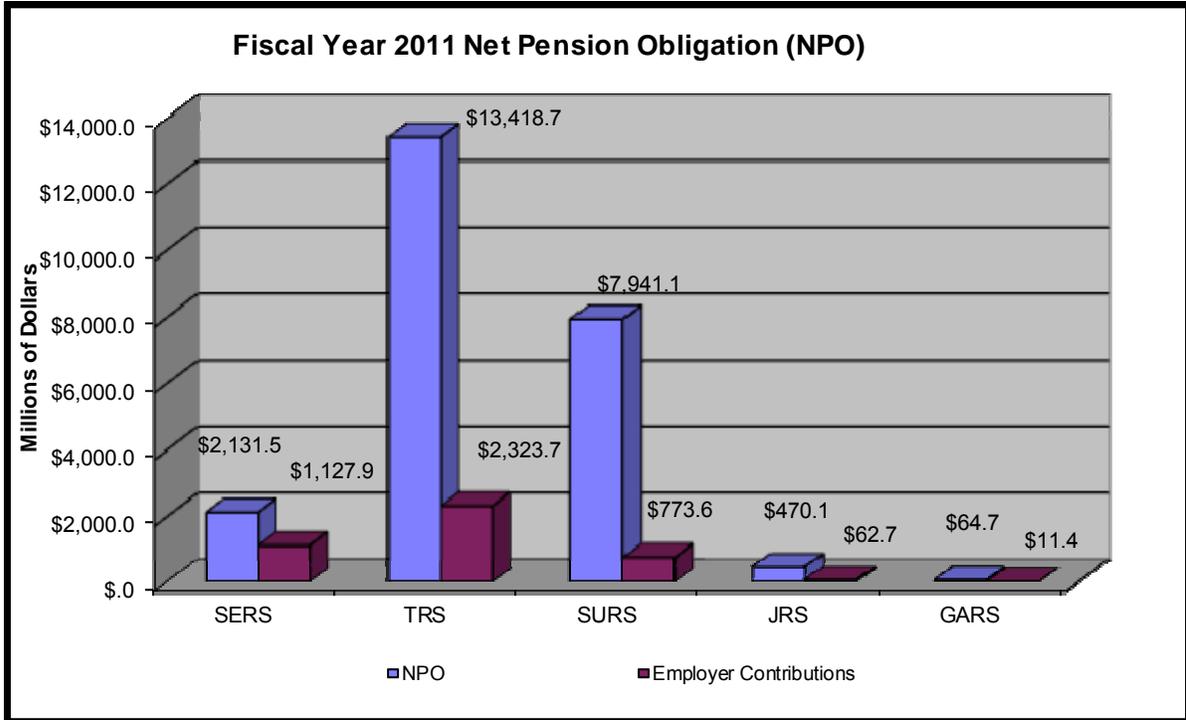
The State’s special obligation–Build Illinois Bonds – ratings were A2 with a Stable Outlook from Moody’s Investor Services, AAA with a Stable Outlook from Standard and Poor’s, and AA+ with a Stable Outlook from Fitch Ratings as of June 30, 2011. The Moody’s Investor Services rating was downgraded from A1 at June 30, 2010.

Retirement Systems

Besides general and special obligation bond indebtedness, the State’s largest liability is its net pension obligation. During fiscal year 2011, this obligation increased \$1.763 billion from \$22.263 billion at June 30, 2010, to \$24.026 billion at June 30, 2011. Of the \$1.763 billion increase, \$833 million occurred at Teachers’ Retirement System where the annual pension cost (“APC”) was calculated to be \$3.156 billion and employer contributions were \$2.324 billion. In addition, at State Universities Retirement System the APC was calculated to be \$1.464 billion and employer contributions were \$774 million while at State Employees Retirement System the APC was calculated to be \$1.326 billion and employer contributions were \$1.128 billion.

During fiscal year 2011, all of the State systems were substantially 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 2011

Illinois continued to suffer from the effects of the intense recession during fiscal year 2011. Each of the measures of Illinois economic activity remained weak during the fiscal year. Illinois’ non-agricultural employment (derived from survey data from Illinois companies) averaged 5.643 million workers in fiscal year 2011, an increase of 42,000 jobs or 0.75% above 2010 employment and 402,000 jobs or 6.7% below peak employment of 6.045 million jobs in fiscal year 2001. A second Illinois employment estimate, obtained through household surveys, also showed a decrease in Illinois employment. According to these surveys, an average of 6.006 million Illinoisans were employed in fiscal year 2011, up 108,000 or 1.8% from the prior year employment level.

The average Illinois unemployment rate increased from 5.6% and 8.1% in fiscal year 2008 and 2009, respectively, to 10.8% in fiscal year 2010 and 9.3% in fiscal year 2011. The increased average unemployment rate was caused by the drop in employment levels and the growth in the

average number of unemployed which significantly increased from 376,000 during fiscal year 2008 to 619,000 for fiscal year 2011.

The shift in Illinois employment from the manufacturing to the service sectors continued in fiscal year 2011. Average fiscal year 2011 manufacturing employment of 564,000 jobs was down 343,000 jobs or 37.8% 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 increased 3.3% in fiscal year 2011 as nominal personal income rose 5.3% and the consumer price index was up 2.0%. State personal income adjusted for inflation had shown decreases in 2009 and 2010 of 3.1% and 2.9%, respectively.

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.

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, 2011. 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, 2011 (Expressed in Thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash equity with State Treasurer	\$ 7,694,521	\$ 454,276	\$ 8,148,797	\$ 363,354
Cash and cash equivalents	200,150	231,186	431,336	1,440,332
Deposits held by federal government		6	6	
Securities lending collateral of State Treasurer	3,054,364	168,144	3,222,508	6,889
Investments	197,749	1,164,349	1,362,098	1,351,425
Securities lending collateral				92,895
Receivables, net:				
Taxes	1,448,961	626,853	2,075,814	
Intergovernmental	2,413,888	120,464	2,534,352	173,365
Other	784,916	228,909	1,013,825	502,682
Internal balances	(212,965)	212,965	-	
Due from fiduciary funds	4,064	2	4,066	
Due from component units	442,856	697	443,553	83,512
Due from primary government				885,173
Inventories	102,954	248	103,202	51,321
Prepaid expenses	21,718	346	22,064	42,472
Unamortized bond issuance costs	110,545	7,311	117,856	51,074
Loans and notes receivable, net	75,649	1,921,873	1,997,522	1,912,530
Restricted assets:				
Cash equity with State Treasurer	205,128		205,128	131,678
Cash and cash equivalents	19,037	56,638	75,675	633,221
Investments	15,320	19,606	34,926	2,676,650
Intergovernmental receivables	2,014		2,014	
Other receivables	43,786	19,066	62,852	3,425
Due from component units	848		848	
Loans and notes receivable, net		1,185,028	1,185,028	59,121
Other assets	402		402	29,645
Derivative instrument - asset				428
Other assets	18,963	1	18,964	20,170
Capital assets not being depreciated	3,120,845	190	3,121,035	1,063,993
Capital assets being depreciated, net	17,037,457	3,704	17,041,161	9,904,111
Total assets	36,803,170	6,421,862	43,225,032	21,479,466
Deferred outflow of resources	100,193		100,193	141,625
Total assets and deferred outflow of resources	36,903,363	6,421,862	43,325,225	21,621,091
LIABILITIES				
Accounts payable and accrued liabilities	7,949,406	257,666	8,207,072	823,619
Intergovernmental payables	4,735,315	65,805	4,801,120	3,215
Due to fiduciary funds	110,631		110,631	
Due to component units	820,564	64,575	885,139	83,512
Due to primary government				440,779
Unearned revenue	819,834	30,210	850,044	463,151
Obligations under security lending of State Treasurer	3,054,364	168,144	3,222,508	6,889
Securities lending collateral				92,895
Assets held for others				240,480
Short-term notes and general obligation certificates payable		2,452,521	2,452,521	10,347
Derivative instrument - swap liability	100,193		100,193	144,968
Other liabilities				48,344
Long-term obligations:				
Due within one year	2,064,170	90,885	2,155,055	683,733
Due subsequent to one year	61,066,536	2,023,501	63,090,037	8,521,853
Total liabilities	80,721,013	5,153,307	85,874,320	11,563,785
Deferred inflow of resources				428
Total liabilities and deferred inflow of resources	80,721,013	5,153,307	85,874,320	11,564,213
NET ASSETS				
Invested in capital assets, net of related debt	14,696,923	3,890	14,700,813	4,538,537
Restricted for:				
Debt service	2,870,474	57,033	2,927,507	327,663
Capital projects	507		507	96,501
Repayment of loan from component unit		246,908	246,908	
Municipal lending		1,977,826	1,977,826	
Education	974	81,180	82,154	
Employment and economic development	74,935		74,935	
Health and social services	70,612		70,612	
Public protection and justice	47,014		47,014	
Environment and business regulation	187,194		187,194	
Transportation	40,389		40,389	
Other purposes	140,720		140,720	82,507
Funds held as permanent investments:				
Nonexpendable purposes	11,775		11,775	1,075,284
Expendable purposes	3,121		3,121	1,982,111
Unrestricted net assets	(61,962,288)	(1,098,282)	(63,060,570)	1,954,275
Total net assets	\$ (43,817,650)	\$ 1,268,555	\$ (42,549,095)	\$ 10,056,878

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, 2011 (Expressed in Thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
Health and social services	\$ 24,991,723	\$ 228,431	\$ 15,010,818	\$ 105
Education	17,881,417	4,886	2,713,045	
General government	1,800,902	2,195,738	95,024	26,918
Employment and economic development	1,583,885	22,681	960,784	
Transportation	4,873,945	45,553	586,988	1,558,310
Public protection and justice	3,598,813	121,456	212,261	
Environment and business regulation	1,059,232	316,821	156,005	807
Intergovernmental-revenue sharing	5,191,373			
Interest	1,368,509			
Total governmental activities	<u>62,349,799</u>	<u>2,935,566</u>	<u>19,734,925</u>	<u>1,586,140</u>
Business-type activities				
Unemployment compensation trust	6,424,471	2,626,928	3,756,303	
Water revolving	84,114	44,393	235,466	
Prepaid tuition program	94,405	170,250		
Designated account purchase program	58,376	45,434		
Lottery	1,601,387	2,269,675		
Federal student loans	238,507	31,179	205,015	
Other	169,082	214,655	120	
Total business-type activities	<u>8,670,342</u>	<u>5,402,514</u>	<u>4,196,904</u>	
Total primary government	<u>\$ 71,020,141</u>	<u>\$ 8,338,080</u>	<u>\$ 23,931,829</u>	<u>\$ 1,586,140</u>
Component units				
Authorities				
Illinois Housing Development Authority	\$ 452,965	\$ 96,097	\$ 444,864	
Toll Highway Authority	802,638	673,450		
Other Authorities	236,816	141,500	11,631	\$ 248
Universities				
Illinois State University	471,860	247,541	39,478	1,213
Northern Illinois University	535,091	266,886	86,431	
Southern Illinois University	1,061,718	522,051	109,135	4,114
University of Illinois	4,602,224	2,352,134	954,437	4,745
Other Universities	901,966	395,202	112,146	1,305
Total component units	<u>\$ 9,065,278</u>	<u>\$ 4,694,861</u>	<u>\$ 1,758,122</u>	<u>\$ 11,625</u>
General revenues				
Taxes:				
Income taxes				
Sales taxes				
Motor fuel taxes				
Public utility taxes				
Riverboat taxes				
Hospital assessment taxes				
Other taxes				
Interest and investment income				
Other revenues				
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, 2010, as restated				
Net assets, June 30, 2011				

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

Net (Expense) Revenues and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (9,752,369)		\$ (9,752,369)	
(15,163,486)		(15,163,486)	
516,778		516,778	
(600,420)		(600,420)	
(2,683,094)		(2,683,094)	
(3,265,096)		(3,265,096)	
(585,599)		(585,599)	
(5,191,373)		(5,191,373)	
(1,368,509)		(1,368,509)	
<u>(38,093,168)</u>			
	\$ (41,240)	(41,240)	
	195,745	195,745	
	75,845	75,845	
	(12,942)	(12,942)	
	668,288	668,288	
	(2,313)	(2,313)	
	45,693	45,693	
	<u>929,076</u>		
		<u>(37,164,092)</u>	
			\$ 87,996
			(129,188)
			(83,437)
			(183,628)
			(181,774)
			(426,418)
			(1,290,908)
			<u>(393,313)</u>
			<u>(2,600,670)</u>
14,407,585		14,407,585	
9,619,503		9,619,503	
1,302,295		1,302,295	
1,572,930		1,572,930	
457,865		457,865	
942,557		942,557	
1,800,980		1,800,980	
62,254	3,019	65,273	401,115
1,019,165	3,314	1,022,479	429,090
			2,643,691
			73,061
<u>625,489</u>	<u>(625,489)</u>	<u>-</u>	
<u>31,810,623</u>	<u>(619,156)</u>	<u>31,191,467</u>	<u>3,546,957</u>
(6,282,545)	309,920	(5,972,625)	946,287
(37,535,105)	958,635	(36,576,470)	9,110,591
<u>\$ (43,817,650)</u>	<u>\$ 1,268,555</u>	<u>\$ (42,549,095)</u>	<u>\$ 10,056,878</u>

State of Illinois

**Balance Sheet -
Governmental Funds**

June 30, 2011 (Expressed in Thousands)

	General Fund	Road Fund	State Construction Account	Other Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash equity with State Treasurer	\$ 1,954,409	\$ 737,534	\$ 243,289	\$ 4,844,458	\$ 7,779,690
Cash and cash equivalents	2,220	14	13	186,126	188,373
Securities lending collateral of State Treasurer	1,760,445	547,061	65,333	651,540	3,024,379
Investments				213,069	213,069
Receivables, net:					
Taxes	1,091,633			357,328	1,448,961
Intergovernmental	983,472	271,434		1,135,346	2,390,252
Other	444,934	28,029	2,571	324,337	799,871
Due from other funds	332,538	58,042	34,165	2,442,119	2,866,864
Due from component units	238	59,905		347,320	407,463
Inventories	27,236	51,283		15,389	93,908
Loans and notes receivable, net	4,872			70,777	75,649
Other assets	15,000			4,136	19,136
Total assets	\$ 6,616,997	\$ 1,753,302	\$ 345,371	\$ 10,591,945	\$ 19,307,615
LIABILITIES					
Accounts payable and accrued liabilities	\$ 5,310,868	\$ 191,206	\$ 60,920	\$ 627,725	\$ 6,190,719
Intergovernmental payables	2,436,458	229,990	2,704	2,053,450	4,722,602
Due to other funds	3,153,232	183,699	175	1,893,148	5,230,254
Due to component units	645,213	136,385		37,979	819,577
Unavailable revenue	870,843	21,056		647,166	1,539,065
Unearned revenue	519,587	10,573	6,098	292,956	829,214
Obligations under security lending of State Treasurer	1,760,445	547,061	65,333	651,540	3,024,379
Matured portion of long-term liabilities	208	289			497
Total liabilities	14,696,854	1,320,259	135,230	6,203,964	22,356,307
FUND BALANCES (DEFICITS)					
Nonspendable - long-term portion of loans and notes receivable	4,872				4,872
Nonspendable - inventories	27,236	51,283		15,389	93,908
Nonspendable - endowments and similar funds				11,775	11,775
Restricted	37,247			3,192,381	3,229,628
Committed	1,132,322	381,760	210,141	2,845,938	4,570,161
Assigned				20,984	20,984
Unassigned	(9,281,534)			(1,698,486)	(10,980,020)
Total fund balances (deficits)	(8,079,857)	433,043	210,141	4,387,981	(3,048,692)
Total liabilities and fund balances (deficits)	\$ 6,616,997	\$ 1,753,302	\$ 345,371	\$ 10,591,945	\$ 19,307,615

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, 2011
(Expressed in Thousands)

Total fund balances-governmental funds \$ (3,048,692)

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 \$253,078, are not
financial resources and therefore are not reported in the funds. 19,905,224

Prepaid expenses for governmental activities are current uses of financial
resources for funds. 21,708

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. 110,545

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. 92,195

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. 406,538

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. 1,539,065

Some receivables do not meet the criteria for reporting under the modified
accrual basis of accounting and are not reported in the fund level statements. 13,245

Some unearned revenue reported in the fund level statements is recognized
as revenue in the governmental activities and is excluded as liabilities
in the Statement of Net Assets. 13,055

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 \$636,093, consist of:

Net pension obligation	\$ (24,026,161)	
Net other postemployment benefit obligation	(5,716,357)	
General obligation bonds	(28,016,441)	
Special obligation bonds	(2,313,609)	
Revenue bonds	(1,503,460)	
Unamortized premiums	(421,428)	
Unamortized discounts	1,933	
Financing payable under swap	(36,691)	
Other commitments	(41)	
Compensated absences	(455,077)	
Certificates of participation	(41,860)	
Pollution remediation obligation	(36,300)	
Auto liability	(11,994)	
Capital leases	(6,410)	
Installment purchases	(2,415)	
Accrued interest	(284,222)	
	(62,870,533)	(62,870,533)

Net assets of governmental activities \$ (43,817,650)

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, 2011 (Expressed in Thousands)

	General Fund	Road Fund	State Construction Account	Other Nonmajor Funds	Total Governmental Funds
REVENUES					
Income taxes	\$ 12,413,368			\$ 1,997,084	\$ 14,410,452
Sales taxes	6,874,513			2,752,797	9,627,310
Motor fuel taxes		\$ 305,538	\$ 208,173	785,686	1,299,397
Public utility taxes	1,127,268			451,673	1,578,941
Riverboat taxes				457,865	457,865
Hospital assessment taxes	944,635				944,635
Other taxes	1,461,546			353,924	1,815,470
Federal government	9,060,199	1,819,847		9,509,833	20,389,879
Licenses and fees	553,882	863,863	461,734	526,996	2,406,475
Interest and other investment income	26,633	8,164	705	15,960	51,462
Other	1,135,402	100,008		939,811	2,175,221
Total revenues	33,597,446	3,097,420	670,612	17,791,629	55,157,107
EXPENDITURES					
Current:					
Health and social services	18,560,988			6,010,148	24,571,136
Education	9,715,237			5,966,707	15,681,944
General government	997,666	5,982		380,211	1,383,859
Employment and economic development	175,743			1,358,776	1,534,519
Transportation	528,326	2,041,425	93,088	954,783	3,617,622
Public protection and justice	2,333,994	4,223		705,460	3,043,677
Environment and business regulation	149,580			796,400	945,980
Debt service:					
Principal	1,841	3		1,973,841	1,975,685
Interest	834			1,352,441	1,353,275
Capital outlays	18,847	417,050	513,849	1,075,096	2,024,842
Intergovernmental				5,191,373	5,191,373
Total expenditures	32,483,056	2,468,683	606,937	25,765,236	61,323,912
Excess (deficiency) of revenues over (under) expenditures	1,114,390	628,737	63,675	(7,973,607)	(6,166,805)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES					
General obligation and revenue bonds issued				6,403,460	6,403,460
Premiums on general obligation and revenue bonds issued				6,607	6,607
Discounts on general obligation bonds issued				(90)	(90)
Transfers-in	3,959,594	8,243	1,558	5,724,864	9,694,259
Transfers-out	(4,337,149)	(398,102)		(4,333,522)	(9,068,773)
Capital lease financing	1,083	21		178	1,282
Net other sources (uses) of financial resources	(376,472)	(389,838)	1,558	7,801,497	7,036,745
Net change in fund balances	737,918	238,899	65,233	(172,110)	869,940
Fund balances (deficits), July 1, 2010, as restated	(8,817,842)	196,532	144,908	4,559,271	(3,917,131)
Increase (decrease) for changes in inventories	67	(2,388)		820	(1,501)
FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (8,079,857)	\$ 433,043	\$ 210,141	\$ 4,387,981	\$ (3,048,692)

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, 2011
(Expressed in Thousands)

Net change in fund balances	\$	869,940
Change in inventories		(1,501)
		868,439

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. 8,006

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	\$ 2,024,842	
Depreciation expense	(1,255,034)	
Excess of capital outlays over depreciation expense		769,808

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 in this amount. 2,601

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 losses on capital assets scrapped, damaged or stolen. (42,684)

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. (3,776)

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. 38,034

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. 75,570

Some revenues are not recognized in the governmental funds as they relate to receivables that do not meet the criteria for reporting under the modified accrual basis of accounting. 13,245

Some unearned revenue reported in the governmental funds is recognized as revenue in the governmental activities. 13,055

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 effect 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 \$6,607 and discounts of \$90	(6,409,977)	
Bond issuance costs deferred	35,068	
Bond principal retirements	1,966,978	
Amortization of bond premiums	64,087	
Amortization of bond discounts	(122)	
Amortization of bond issuance costs	(12,569)	
Amortization of deferred loss on refundings of debt	(18,062)	
Amortization of financing payable under swap	1,643	
Capital lease and installment purchase agreement proceeds	(1,282)	
Capital lease and installment purchase principal retirements	3,302	
Certificates of participation principal retirements	5,405	
Net decrease in change in fund balance of governmental funds from long-term debt transactions		(4,365,529)

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	(1,762,890)	
Increase in net other postemployment benefit obligation	(1,837,565)	
Increase in compensated absences obligation	(8,174)	
Interest accreted on capital appreciation debt	(35,182)	
Decrease in auto liability obligation	2,420	
Increase in pollution remediation obligations	(321)	
Increase in accrued interest on obligations	(22,876)	
Decrease in other obligations	5,274	
Net increase in expenses for net increase in long-term liabilities not reported in governmental funds		(3,659,314)

Change in net assets of governmental activities	\$	(6,282,545)
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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, 2011 (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		
ASSETS							
Cash equity with State Treasurer		\$ 320,169	\$ 7,558		\$ 126,549	\$ 454,276	\$ 119,959
Cash and cash equivalents	\$ 106,434	14,568	276	\$ 10,735	99,173	231,186	30,814
Deposits held by federal government	6					6	
Securities lending collateral of State Treasurer		135,700			32,444	168,144	29,985
Investments				3,997	28,688	32,685	
Receivables, net:							
Taxes	626,853					626,853	
Intergovernmental	72,748	13,615			34,101	120,464	12,405
Other	192,783	13,878			22,248	228,909	28,831
Due from other funds	60,971	889		1	162,854	224,715	2,069,257
Due from component units	279	418				697	36,241
Loans and notes receivable, net		135,099				135,099	
Restricted assets:							
Cash and cash equivalents				56,638		56,638	
Investments				19,606		19,606	
Other receivables, net		1,730		17,336		19,066	
Loans and notes receivable, net		32,361		131,579		163,940	
Unamortized bond issuance costs		91		798		889	
Inventories					248	248	9,046
Prepaid expenses					346	346	10
Other assets				1		1	229
Total current assets	1,060,074	668,518	7,834	240,691	506,651	2,483,768	2,336,777
Investments			1,124,442		7,222	1,131,664	
Loans and notes receivable, net		1,786,774				1,786,774	
Restricted loans and notes receivable, net		212,817		808,271		1,021,088	
Unamortized bond issuance costs		339		6,083		6,422	
Capital assets not being depreciated					190	190	40,137
Capital assets being depreciated, net		99		11	3,594	3,704	212,941
Total noncurrent assets		2,000,029	1,124,442	814,365	11,006	3,949,842	253,078
Total assets	1,060,074	2,668,547	1,132,276	1,055,056	517,657	6,433,610	2,589,855
LIABILITIES							
Accounts payable and accrued liabilities	102,832	32	1,872	2,049	150,881	257,666	1,474,465
Intergovernmental payables	4,976	8		2,541	58,280	65,805	12,713
Due to other funds	1,532	166		4,551	5,499	11,748	25,399
Due to component units		64,460	115			64,575	987
Unearned revenue					30,210	30,210	3,675
Obligations under securities lending of State Treasurer		135,700			32,444	168,144	29,985
Short-term notes payable	2,138,064			314,457		2,452,521	
Current portion of long-term obligations		153	85,199	4,160	1,373	90,885	153,925
Total current liabilities	2,247,404	200,519	87,186	327,758	278,687	3,141,554	1,701,149
Noncurrent portion of long-term obligations		1,255	1,307,221	700,347	14,678	2,023,501	482,168
Total liabilities	2,247,404	201,774	1,394,407	1,028,105	293,365	5,165,055	2,183,317
NET ASSETS							
Invested in capital assets, net of related debt		95		11	3,784	3,890	220,384
Net assets restricted for:							
Debt service				17,513	39,520	57,033	3,849
Repayment of loan from component unit		246,908				246,908	
Municipal lending		1,977,826				1,977,826	
Education					81,180	81,180	
Unrestricted	(1,187,330)	241,944	(262,131)	9,427	99,808	(1,098,282)	182,305
Total net assets	\$ (1,187,330)	\$ 2,466,773	\$ (262,131)	\$ 26,951	\$ 224,292	\$ 1,268,555	\$ 406,538

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, 2011 (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	
OPERATING REVENUES							
Charges for sales and services			\$ 1,356		\$ 2,420,517	\$ 2,421,873	\$ 3,012,971
Interest income pledged as revenue bond security				\$ 45,434		45,434	
Interest and other investment income		\$ 44,393	168,894		2	213,289	
Employer contributions	\$ 2,626,928				90,000	2,716,928	
Other	3,756,303				4,990	3,761,293	4,695
Total operating revenues	6,383,231	44,393	170,250	45,434	2,515,509	9,158,817	3,017,666
OPERATING EXPENSES							
Cost of sales and services					394,771	394,771	482,961
Benefit payments and refunds	6,424,471				68,697	6,493,168	2,304,541
Prizes and claims					1,368,472	1,368,472	
Interest				12,436	50,594	63,030	74,687
General and administrative		15,013	6,884	35,211	112,779	169,887	117,165
Depreciation		65		14	685	764	25,492
Other		65,760	87,521		12,958	166,239	12,219
Total operating expenses	6,424,471	80,838	94,405	47,661	2,008,956	8,656,331	3,017,065
Operating income (loss)	(41,240)	(36,445)	75,845	(2,227)	506,553	502,486	601
NONOPERATING REVENUES (EXPENSES)							
Interest and investment income		2,198			821	3,019	636
Interest expense		(3,275)				(3,275)	(3,079)
Federal government		235,466			205,135	440,601	35,535
Other revenues				3,314		3,314	729
Other expenses		(4)		(10,715)	(20)	(10,739)	(185)
Income (loss) before transfers	(41,240)	197,940	75,845	(9,628)	712,489	935,406	34,237
Contributions of capital assets							3,797
Transfers-in		30,859			58,931	89,790	
Transfers-out	(13,294)		(88)		(701,894)	(715,276)	
Change in net assets	(54,534)	228,799	75,757	(9,628)	69,526	309,920	38,034
Net assets, July 1, 2010	(1,132,796)	2,237,974	(337,888)	36,579	154,766	958,635	368,504
NET ASSETS, JUNE 30, 2011	\$ (1,187,330)	\$ 2,466,773	\$ (262,131)	\$ 26,951	\$ 224,292	\$ 1,268,555	\$ 406,538

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, 2011 (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	
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received from sales and services			\$ 1,356		\$ 221,712	\$ 223,068	\$ 311,817
Cash received from lottery sales (net of \$227,419 cash prizes paid by agents and \$29,684 commissions retained by agents)					1,155,015	1,155,015	
Cash received from transactions with other funds							2,237,166
Cash payments to suppliers for goods and services		\$ (2,591)	(2,657)	\$ (9,709)	(73,767)	(88,724)	(2,392,678)
Cash payments to employees for services		(12,518)	(3,298)	(2,801)	(175,339)	(193,956)	(70,646)
Cash payments for lottery prizes					(326,909)	(326,909)	
Cash receipts from unemployment taxes	\$ 2,385,448				90,000	2,475,448	
Cash receipts from federal unemployment grants	3,809,127					3,809,127	
Cash payments for unemployment benefits	(6,522,663)					(6,522,663)	
Cash receipts from prepaid tuition contract sales			89,029			89,029	
Cash payments for tuition			(78,690)			(78,690)	
Cash payments for tuition contract refunds			(24,955)			(24,955)	
Cash receipts from student loan principal				189,901		189,901	
Cash receipts from student loan interest				27,498		27,498	
Cash payments for student loans issued				(10,038)		(10,038)	
Cash payments for workers' compensation							(126,944)
Cash receipts from other operating activities					5,702	5,702	47,840
Cash payments for other operating activities					(311,178)	(311,178)	
Net cash provided (used) by operating activities	(328,088)	(15,109)	(19,215)	194,851	585,236	417,675	6,555
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Proceeds from borrowings, net of bond issuance costs	1,209,304			589,966		1,799,270	
Principal paid on revenue bonds and other borrowings	(1,310,822)	(11,045)		(1,024,363)		(2,346,230)	
Proceeds from refunding of debt				70,321		70,321	
Interest paid on revenue bonds and other borrowings		(3,171)		(11,648)		(14,819)	
Grants received		268,203			209,663	477,866	36,535
Grants paid				(10,994)		(10,994)	
Transfers-in from other funds		29,970			24,703	54,673	
Transfers-out to other funds	(18,471)		(88)		(765,863)	(784,422)	(1,613)
Other noncapital financing activities							(1,726)
Net cash provided (used) by noncapital financing activities	(119,989)	283,957	(88)	(386,718)	(531,497)	(754,335)	33,196
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition and construction of capital assets					(884)	(884)	(7,487)
Principal paid on capital debt		(3)				(3)	(6,756)
Interest paid on capital debt							(1,806)
Proceeds from sales of capital assets							137
Other capital and financing activities							(229)
Net cash used by capital and related financing activities		(3)			(884)	(887)	(16,141)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of investment securities			(556,616)	(189,336)	(45,546)	(791,498)	
Proceeds from sales and maturities of investment securities			546,785	395,707	44,762	987,254	
Cash paid to investment managers			(1,684)			(1,684)	
Loan disbursements		(531,983)			(8,000)	(539,983)	
Loan repayments		144,832				144,832	
Interest and dividends on investments		45,813	23,843	3,030	869	73,555	658
Net cash provided (used) by investing activities		(341,338)	12,328	209,401	(7,915)	(127,524)	658
Net increase (decrease) in cash and cash equivalents	(448,077)	(72,493)	(6,975)	17,534	44,940	(465,071)	24,268
Cash and cash equivalents, July 1, 2010	554,517	407,230	14,809	49,839	180,782	1,207,177	126,505
CASH AND CASH EQUIVALENTS, JUNE 30, 2011	\$ 106,440	\$ 334,737	\$ 7,834	\$ 67,373	\$ 225,722	\$ 742,106	\$ 150,773
Reconciliation of cash and cash equivalents to the Statement of Net Assets:							
Total cash and cash equivalents per Statement of Net Assets	\$ 106,434	\$ 14,568	\$ 276	\$ 10,735	\$ 99,173	\$ 231,186	\$ 119,959
Add: cash equity with State Treasurer		320,169	7,558		126,549	454,276	30,814
Add: deposits held by federal government	6					6	
Add: restricted cash equivalents				56,638		56,638	
CASH AND CASH EQUIVALENTS, JUNE 30, 2011	\$ 106,440	\$ 334,737	\$ 7,834	\$ 67,373	\$ 225,722	\$ 742,106	\$ 150,773

State of Illinois

Statement of Cash Flows -

Proprietary Funds

For the Year Ended June 30, 2011 (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	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
OPERATING INCOME (LOSS)	\$ (41,240)	\$ (36,445)	\$ 75,845	\$ (2,227)	\$ 506,553	\$ 502,486	\$ 601
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation		65		14	685	764	25,492
Provision for uncollectible accounts	145,231	65,760		18,576	1,046	230,613	21
Amortization			83,916	2,776		86,692	
Interest and investment income		(44,393)	(165,288)	(2,727)		(212,408)	
Interest expense				12,436	50,485	62,921	
Cash receipts from other nonoperating income							948
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	(383,853)			3,391	(9,246)	(389,708)	9,856
(Increase) decrease in intergovernmental receivables	60,951				363	61,314	(2,145)
(Increase) decrease in due from other funds	(26,548)			6	(883)	(27,425)	(403,203)
(Increase) decrease in due from component units	129					129	(8,182)
(Increase) decrease in loans and notes receivable				162,848		162,848	
(Increase) decrease in inventory					409	409	353
(Increase) decrease in prepaid expenses					(7)	(7)	(9)
(Increase) decrease in other assets							
Increase (decrease) in accounts payable and accrued liabilities	(80,610)	(7)	924	(533)	37,157	(43,069)	346,498
Increase (decrease) in intergovernmental payables	(2,176)				(692)	(2,868)	461
Increase (decrease) in due to other funds	28	51		624	(2,307)	(1,604)	(20,317)
Increase (decrease) in due to component units			17	(151)	(3)	(137)	503
Increase (decrease) in unearned revenue				(181)	2,259	2,078	2,245
Increase (decrease) in other liabilities		(140)	(14,629)	(1)	(583)	(15,353)	53,433
Total adjustments	(286,848)	21,336	(95,060)	197,078	78,683	(84,811)	5,954
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (328,088)	\$ (15,109)	\$ (19,215)	\$ 194,851	\$ 585,236	\$ 417,675	\$ 6,555
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES							
Cost of capital asset acquisitions financed by capital leases							\$ 60
Loss on disposal of capital assets		\$ (1)			\$ (20)	\$ (21)	(43)
Transfer of assets from (to) other state funds		(3)				(3)	3,779
Increase (decrease) in fair value of investments			\$ 143,130	\$ 538	(66)	143,602	

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, 2011 (Expressed in Thousands)

	Pension (and Other Employee Benefit) Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Agency Funds
ASSETS				
Cash equity with State Treasurer	\$ 153,633	\$ 491	\$ 713	\$ 493,468
Cash and cash equivalents	630,999	2,508,165	218,952	29,031
Securities lending collateral of State Treasurer	89,744		276	136,165
Investments:				
Equities	30,257,898		3,907,968	
Fixed income	10,738,499	2,121,993	137	
Private equity	3,615,944			
Real estate	4,374,426			
Other	6,649,574		22	896,192
Equity in Illinois State Board of Investments	11,527,625			
Securities lending collateral	4,580,523			
Receivables, net:				
Taxes				126,907
Members	78,214			
Employers	24,353			
Investment income	146,156	799	6,087	
Intergovernmental	6,552			485
Pending investment sales	3,221,596			
Other	23,023			224,312
Due from other funds	105			
Due from primary government funds	20,076		504	90,051
Due from component units	2			
Prepaid expenses	3,167			
Loans and notes receivable, net			61	
Other assets				170
Capital assets not being depreciated	1,724			
Capital assets being depreciated, net	10,953			
Total assets	76,154,786	4,631,448	4,134,720	\$ 1,996,781
LIABILITIES				
Accounts payable and accrued liabilities	159,441	151	1,384	\$ 43,862
Intergovernmental payables	6			661,799
Due to other funds	105			
Due to primary government funds	3,504	562		
Due to component units				65
Obligations under securities lending of State Treasurer	89,744		276	136,165
Security lending collateral	4,580,367			
Payable to brokers for unsettled trades	3,652,450			
Depository and other liabilities		163	7,395	1,154,890
Long-term obligations:				
Due within one year	88			
Due subsequent to one year	3,826			
Total liabilities	8,489,531	876	9,055	\$ 1,996,781
NET ASSETS				
Net assets held in trust for:				
Pension and other employee benefits	67,665,255			
Pool participants		4,630,572		
Other purposes			4,125,665	
Total net assets	\$ 67,665,255	\$ 4,630,572	\$ 4,125,665	

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, 2011 (Expressed in Thousands)

	Pension (and Other Employee Benefit) Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds
ADDITIONS			
Deposits/Contributions:			
Employer	\$ 344,867		
State	4,165,104		
Participants			\$ 1,539,519
Members:			
Employees	1,757,523		
Retirees	176,695		
Federal Medicare Part D	25,641		
Other contributions	7,732		25
Total contributions	6,477,562		1,539,544
Investment income:			
Interest and other investment income	1,695,548	\$ 31,590	34,508
Increase (decrease) in fair value of investments	11,465,568	(18,690)	594,950
Reimbursements of expenses			
not separable from investment income	2,535		
Less investment expense	(306,005)	(3,836)	
Net investment income	12,857,646	9,064	629,458
Capital share and individual account transactions:			
Shares sold		5,065,052	
Reinvested distributions		4,779	
Shares redeemed		(4,827,091)	
Net capital share and individual account transactions		242,740	
Total additions	19,335,208	251,804	2,169,002
DEDUCTIONS			
Benefit payments	8,153,400		
Refunds	188,814		
Payments in accordance with trust agreements			1,148,727
Distribution to pool investors		4,779	
Depreciation	1,573		
General and administration	50,773		14,089
Total deductions	8,394,560	4,779	1,162,816
Change in fiduciary net assets held in trust for:			
Pension and other employee benefits	10,940,648		
Pool participants		247,025	
Individuals, organizations, and other governments			1,006,186
Net Assets, July 1, 2010	56,724,607	4,383,547	3,119,479
Net Assets, June 30, 2011	\$ 67,665,255	\$ 4,630,572	\$ 4,125,665

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, 2011 (Expressed in Thousands)

	Illinois Housing Development Authority	Toll Highway Authority	Other Authorities	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois
ASSETS AND DEFERRED OUTFLOW OF RESOURCES							
Cash equity with State Treasurer	\$ 366	\$ 362,988					
Cash and cash equivalents	245,546	48,190	\$ 140,610	\$ 31,371	\$ 44,039	\$ 108,971	\$ 640,636
Securities lending collateral of State Treasurer			6,889				
Investments	93,980	25,151	18,859	125,148	255,640	283,132	506,157
Securities lending collateral							92,895
Receivables, net:							
Intergovernmental		27,649	10				130,050
Other	6,693	52,541	6,655	9,607	27,242	78,653	244,226
Due from component units			83,153	19	134	124	75
Due from primary government		132,495	90,651	36,565	45,307	108,425	424,003
Inventories				2,950	3,109	9,601	31,194
Prepaid expenses		11,841	271	3,168	59	399	25,337
Unamortized bond issuance costs	11,575	16,511	1,040	2,291	2,728	4,391	7,254
Loans and notes receivable, net	1,780,356		20,284	9,373	9,018	18,047	61,540
Restricted assets:							
Cash equity with State Treasurer		113,981	17,697				
Cash and cash equivalents		358,721	17,136	11,503			227,838
Investments	673,409	25,148	91,204	76,870			1,717,951
Other receivables, net		4	1,673	20			
Loans and notes receivable, net			59,121				
Other assets	645				31	21,216	5,223
Derivative instrument - asset	428						
Other assets	16,589		18	1,301			
Capital assets not being depreciated		387,675	44,925	41,838	71,743	88,224	277,684
Capital assets being depreciated, net	27,137	4,875,826	20,402	388,473	276,203	633,819	3,031,433
Total assets	2,856,724	6,438,721	620,598	740,497	735,253	1,355,002	7,423,496
Deferred outflow of resources	2,584	119,465					19,576
Total assets and deferred outflow of resources	2,859,308	6,558,186	620,598	740,497	735,253	1,355,002	7,443,072
LIABILITIES AND DEFERRED INFLOW OF RESOURCES							
Accounts payable and accrued liabilities	64,994	181,837	8,891	21,662	45,556	54,258	388,064
Intergovernmental payables							
Due to component units			35,204	50	17,168	60	30,976
Due to primary government	327,869	59,905	18,943	243	156	224	32,638
Unearned revenue	11,950	183,067	18,357	6,998	27,505	49,810	147,261
Obligations under securities lending collateral of State Treasurer			6,889				
Securities lending collateral							92,895
Assets held for others	170,253			3,728		20,994	38,261
Short-term notes payable			3,000		1,000		4,932
Derivative instrument - liability	2,584	119,465					22,919
Other liabilities							42,589
Long-term obligations:							
Due within one year	351,802	70,264	27,207	9,161	13,112	35,717	154,920
Due subsequent to one year	1,217,228	4,021,661	253,755	144,600	275,338	342,288	1,937,211
Total liabilities	2,146,680	4,636,199	414,835	186,442	379,835	503,351	2,850,077
Deferred inflow of resources	428						
Total liabilities and deferred inflow of resources	2,147,108	4,636,199	414,835	186,442	379,835	503,351	2,850,077
NET ASSETS							
Invested in capital assets, net of related debt	(7,448)	1,196,573	27,783	304,886	170,549	416,359	1,874,075
Restricted for:							
Debt service		272,539	4,138			19,846	27,955
Capital projects						80,537	15,964
Nonexpendable purposes			183	68,904	43,206	97,323	801,714
Other expendable purposes	633,834	74		34,165	19,881	89,898	1,160,182
Other purposes			82,507				
Unrestricted	85,814	452,801	91,152	146,100	121,782	147,688	713,105
Total net assets	\$ 712,200	\$ 1,921,987	\$ 205,763	\$ 554,055	\$ 355,418	\$ 851,651	\$ 4,592,995

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

Other Universities		Total
	\$	363,354
\$ 180,969		1,440,332
		6,889
43,358		1,351,425
		92,895
15,656		173,365
77,065		502,682
7		83,512
47,727		885,173
4,467		51,321
1,397		42,472
5,284		51,074
13,912		1,912,530
		131,678
18,023		633,221
92,068		2,676,650
1,728		3,425
		59,121
2,530		29,645
		428
2,262		20,170
151,904		1,063,993
650,818		9,904,111
1,309,175		21,479,466
		141,625
1,309,175		21,621,091
58,357		823,619
3,215		3,215
54		83,512
801		440,779
18,203		463,151
		6,889
		92,895
7,244		240,480
1,415		10,347
		144,968
5,755		48,344
21,550		683,733
329,772		8,521,853
446,366		11,563,785
		428
446,366		11,564,213
555,760		4,538,537
3,185		327,663
		96,501
63,954		1,075,284
44,077		1,982,111
		82,507
195,833		1,954,275
\$ 862,809	\$	10,056,878

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

For the Year Ended June 30, 2011 (Expressed in Thousands)

Functions/Programs	Expenses	Program revenues		Net (expense) revenue	
		Charges for service	Operating grants and contributions		
Authorities:					
Illinois Housing Development Authority	\$ 452,965	\$ 96,097	\$ 444,864	\$ 87,996	
Toll Highway Authority	802,638	673,450		(129,188)	
Other authorities	236,816	141,500	11,631	(83,437)	
Universities:					
Illinois State University	471,860	247,541	39,478	1,213	(183,628)
Northern Illinois University	535,091	266,886	86,431		(181,774)
Southern Illinois University	1,061,718	522,051	109,135	4,114	(426,418)
University of Illinois	4,602,224	2,352,134	954,437	4,745	(1,290,908)
Other universities	901,966	395,202	112,146	1,305	(393,313)
Total	<u>\$ 9,065,278</u>	<u>\$ 4,694,861</u>	<u>\$ 1,758,122</u>	<u>\$ 11,625</u>	<u>\$ (2,600,670)</u>

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

State appropriations	General revenues		Additions to permanent endowments	Total general revenues and additions to permanent endowments	Change in net assets	Net assets, July 1, 2010	Net assets, June 30, 2011
	Interest and investment income	Other					
	\$ 233			\$ 233	\$ 88,229	\$ 623,971	\$ 712,200
	2,037	\$ 31,245		33,282	(95,906)	2,017,893	1,921,987
\$ 25,608	8,395	61,406	\$ 27	95,436	11,999	193,764	205,763
166,565	14,987	45,450	3,485	230,487	46,859	507,196	554,055
197,418	11,583	3,104	2,820	214,925	33,151	322,267	355,418
439,384	31,773	83,988	1,354	556,499	130,081	721,570	851,651
1,406,891	317,320	137,425	61,872	1,923,508	632,600	3,960,395	4,592,995
407,825	14,787	66,472	3,503	492,587	99,274	763,535	862,809
<u>\$ 2,643,691</u>	<u>\$ 401,115</u>	<u>\$ 429,090</u>	<u>\$ 73,061</u>	<u>\$ 3,546,957</u>	<u>\$ 946,287</u>	<u>\$ 9,110,591</u>	<u>\$ 10,056,878</u>

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STATE OF ILLINOIS
Notes to the Financial Statements
June 30, 2011

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 units are reported, as exclusion would be misleading to the State's financial statements, as though they are a part of the primary government using the blending method since they provide 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).
2. *Railsplitter Tobacco Settlement Authority ("RTSA")*. The RTSA was established in July 2010 as a special purpose corporation to sell revenue bonds, repayment of which is supported solely by future tobacco settlement revenues ("TSRs"). The State relinquished rights to \$4.1 billion of TSRs to RTSA in exchange for a significant portion of the revenue bond proceeds and a residual certificate representing the State's ownership in excess TSRs to be received by RTSA during the term of the Sales Agreement. (Administrative Office: James R. Thompson Center, 100 W. Randolph St., Chicago, Illinois 60601)

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: One Natural Resources Way, Springfield, Illinois 62702-1271).
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: 2100 W. Harrison Street, Chicago, Illinois 60612-3706).
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 300, 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, 2010 were \$111.936 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 2010 of \$200 thousand. 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 have constraints 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 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 and report resources obtained from specific revenue sources that are legally restricted, committed or assigned to expenditures for specified purposes. Special revenue 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 and report governmental resources obtained and restricted, committed or assigned 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 and report resources obtained and restricted, committed or assigned to 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 – These funds account for and report 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 units' 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 14.

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 reports an equivalent portion as nonspendable fund 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, intangible items 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:

Table 1-1 (amounts expressed in thousands)

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
Intangible assets - internally generated	1,000
Intangible assets - non-internally generated	25

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
Intangible assets - internally generated	3-25
Intangible assets - non-internally generated	3-25

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 thirty 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.

During the fiscal year ended June 30, 2011, the State implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, resulting in significant changes in the State’s fund structure. GASB Statement No. 54 established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental

funds. Fund balances of governmental funds previously reported as reserved or unreserved are now reported under the following fund balance classifications:

Nonspendable – includes amounts that cannot be spent because they are either not in spendable form such as inventories or are contractually required to be maintained intact.

Restricted – includes amounts restricted for specific purposes, that is, containing constraints placed on the use of the resources either by an external party such as creditors, grantors, contributors or laws or regulations of other governments or by imposition of law through constitutional provisions or enabling legislation.

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the State’s highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the State removes or changes the specified use by taking the same type of action it employed to previously commit the amounts. The uses of these funds are established in statute after appropriate action by the Illinois State Legislature and the Governor.

Assigned – amounts constrained by the State’s intent to be used for specific purposes, which don’t meet the restricted or committed criteria. Intent can be expressed by the Illinois State Legislature whom the State has delegated the authority to assign amounts to be used for specific purposes.

Unassigned – includes the residual fund balance (deficit) which has not been restricted, committed or assigned to specific purposes within the general fund and deficit fund balances of other governmental funds.

The State utilizes encumbrance accounting to identify governmental fund obligations. Unexpended appropriations at June 30th are available for subsequent expenditure to the extent that encumbrances for the purchase of equipment and commodities have been incurred at June 30th, provided the expenditure is presented for payment during the succeeding two months.

The State has a general policy to first use restricted resources for expenditures incurred for which both restricted and unrestricted (committed, assigned or unassigned) resources are available. When expenditures are incurred for which only unrestricted resources are available, the policy is to use committed resources first, then assigned. Unassigned amounts are only used after the other resources have been used.

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 restricted 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, 2011, the State adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied. The State has reported fund balance classifications that comprise a hierarchy based primarily on the extent to which the State is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Additionally, the statement clarifies existing governmental fund type definitions, which resulted in changes to the State's fund structure. Various funds previously reported as special revenue funds have now been reported within the general fund or as other nonmajor governmental fund types as they were determined to no longer meet the definition of a special revenue fund.

Effective for the year ending June 30, 2011, the State adopted GASB Statement No. 59, *Financial Instrument Omnibus*, the objective of which was to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The requirements of the statement improve financial reporting by providing more complete information, by improving consistency of measurements, and by providing clarifications of existing standards. The implementation of the provisions of this Statement did not result in a significant impact on the State's financial statements.

T. Future Adoption of GASB Statements

Effective for the year ending June 30, 2013, the State will adopt GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, which modifies certain requirements for inclusion of component units in the financial reporting entity and amends the criteria for reporting component units as though they are a part of the primary government using the blending method. The State has not yet determined the impact on its financial statements as a result of adopting this statement.

Effective for the year ending June 30, 2012, the State will adopt GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, which was established to standardize the financial statement presentation of deferred outflows of resources and deferred inflows of resources, and their effects on a government's net position. The State has not yet determined the impact on its financial statements as a result of adopting this statement.

Effective for the year ending June 30, 2012, the State will adopt GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – An Amendment to GASB Statement No. 53*, which enhances comparability and improves financial reporting by establishing criteria to determine when hedge accounting should continue after the replacement of a swap counterparty or a swap counterparty's credit support provider. The State

has not yet determined the impact on its financial statements as a result of adopting this statement.

2 FUND BALANCE / NET ASSETS

A. Classification of Fund Balances

Fund Balance classifications comprise a hierarchy based primarily on the extent to which the State is bound to observe constraints imposed upon the use of resources reported in governmental funds. The following table summarizes the fund balance classifications:

Table 2-1 (amounts expressed in thousands)

	General Fund	Road Fund	State Construction Account	Other Nonmajor Funds	Total Governmental Funds
Fund Balances Nonspendable:					
Long-Term Portion of Loans and Notes Receivable	\$ 4,872	\$ -	\$ -	\$ -	\$ 4,872
Inventories	27,236	51,283	-	15,389	93,908
Endowments and Similar Funds	-	-	-	11,775	11,775
Restricted For:					
Health and Social Services	27,037	-	-	27,537	54,574
Education	-	-	-	974	974
General Government	15	-	-	2,857,164	2,857,179
Employment and Economic Development	-	-	-	68,945	68,945
Transportation	10,195	-	-	46,404	56,599
Public Protection and Justice	-	-	-	47,004	47,004
Environment and Business Regulation	-	-	-	144,353	144,353
Committed For:					
Health and Social Services	571,766	-	-	130,331	702,097
Education	404,333	-	-	14,888	419,221
General Government	134,770	-	-	1,099,368	1,234,138
Employment and Economic Development	9,845	-	-	271,451	281,296
Transportation	11,408	381,760	210,141	922,236	1,525,545
Public Protection and Justice	200	-	-	123,066	123,266
Environment and Business Regulation	-	-	-	284,598	284,598
Assigned For:					
Health and Social Services	-	-	-	1,294	1,294
Education	-	-	-	2,096	2,096
General Government	-	-	-	1,041	1,041
Employment and Economic Development	-	-	-	7,546	7,546
Transportation	-	-	-	328	328
Public Protection and Justice	-	-	-	7,896	7,896
Environment and Business Regulation	-	-	-	783	783
Unassigned	(9,281,534)	-	-	(1,698,486)	(10,980,020)
	<u>\$(8,079,857)</u>	<u>\$ 433,043</u>	<u>\$ 210,141</u>	<u>\$ 4,387,981</u>	<u>\$(3,048,692)</u>

B. Budget Stabilization

The Budget Stabilization Fund was established in fiscal year 2000 to formally set aside funds to assist the State in meeting cash flow deficits resulting from timing variations between disbursements and the receipt of funds within a fiscal year. The funds set aside are deposited into the Budget Stabilization Fund as authorized by the Illinois State Legislature and the Governor. The Comptroller may direct the State Treasurer to transfer moneys from the Budget Stabilization Fund to the General Fund to satisfy cash flow requirements. Any moneys borrowed in Fiscal Year 2011 were required to be repaid no later than July 15, 2011. The statutory goal for funding this reserve was set at five percent of the General Fund’s revenue in any given year.

The funds activity is accounted for within the General Fund and has an unassigned fund balance of \$275.704 million at June 30, 2011.

C. Restatements

As shown in Table 2-2, the Governmental Activities’ financial statements have been restated as of July 1, 2010, due to the understatement of receivables in the General Fund. Additionally, the financial statements have been restated as of July 1, 2010, for the reclassification of governmental fund balances due to the implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Table 2-2 (amounts expressed in thousands)

	Governmental Activities			
	Governmental Funds			Governmental Activities
	General Fund	Road Fund	Nonmajor Governmental Funds	
Fund Balance/Net Assets, June 30, 2010, as previously reported	\$ (9,239,281)	\$ 196,547	\$ 4,654,917	\$ (37,860,883)
Corrections of Prior Errors				
Understatement of Receivables	325,778	-	-	325,778
Implementation of New Accounting Standards				
Reclassification of Governmental Fund Balances due to Implementation of GASB Statement No. 54	95,661	(15)	(95,646)	-
Fund Balance/Net Assets, June 30, 2010, as restated	\$ (8,817,842)	\$ 196,532	\$ 4,559,271	\$ (37,535,105)

Additionally, the implementation of GASB Statement No. 54 resulted in the net reclassification of fund balance as of June 30, 2010, resulting in a net increase for nonmajor special revenue funds and a net decrease for nonmajor permanent trust funds in the amount of \$13.137 million.

D. Net Assets Restricted by Enabling Legislation

The government-wide statement of net assets reports \$5.811 billion of restricted net assets, of which \$2.716 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, 2011, consisted of the following:

Table 3-1 (amounts expressed in thousands)

Investment Type	Fair Value
Repurchase agreements	\$ 3,275,256
U.S. Treasury obligations	2,248,911
U.S. Agency obligations	1,385,874
Commercial paper	3,076,003
Corporate debt securities	30,000
Money market mutual funds	466,109
Private equity	30,042
Equity in Public Treasurers' Investment Pool	734,408
Equity in other investment pools	404
Securities lending collateral invested in repurchase agreements	3,456,374
Total fair value	<u>\$ 14,703,381</u>

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, 2011, except for investments held by ISBI, TRS, and SURS, consisted of the following:

Table 3-2 (amounts expressed in thousands)

Investment Type	Fair Value
Repurchase agreements	\$ 10,417
Negotiable certificates of deposit	549
U.S. Treasury obligations	1,268,129
U.S. Agency obligations	235,453
Municipal debt	122,254
Annuities	1,589
Corporate debt securities	136,571
Debt mutual funds	1,486,460
Equity in Public Treasurers' Investment Pool	4,487,537
Equity in other investment pools	6,316
Foreign equity security	83,461
Money market mutual funds	527,915
Equity securities	317,014
Equity mutual funds	4,014,056
Blended mutual funds	516,361
Guaranteed investment contracts	785,776
Bond trust funds	94,461
Equity trust funds	255,286
Other	428,850
Total fair value	<u>\$ 14,778,455</u>

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 member systems equity is approximately \$17.029 million greater than the deposits and investments of the ISBI, due to net investment assets of the ISBI.

Investments held by ISBI at June 30, 2011, consisted of the following:

Investment Type	Fair Value
U.S. Treasury obligations	\$ 479,423
U.S. Agency obligations	875,677
Corporate obligations	812,784
Common stock and equity funds	3,595,505
Foreign equity securities	1,979,895
Foreign preferred stock	40
Commingled funds	256,817
Hedge funds	1,075,585
Real estate	819,053
Private equity	629,256
Money market instruments	303,501
Infrastructure funds	417,268
Bank loans	253,447
Total Investments	\$ 11,498,251

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 \$110.970 million and \$109.785 million at June 30, 2011, respectively.

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 \$262.101 million and \$157.272 million at June 30, 2011, respectively. Of the total bank balance of these cash deposits at June 30, 2011, \$1.1 million was uninsured with collateral held by the pledging financial institution in the State’s name, and \$1.833 million was uninsured with collateral held by the pledging financial institution but not in the State’s name.

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, 2011, was \$12.345 million and \$12.354 million, respectively.

TRS’s foreign currency held by investment managers at June 30, 2011 totaled \$89.429 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, 2011, the carrying amount was \$383.761 million and the bank balance was \$389.751 million, of which \$11.765 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, 2011:

<u>Investment Type</u>	<u>Fair Value</u>
Uninsured and unregistered with securities held by agent's trust department, but not in State's name	
U.S. Agency obligations	19,606

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, 2011:

Table 3-5 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Aaa</u>	<u>Aa</u>	<u>P-1</u>	<u>Not Rated</u>	<u>Total</u>
Repurchase agreements	\$ -	\$ -	\$ 3,275,256	\$ -	\$ 3,275,256
U.S. Agency obligations	908,926	-	476,948	-	1,385,874
Commercial paper	-	-	3,076,003	-	3,076,003
Corporate debt securities	-	20,000	10,000	-	30,000
Money market mutual funds	466,109	-	-	-	466,109
Equity in Public Treasurers' Investment Pool	-	-	-	734,408 **	734,408
Equity in other investment pools	-	-	-	404	404
Securities lending collateral:					
Invested in repurchase agreements	-	-	3,355,900	100,474	3,456,374
Total subject to credit risk	<u>\$ 1,375,035</u>	<u>\$ 20,000</u>	<u>\$ 10,194,107</u>	<u>\$ 835,286</u>	<u>12,424,428</u>
U.S. Treasury obligations					<u>2,248,911</u>
Total fixed income securities					<u>\$ 14,673,339</u>

** 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, 2011:

Table 3-6 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Aaa</u>	<u>Aa</u>	<u>A</u>	<u>Baa</u>	<u>Ba</u>	<u>Not Rated*</u>	<u>Total</u>
Negotiable certificates of deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 549	\$ 549
U.S. Agency obligations	197,047	-	1,092	-	-	37,314	235,453
Municipal debt	38,807	62,578	10,875	-	-	9,994	122,254
Corporate debt securities	20,533	17,051	27,071	32,865	22,897	16,154	136,571
Mutual funds	19,610	18,089	36,887	33,695	-	1,378,179	1,486,460
Equity in Public Treasurers' Investment Pool	-	-	-	-	-	4,487,537	4,487,537
Equity in other investment pools	-	-	-	-	-	6,316	6,316
Money market mutual funds	-	-	-	-	-	527,915	527,915
Bond trust funds	-	-	-	-	-	94,461	94,461
Total subject to credit risk	<u>\$ 275,997</u>	<u>\$ 97,718</u>	<u>\$ 75,925</u>	<u>\$ 66,560</u>	<u>\$ 22,897</u>	<u>\$ 6,558,419</u>	<u>7,097,516</u>
U.S. Treasury obligations							<u>1,268,129</u>
Repurchase agreements backed by U.S. Treasury obligations							<u>10,417</u>
Total fixed income securities							<u>\$ 8,376,062</u>

* \$438.579, \$94.757, \$201.897, \$45.175, \$10.223, \$4.329 and \$1.808 million of mutual funds were rated AAA, AA, A, BBB, BB, B, and CCC respectively, by Standard and Poor's. All of the Equity in Public Treasurers' Investment Pool amounts were rated AAA by Standard and Poor's.
\$226.814, \$44.425, and 146.202 million of money market mutual funds were rated AAA, AA, and A, 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, 2011:

Table 3-7 (amounts expressed in thousands)

<u>Quality Rating</u>	<u>Corporate Debt Obligations</u>	<u>U.S. Agency Obligations</u>	<u>Total</u>
Aaa	\$ 17,786	\$ 875,677	\$ 893,463
Aa	90,432	-	90,432
A	202,874	-	202,874
Baa	99,756	-	99,756
Ba	92,030	-	92,030
B	260,504	-	260,504
Caa	11,142	-	11,142
Not rated	38,260	-	38,260
Total subject to credit risk	\$ 812,784	\$ 875,677	1,688,461
U.S. Treasury obligations			479,423
Total fixed income securities			\$2,167,884

The following table summarizes the Moody's credit quality ratings for debt securities held by TRS at June 30, 2011:

Table 3-8 (amounts expressed in thousands)

<u>Quality Rating</u>	<u>Corporate Debt Obligations</u>	<u>Foreign Debt Obligations</u>	<u>U.S. Agency Obligations</u>	<u>Municipal Obligations</u>	<u>Commingled Funds</u>	<u>Securities Lending</u>	<u>Total</u>
Aaa	\$ 435,513	\$ 606,974	\$ 1,529,859	\$ 4,858	\$ -	\$ 341,028	\$ 2,918,232
Aa	170,554	160,564	-	33,837	-	786,973	1,151,928
A	390,325	159,680	482	36,804	-	-	587,291
Baa	858,109	172,377	-	-	-	-	1,030,486
Ba	460,178	61,639	-	-	53,768	-	575,585
B	301,471	10,940	-	-	-	-	312,411
Caa	88,381	-	-	-	-	-	88,381
Ca	10,678	6,601	-	-	-	-	17,279
C	1,214	-	-	-	-	-	1,214
Not rated	133,214	183,035	23,124	-	885,166	-	1,224,539
Total subject to credit risk	\$ 2,849,637	\$ 1,361,810	\$ 1,553,465	\$ 75,499	\$ 938,934	\$ 1,128,001	7,907,346
U.S. Treasury obligations							308,088
Less cash equivalents							(2,070)
Total fixed income securities							\$ 8,213,364

The following table summarizes the Standard and Poor's credit quality ratings for debt securities held by SURS at June 30, 2011:

Table 3-9 (amounts expressed in thousands)

Quality Rating	Corporate Debt Securities	Foreign Debt Securities	U.S. Agency Obligations	Municipal Obligations	Total
AAA	\$ 169,216	\$ 92,459	\$ 677,929	\$ 2,017	\$ 941,621
AA	86,370	33,243	112,691	19,728	252,032
A	373,824	41,856	564	22,308	438,552
BBB	281,646	16,201	-	266	298,113
BB	126,216	1,052	-	2,060	129,328
B	58,799	-	-	-	58,799
CCC	38,880	-	-	-	38,880
CC	5,326	-	-	-	5,326
C	1,011	-	-	-	1,011
D	31,690	-	-	-	31,690
Not rated	228,334	23,118	-	446	251,898
Total subject to credit risk	\$ 1,401,312	\$ 207,929	\$ 791,184	\$ 46,825	2,447,250
U.S. Treasury obligations					84,006
U.S. Agency obligations explicitly guaranteed by U.S. government					958,682
Less cash equivalents					(121,731)
Total fixed income securities					\$ 3,368,207

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, 2011:

Table 3-10 (amounts expressed in thousands)

Investment Type	Fair Value	Less Than 1 Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
Repurchase agreements	\$ 3,275,256	\$ 3,275,256	\$ -	\$ -	\$ -
U.S. Treasury obligations	2,248,911	2,248,911	-	-	-
U.S. Agency obligations	1,385,874	476,948	908,926	-	-
Commercial paper	3,076,003	3,076,003	-	-	-
Corporate debt securities	30,000	10,000	20,000	-	-
Money market mutual funds	466,109	466,109	-	-	-
Equity in Public Treasurers' Investment Pool	734,408	734,408	-	-	-
Equity in other investment pools	404	-	-	253	151
Securities lending collateral:					
Invested in repurchase agreements	3,456,374	3,456,374	-	-	-
Total fixed income investments	\$ 14,673,339	\$ 13,744,009	\$ 928,926	\$ 253	\$ 151

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, 2011. 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 3-11 (amounts expressed in thousands)

Investment Type	Fair Value	Weighted Average Maturity (Years)
Repurchase agreements	\$ 10,417	0.003
Negotiable certificates of deposit	549	1.390
U.S. Treasury obligations	1,268,129	5.830
U.S. Agency obligations	235,453	7.439
Municipal debt	122,254	7.101
Corporate debt securities	136,571	8.893
Mutual funds	1,486,460	4.940
Equity in Public Treasurers' Investment Pool	4,487,537	0.117
Equity in other investment pools	6,316	0.041
Money market mutual funds	527,915	0.122
Bond trust funds	94,461	7.400
Total fixed income investments	\$8,376,062	

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, 2011 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 4.6 years. The following table summarizes the effective duration of the debt securities held by ISBI at June 30, 2011:

Table 3-12 (amounts expressed in thousands)

Investment Type	Fair Value	Effective Weighted Duration (Years)
Government and agency obligations:		
U.S. Treasury obligations	\$479,423	6.9
U.S. Agency obligations	875,677	3.6
	\$ 1,355,100	
Corporate obligations:		
Bank and finance	204,609	4.2
Collateralized mortgage obligations	13,492	2.1
Industrials	425,847	4.4
Other	168,836	3.9
	812,784	
Total	\$2,167,884	

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, 2011:

Table 3-13 (amounts expressed in thousands)

Investment Type	Fair Value	Less Than 1 Year	1 to 5 Years	6 to 10 Years	10 to 20 Years	More Than 20 Years	Other
U.S. Treasury obligations	\$ 308,088	\$ 24,161	\$ 152,265	\$ 87,800	\$ 33,287	\$ 10,575	\$ -
U.S. Agency obligations	1,553,465	229,460	272,007	210,499	367,490	455,888	18,121 *
Municipal obligations	75,499	-	729	3,230	18,270	53,270	-
Corporate debt securities	2,849,637	140,869	701,591	990,848	170,140	846,189	-
Foreign debt securities	1,361,810	173,986	407,451	386,565	280,195	113,613	-
Commingled funds	938,934	-	-	693,188	53,768	-	191,978 *
Securities lending collateral	1,128,001	826,622	301,379	-	-	-	-
Derivatives	9,610	2,059	9,279	(22)	(35)	(1,671)	-
Total subject to interest rate risk	8,225,044	\$ 1,397,157	\$ 1,844,701	\$ 2,372,108	\$ 923,115	\$ 1,477,864	\$ 210,099
Derivatives	(9,610)						
Less cash equivalents	(2,070)						
Total fixed income securities	\$ 8,213,364						

* Maturity date is not available or applicable.

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, 2011:

Table 3-14 (amounts expressed in thousands)

Investment Type	Fair Value	Less Than 1 Year	1 to 5 Years	6 to 10 Years	10 to 20 Years	More Than 20 Years
U.S. Treasury and agency obligations	\$ 1,833,872	\$ 123,060	\$ 435,258	\$ 367,531	\$ 345,421	\$ 562,602
Municipal obligations	46,825	-	1,916	2,852	6,320	35,737
Corporate debt securities	1,401,312	165,366	335,831	486,594	28,293	385,228
Foreign debt securities	207,929	101,550	60,507	17,687	16,799	11,386
Derivatives - Swaps	124,723	2,290,238	2,893,061	1,143,045	(6,374,082)	172,461
Total subject to interest rate risk	3,614,661	\$ 2,680,214	\$ 3,726,573	\$ 2,017,709	\$ (5,977,249)	\$ 1,167,414
Derivatives - Swaps	(124,723)					
Less cash equivalents	(121,731)					
Total fixed income securities	\$ 3,368,207					

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, a major enterprise 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 12% 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, 2011:

Table 3-15 (amounts expressed in thousands)

<u>Currency Denomination</u>	<u>Foreign Short-term Deposits</u>	<u>Foreign Equity Securities</u>
Australian Dollar	\$ -	\$ 3,629
British Pound Sterling	-	15,559
Canadian Dollar	5	4,174
Danish Krone	-	581
Euro	14	26,231
Hong Kong Dollar	84	5,094
Indian Rupees	18	-
Japanese Yen	34	12,181
Malaysian Ringgit	-	1,202
Mexican Peso	37	-
New Israeli Shekel	-	889
Norwegian Krone	-	1,959
Singapore Dollar	-	2,368
Swedish Krona	-	1,424
Swiss Franc	-	8,170
Total deposits and investments subject to foreign currency risk	<u>\$ 192</u>	<u>\$ 83,461</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. SURS'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, 2011:

Table 3-16 (amounts expressed in thousands)

<u>Currency Denomination</u>	<u>Foreign Equity Securities</u>	<u>Foreign Rights</u>
Australian Dollar	\$ 109,809	\$ -
Brazilian Real	62,982	-
British Pound Sterling	388,164	-
Canadian Dollar	144,336	-
Danish Krone	25,279	-
Euro	550,190	153
Hong Kong Dollar	83,691	9
Japanese Yen	249,633	-
Norwegian Krone	25,480	-
Singapore Dollar	51,977	-
South Korean Won	62,696	-
Swedish Krona	35,265	-
Swiss Franc	154,181	-
Other currencies	36,252	-
Total investments subject to foreign currency risk	<u>\$ 1,979,935</u>	<u>\$ 162</u>

In addition, certain investments held in infrastructure funds trade in a reported currency of Euro based dollars valued at \$50.878 million at June 30, 2011.

The following table summarizes the foreign currency risk by currency denomination for deposits and investments held by TRS as of June 30, 2011:

Table 3-17 (amounts expressed in thousands)

<u>Currency Denomination</u>	<u>Foreign Currency</u>	<u>Foreign Equity Securities</u>	<u>Foreign Debt Obligations</u>	<u>Foreign Derivative Obligations</u>	<u>Total</u>
Australian Dollar	\$ 2,207	\$ 265,883	\$ 91,902	\$ -	\$ 359,992
Brazilian Real	3,274	131,559	47,792	1,451	184,076
British Pound Sterling	8,514	1,123,213	216,408	-	1,348,135
Canadian Dollar	10,018	293,182	111,788	-	414,988
Euro	31,724	1,482,989	402,002	866	1,917,581
Hong Kong Dollar	2,400	375,347	-	-	377,747
Indonesian Rupiah	1,953	67,372	51,182	-	120,507
Japanese Yen	15,607	1,046,231	33,781	-	1,095,619
New Taiwan Dollar	492	170,584	-	-	171,076
Singapore Dollar	596	117,408	829	-	118,833
South Korean Won	1,772	240,137	101,314	-	343,223
Swedish Krona	47	79,066	34,975	-	114,088
Swiss Franc	1,999	395,285	-	-	397,284
Other currencies	8,826	549,616	269,837	1	828,280
Total deposits and investments subject to foreign currency risk	<u>\$ 89,429</u>	<u>\$ 6,337,872</u>	<u>\$ 1,361,810</u>	<u>\$ 2,318</u>	<u>\$ 7,791,429</u>

In addition, TRS has foreign currency investments in private equity with fair values totaling \$86.589 million (payable in Euros) and real estate with fair values totaling \$161.595 million (payable in Euros) and \$12.175 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, 2011:

Table 3-18 (amounts expressed in thousands)

Currency Denomination	Foreign Equity Securities	Foreign Debt Obligations	Foreign Currency and Pending Currency Transactions	Net Foreign Currency Forward Contracts	Other Foreign Derivative Obligations	Total
Australian Dollar	\$ 94,561	\$ 5,872	\$ (655)	\$ (68)	\$ -	\$ 99,710
British Pound Sterling	368,942	2,902	10,585	106	1,465	384,000
Canadian Dollar	57,141	20,054	19,543	(478)	906	97,166
Euro	462,191	168,509	(158,838)	(1,771)	(2,590)	467,501
Hong Kong Dollar	91,245	-	1,968	-	-	93,213
Japanese Yen	261,832	-	(506)	(659)	-	260,667
Singapore Dollar	42,824	-	12,344	(13)	-	55,155
Swiss Franc	133,022	-	-	(191)	-	132,831
Other currencies	139,825	10,592	62,067	(423)	19,779	231,840
Total investments subject to foreign currency risk	<u>\$1,651,583</u>	<u>\$ 207,929</u>	<u>\$ (53,492)</u>	<u>\$ (3,497)</u>	<u>\$ 19,560</u>	<u>\$ 1,822,083</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 3-19 (amounts expressed in thousands)

Investment Type	Rating Standard & Poor's/Moody's	Fair Value	Less Than 1 Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
U.S. Agency obligations	AAA/Aaa	\$ 391,079	\$ 327,721	\$ 3,676	\$ -	\$ 59,682
Money market fund - sweep account	AAA/Aaa	181,284	181,284	-	-	-
Total subject to credit risk		572,363	509,005	3,676	-	59,682
U.S. Government obligations		367,958	344,642	14,527	7,938	851
Repurchase agreements backed by U.S. Government obligations		27,254	18,902	-	300	8,052
Total subject to interest rate risk		967,575	872,549	18,203	8,238	68,585
Less cash equivalents		(200,186)				
Total investments		<u>\$ 767,389</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 (\$151.953 million), Federal National Mortgage Association (\$133.651 million), and Federal Home Loan Mortgage Corporation (\$46.864 million).

ILLINOIS TOLL HIGHWAY AUTHORITY (“THA”)

Investments

Table 3-20 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Rating Standard & Poor's</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>
Repurchase agreements	AAA	\$ 28,290	\$ 28,290
Money market mutual funds	AAA	378,146	378,146
Total subject to credit risk and interest rate risk		406,436	\$406,436
Less cash equivalents		(406,436)	
Total investments		\$ -	

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 3-21 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Rating Standard & 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	\$ 78,866	\$ 22,919	\$ 55,947
Illinois Public Treasurers' Investment Pool	AAA/Not rated	10,458	10,458	-
Money market mutual funds	Not rated	11,061	11,061	-
Total subject to credit risk		100,385	44,438	55,947
U.S. Treasuries		34,125	3,124	31,001
Total subject to interest rate risk		134,510	47,562	86,948
Less cash equivalents		(21,519)		
Total investments of the University		112,991		
Investments of component units		89,027		
Total investments		\$202,018		

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 (\$29.406 million), Federal National Mortgage Association (\$7.7 million), and Federal Home Loan Bank (\$40.466 million).

NORTHERN ILLINOIS UNIVERSITY (“NIU”)

Investments

University

Table 3-22 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Rating Standard & Poor's</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 to 5 Years</u>
U.S. Agency obligations	AAA	\$ 104,819	\$ 2,001	\$ 102,818
Money market mutual funds	AAA	33,128	33,128	-
Illinois Public Treasurers' Investment Pool	AAA	29,755	29,755	-
Total subject to credit risk		167,702	64,884	102,818
U.S. Treasuries		19,534	7,031	12,503
Total subject to interest rate risk		187,236	71,915	115,321
Investments of component units		68,404		
Total investments		<u>\$ 255,640</u>		

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.

SOUTHERN ILLINOIS UNIVERSITY (“SIU”)

Investments

University

Table 3-23 (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	\$ 70,185	\$ 8,446	\$ 50,163	\$ 11,576
Equity in Public Treasurers' Investment Pool	AAA	88,632	88,632	-	-
Total subject to credit risk		158,817	97,078	50,163	11,576
U.S. Treasuries		45,231	5,835	30,155	9,241
Total subject to interest rate risk		\$ 204,048	<u>\$ 102,913</u>	<u>\$ 80,318</u>	<u>\$ 20,817</u>
Common stock		44			
Less cash equivalents		(88,632)			
Total investments of the University		115,460			
Investments of component units		167,672			
Total investments		<u>\$ 283,132</u>			

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 \$115 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”)

Deposits

Custodial Credit Risk: The carrying amount and bank balance of the U of I’s deposits totaled \$93.206 million and \$117.532 million, respectively. Of the total bank balance of these deposits at June 30, 2011, \$4.9 million was not covered by federal depository insurance or by collateral held by an agent in the University’s name.

Investments

Interest Rate Risk: The U of I employs multiple investment managers, of which each has specific maturity assignments 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 Barclay’s Capital 1-3 year Government Credit Bond Index and the Barclay’s 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 U of I’s investments and maturities at June 30, 2011 are illustrated below:

University

Table 3-24 (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 and bills	\$ 148,734	\$ 46,052	\$ 77,489	\$ 20,641	\$ 4,552
U.S. Agency obligations	146,057	32,544	70,600	3,756	39,157
Commercial paper	14,094	14,094	-	-	-
Corporate bonds	159,802	10,848	107,807	20,648	20,499
Bond mutual funds	56,867	-	754	56,113	-
Money market mutual funds	754,858	754,858	-	-	-
Illinois Public Treasurers’ Investment Pool	4,711	4,711	-	-	-
Non government mortgage-backed securities	41,764	-	-	623	41,141
Government bonds - non U.S.	11,046	500	9,087	1,459	-
Repurchase agreements	488	488	-	-	-
Total subject to interest rate risk	1,338,421	\$ 864,095	\$ 265,737	\$ 103,240	\$ 105,349
U.S. equities	32,924				
Foreign equity securities	36,227				
U.S. equity mutual funds	123,424				
Limited partnerships	17,134				
Real estate	66,154				
Deposits with maturities greater than 90 days at time of purchase	5,800				
Less cash equivalents	(771,255)				
Total investments of the University	848,829				
Investments of component units	1,375,279				
Total investments	\$ 2,224,108				

At June 30, 2011, the U of I's operating funds pool portfolio had an effective duration of 1 year.

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, 2011, the U of I debt securities and quality ratings are as shown in the charts below:

University

Table 3-25 (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	\$ 146,057	\$ 146,057	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial paper	14,094	14,094	-	-	-	-	-
Corporate bonds	159,802	40,834	33,040	55,141	22,472	2,628	5,687
Bond mutual funds	56,867	2,872	53,241	754	-	-	-
Money market mutual funds	754,858	754,858	-	-	-	-	-
Illinois Public Treasurers' Investment Pool	4,711	4,711	-	-	-	-	-
Non government mortgage-backed securities	41,764	21,262	482	2,153	5,290	1,807	10,770
Government bonds - non U.S.	11,046	3,527	3,171	972	555	-	2,821
Repurchase agreements	488	-	-	-	-	-	488
Total subject to credit risk	1,189,687	<u>\$ 988,215</u>	<u>\$ 89,934</u>	<u>\$ 59,020</u>	<u>\$ 28,317</u>	<u>\$ 4,435</u>	<u>\$ 19,766</u>
U.S. Treasury bonds and bills	148,734						
Total fixed income securities	<u>\$ 1,338,421</u>						

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 cash equivalents and investments exposed to foreign currency risk as of June 30, 2011 are categorized by currency below:

University

Table 3-26 (amounts expressed in thousands)

Currency denomination	Total	Cash Equivalents	Equity Investments
British Pound Sterling	\$ 6,760	\$ -	\$ 6,760
Euro	15,303	12	15,291
Hong Kong Dollar	2,612	13	2,599
Japanese Yen	3,877	-	3,877
Swiss Franc	3,274	-	3,274
All other currency	4,590	164	4,426
Total subject to foreign currency risk	<u>\$ 36,416</u>	<u>\$ 189</u>	<u>\$ 36,227</u>

SECURITIES LENDING TRANSACTIONS

The investment policies of certain State agencies and component units, principally the State Treasurer, ISBI, TRS, SURS, and the U of I, 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 16 days. Cash collateral is generally invested in the lending agents' short-term investment pools, which at year-end had weighted average maturities of approximately 10 to 30 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, 2011.

<u>State Agency/Component Unit</u>	<u>Fair Value</u>	<u>Collateral Value</u>
State Treasurer	\$3,442,319	\$3,456,374
Illinois State Board of Investments	221,448	230,083
Teachers' Retirement System	3,132,543	3,217,193
State Universities Retirement System	1,481,354	1,515,998
University of Illinois	92,005	93,942

4 TAXES RECEIVABLE

Taxes receivable for the primary government at June 30, 2011 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	\$ 849,977	\$ 87,258	\$ 937,235	\$ -	\$ -
Less allowance	(393,440)	(35,505)	(428,945)	-	-
Net income tax	456,537	51,753	508,290	-	-
Sales tax	699,104	228,266	927,370	-	-
Less allowance	(251,738)	(78,262)	(330,000)	-	-
Net sales tax	447,366	150,004	597,370	-	-
Motor fuel tax	-	135,179	135,179	-	-
Less allowance	-	(23,762)	(23,762)	-	-
Net motor fuel tax	-	111,417	111,417	-	-
Public utility tax	11,742	7,605	19,347	-	-
Less allowance	(2,715)	(293)	(3,008)	-	-
Net public utility tax	9,027	7,312	16,339	-	-
Other tax	198,527	38,897	237,424	-	-
Less allowance	(19,824)	(2,055)	(21,879)	-	-
Net other tax	178,703	36,842	215,545	-	-
Unemployment compensation tax	-	-	-	764,857	-
Less allowance	-	-	-	(138,004)	-
Net unemployment compensation tax	-	-	-	626,853	-
Taxes assessed by other governments	-	-	-	-	126,907
Total taxes receivable, net	\$ 1,091,633	\$ 357,328	\$ 1,448,961	\$ 626,853	\$ 126,907

5 INTERFUND BALANCES AND ACTIVITY

Interfund due to and due from balances at June 30, 2011 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	Designated Account Purchase Program Fund	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	
General Fund	\$ -	\$ 139	\$ -	\$ 327,586	\$ -	\$ 92	\$ -	\$ 366	\$ 4,228	\$ 127	\$ 332,538
Road Fund	3,021	-	-	55,021	-	-	-	-	-	-	58,042
State Construction Account	-	-	-	34,165	-	-	-	-	-	-	34,165
Nonmajor Governmental Funds	1,057,851	2,352	175	1,379,910	1,532	-	-	4	289	6	2,442,119
Unemployment Compensation Trust Fund	60,899	-	-	72	-	-	-	-	-	-	60,971
Water Revolving Fund	-	-	-	889	-	-	-	-	-	-	889
Designated Account Purchase Program Fund	-	-	-	-	-	-	-	1	-	-	1
Nonmajor Enterprise Funds	153,159	-	-	14	-	-	4,551	5,128	-	2	162,854
Internal Service Funds	1,797,303	181,208	-	66,924	-	74	-	-	19,817	3,931	2,069,257
Fiduciary Funds	80,999	-	-	28,567	-	-	-	-	1,065	105	110,736
Total	\$ 3,153,232	\$ 183,699	\$ 175	\$ 1,893,148	\$ 1,532	\$ 166	\$ 4,551	\$ 5,499	\$ 25,399	\$ 4,171	\$ 5,271,572

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 balances include \$1.203 billion of deferred expense related to a payment of approximately \$1.305 billion from the Railsplitter Tobacco Settlement Authority, a blended component unit, to the Tobacco Settlement Recovery Fund, a nonmajor governmental fund. This expense will be amortized over the life of the related bonds, as summarized in Note 11. All other interfund balances are expected to be repaid within one year.

Interfund transfers activity at June 30, 2011 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	
General Fund	\$ -	\$ -	\$ 3,290,478	\$ -	\$ -	\$ 669,116	\$ 3,959,594
Road Fund	5,588	-	2,655	-	-	-	8,243
State Construction Account	-	-	1,558	-	-	-	1,558
Nonmajor Governmental Funds	4,298,061	398,102	1,007,972	13,294	88	7,347	5,724,864
Water Revolving Fund	-	-	30,859	-	-	-	30,859
Nonmajor Enterprise Funds	33,500	-	-	-	-	25,431	58,931
Total	\$ 4,337,149	\$ 398,102	\$ 4,333,522	\$ 13,294	\$ 88	\$ 701,894	\$ 9,784,049

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, 2011, consisted of the following:

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 224	\$ 6	\$ 8	\$ 238
Road Fund	-	59,905	-	-	-	-	-	-	59,905
Nonmajor Governmental Funds	327,869	-	18,319	243	-	-	294	595	347,320
Unemployment Compensation Trust Fund	-	-	-	-	19	-	204	56	279
Water Revolving Fund	-	-	418	-	-	-	-	-	418
Internal Service Funds	-	3,624	204	-	137	-	32,134	142	36,241
Fiduciary Funds	-	-	2	-	-	-	-	-	2
Total	\$ 327,869	\$ 63,529	* \$ 18,943	\$ 243	\$ 156	\$ 224	\$ 32,638	\$ 801	\$ 444,403

* The amounts due to the Toll Highway Authority at December 31, 2010, its fiscal year-end, were \$59,905.

The due to amounts for the State of Illinois to its component units, as of June 30, 2011, consisted of the following:

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	\$ 4	\$ 25,753	\$ 34,854	\$ 43,250	\$103,417	\$ 392,482	\$ 45,453	\$ 645,213
Road Fund	132,495	-	-	133	408	3,349	-	136,385
Nonmajor Governmental Funds	8	388	1,254	1,876	4,600	27,599	2,254	37,979
Water Revolving Fund	-	64,460	-	-	-	-	-	64,460
Prepaid Tuition Fund	-	-	83	-	-	12	20	115
Internal Service Funds	4	-	374	48	-	561	-	987
Fiduciary Funds	15	50	-	-	-	-	-	65
Total	\$132,526	* \$ 90,651	\$ 36,565	\$ 45,307	\$108,425	\$ 424,003	\$ 47,727	\$ 885,204

* The amounts due from the Toll Highway Authority at December 31, 2010, its fiscal year-end, were \$132,495.

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, 2011, consisted of the following:

Table 6-1 (amounts expressed in thousands)

	Primary Government						
	Governmental Activities			Business-type Activities			
	General Fund	Nonmajor Governmental Funds	Total	Water Revolving Fund	Designated Account Purchase Program	Total	Fiduciary Funds
					Fund		
Student loan program	\$ 17,656	\$ 1,636	\$ 19,292	\$ -	\$ 967,541	\$ 967,541	\$ 97
Local government infrastructure	-	-	-	2,167,051	-	2,167,051	-
Port district construction	14,968	-	14,968	-	-	-	-
Other	731	71,039	71,770	-	-	-	-
	<u>33,355</u>	<u>72,675</u>	<u>106,030</u>	<u>2,167,051</u>	<u>967,541</u>	<u>3,134,592</u>	<u>97</u>
Less: Allowance for uncollectible accounts	<u>28,483</u>	<u>1,898</u>	<u>30,381</u>	<u>-</u>	<u>27,691</u>	<u>27,691</u>	<u>36</u>
Total	<u>4,872</u>	<u>70,777</u>	<u>75,649</u>	<u>2,167,051</u>	<u>939,850</u>	<u>3,106,901</u>	<u>61</u>
Less: Amounts representing restricted assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>245,178</u>	<u>939,850</u>	<u>1,185,028</u>	<u>-</u>
Loans and notes receivable, net	<u>\$ 4,872</u>	<u>\$ 70,777</u>	<u>\$ 75,649</u>	<u>\$ 1,921,873</u>	<u>\$ -</u>	<u>\$ 1,921,873</u>	<u>\$ 61</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	\$ 1,833,198	\$ -	\$ -	\$ -	\$ -
Student loan program	-	10,367	9,089	20,644	63,969
Other	-	-	-	147	74
	<u>1,833,198</u>	<u>10,367</u>	<u>9,089</u>	<u>20,791</u>	<u>64,043</u>
Less: Allowance for uncollectible accounts	<u>52,842</u>	<u>994</u>	<u>71</u>	<u>2,744</u>	<u>2,503</u>
Loans and notes receivable, net	<u>\$ 1,780,356</u>	<u>\$ 9,373</u>	<u>\$ 9,018</u>	<u>\$ 18,047</u>	<u>\$ 61,540</u>

7 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Deletions	Transfers and Reclassifications	Ending Balance
Primary Government					
Governmental activities					
Capital assets not being depreciated:					
Land and land improvements	\$ 2,805,051	\$ 113,826	\$ 1,039	\$ 101	\$ 2,917,939
Intangible assets	104,840	14,505	-	-	119,345
Historical treasures and works of art	38,383	40	-	26	38,449
Construction in progress	51,307	60,481	842	(65,834)	45,112
Total capital assets not being depreciated	<u>2,999,581</u>	<u>188,852</u>	<u>1,881</u>	<u>(65,707)</u>	<u>3,120,845</u>
Capital assets being depreciated:					
Infrastructure	24,341,019	1,772,174	938,926	-	25,174,267
Site improvements	771,177	4,679	-	4,104	779,960
Buildings and building improvements	4,368,613	3,869	3,618	55,199	4,424,063
Equipment	1,117,657	41,539	36,644	(7,296)	1,115,256
Historical treasures and works of art	1,100	-	-	-	1,100
Intangible assets	29,615	23,899	956	-	52,558
Total capital assets being depreciated	<u>30,629,181</u>	<u>1,846,160</u>	<u>980,144</u>	<u>52,007</u>	<u>31,547,204</u>
Less accumulated depreciation for:					
Infrastructure	10,713,414	1,066,916	898,677	-	10,881,653
Site improvements	414,597	24,542	-	1,651	440,790
Buildings and building improvements	2,157,136	118,372	1,138	180	2,274,550
Equipment	885,612	67,130	38,390	(15,534)	898,818
Historical treasures and works of art	1,100	-	-	-	1,100
Intangible assets	10,226	3,566	956	-	12,836
Total accumulated depreciation	<u>14,182,085</u>	<u>1,280,526</u>	<u>939,161</u>	<u>(13,703)</u>	<u>14,509,747</u>
Total capital assets being depreciated, net	<u>16,447,096</u>	<u>565,634</u>	<u>40,983</u>	<u>65,710</u>	<u>17,037,457</u>
Governmental activities capital assets, net	<u>\$ 19,446,677</u>	<u>\$ 754,486</u>	<u>\$ 42,864</u>	<u>\$ 3</u>	<u>\$ 20,158,302</u>
Depreciation expense for governmental activities was charged to functions as follows:					
Health and social services					\$ 32,938
Education					3,889
General government					18,750
Employment and economic development					8,771
Transportation					1,092,747
Public protection and justice					72,687
Environmental and business regulation					25,252
Internal service funds					25,492
Total					<u>\$ 1,280,526</u>

Table 7-2 (amounts expressed in thousands)

	Beginning Balance	Additions	Deletions	Transfers and Reclassifications	Ending Balance
Primary Government					
Business-type activities					
Water Revolving Fund:					
Capital assets being depreciated:					
Equipment	\$ 420	\$ -	\$ 18	\$ 6	\$ 408
Total capital assets being depreciated	420	-	18	6	408
Less accumulated depreciation for:					
Equipment	252	65	17	9	309
Total accumulated depreciation	252	65	17	9	309
Total capital assets being depreciated, net	168	(65)	1	(3)	99
Water Revolving Fund capital assets, net	168	(65)	1	(3)	99
Designated Account Purchase Program:					
Capital assets being depreciated:					
Equipment	544	-	15	-	529
Total capital assets being depreciated	544	-	15	-	529
Less accumulated depreciation for:					
Equipment	519	14	15	-	518
Total accumulated depreciation	519	14	15	-	518
Total capital assets being depreciated, net	25	(14)	-	-	11
Designated Account Purchase Program capital assets, net	25	(14)	-	-	11
Nonmajor enterprise funds:					
Capital assets not being depreciated:					
Land and land improvements	190	-	-	-	190
Total capital assets not being depreciated	190	-	-	-	190
Capital assets being depreciated:					
Buildings and building improvements	1,707	7	-	-	1,714
Equipment	7,400	308	297	(96)	7,315
Intangible assets	-	569	-	-	569
Total capital assets being depreciated	9,107	884	297	(96)	9,598
Less accumulated depreciation for:					
Buildings and building improvements	492	81	-	-	573
Equipment	5,200	604	277	(96)	5,431
Intangible assets	-	-	-	-	-
Total accumulated depreciation	5,692	685	277	(96)	6,004
Total capital assets being depreciated, net	3,415	199	20	-	3,594
Nonmajor enterprise funds capital assets, net	3,605	199	20	-	3,784
Total Business-type activities					
Capital assets not being depreciated	190	-	-	-	190
Capital assets being depreciated, net	3,608	120	21	(3)	3,704
Business-type activities capital assets, net	\$ 3,798	\$ 120	\$ 21	\$ (3)	\$ 3,894
Depreciation expense for business-type activities was charged to functions as follows:					
Water revolving					\$ 65
Designated account purchase program					14
Lottery					148
Other					537
Total					\$ 764

Table 7-3 (amounts expressed in thousands)

	Beginning Balance	Additions	Deletions	Transfers and Reclassifications	Ending Balance
Fiduciary Funds					
Capital assets not being depreciated:					
Land and land improvements	\$ 1,724	\$ -	\$ -	\$ -	\$ 1,724
Total capital assets not being depreciated	1,724	-	-	-	1,724
Capital assets being depreciated:					
Site improvements	418	-	-	-	418
Buildings and building improvements	17,225	339	-	-	17,564
Equipment	20,792	661	957	-	20,496
Intangible assets	843	249	240	-	852
Total capital assets being depreciated	39,278	1,249	1,197	-	39,330
Less accumulated depreciation for:					
Site improvements	364	10	-	-	374
Buildings and building improvements	8,341	643	-	-	8,984
Equipment	18,972	813	926	-	18,859
Intangible assets	70	107	17	-	160
Total accumulated depreciation	27,747	1,573	943	-	28,377
Total capital assets being depreciated, net	11,531	(324)	254	-	10,953
Fiduciary funds capital assets, net	\$ 13,255	\$ (324)	\$ 254	\$ -	\$ 12,677

Table 7-4 (amounts expressed in thousands)

	Beginning Balance	Additions	Deletions	Transfers and Reclassifications	Ending Balance
Major Component Units					
Illinois Housing Development Authority:					
Capital assets being depreciated:					
Buildings and building improvements	\$ 41,051	\$ 174	\$ -	\$ -	\$ 41,225
Equipment	237	8	56	-	189
Intangible assets	1,494	46	3	-	1,537
Total capital assets being depreciated	42,782	228	59	-	42,951
Less accumulated depreciation for:					
Buildings and building improvements	13,411	800	-	-	14,211
Equipment	195	17	56	-	156
Intangible assets	1,424	26	3	-	1,447
Total accumulated depreciation	15,030	843	59	-	15,814
Total capital assets being depreciated, net	27,752	(615)	-	-	27,137
Capital assets, net	\$ 27,752	\$ (615)	\$ -	\$ -	\$ 27,137
Toll Highway Authority:					
Capital assets not being depreciated:					
Land and land improvements	\$ 304,332	\$ 8,927	\$ 1	\$ -	\$ 313,258
Construction in progress	232,930	144,083	-	(302,596)	74,417
Total capital assets not being depreciated	537,262	153,010	1	(302,596)	387,675
Capital assets being depreciated:					
Infrastructure	7,966,824	55,452	1,521,731	302,596	6,803,141
Buildings and building improvements	46,594	533	-	-	47,127
Equipment	201,693	6,028	5,909	-	201,812
Total capital assets being depreciated	8,215,111	62,013	1,527,640	302,596	7,052,080
Less accumulated depreciation for:					
Infrastructure	3,241,837	301,723	1,521,731	-	2,021,829
Buildings and building improvements	32,382	2,395	-	-	34,777
Equipment	114,389	10,815	5,556	-	119,648
Total accumulated depreciation	3,388,608	314,933	1,527,287	-	2,176,254
Total capital assets being depreciated, net	4,826,503	(252,920)	353	302,596	4,875,826
Capital assets, net	\$ 5,363,765	\$ (99,910)	\$ 354	\$ -	\$ 5,263,501

Table 7-4 (continued)					
(amounts expressed in thousands)					
	Beginning Balance	Additions	Deletions	Transfers and Reclassifications	Ending Balance
Major Component Units, continued					
Illinois State University:					
Capital assets not being depreciated:					
Land and land improvements	\$ 15,138	\$ -	\$ -	\$ -	\$ 15,138
Intangible assets	6,783	3,600	-	(271)	10,112
Construction in progress	80,379	25,382	-	(89,173)	16,588
Total capital assets not being depreciated	102,300	28,982	-	(89,444)	41,838
Capital assets being depreciated:					
Infrastructure	12,683	-	-	-	12,683
Site improvements	35,509	18	188	420	35,759
Buildings and building improvements	429,909	2,303	3,435	88,753	517,530
Equipment	147,795	10,719	1,690	271	157,095
Total capital assets being depreciated	625,896	13,040	5,313	89,444	723,067
Less accumulated depreciation for:					
Infrastructure	6,071	312	-	-	6,383
Site improvements	10,204	1,157	188	-	11,173
Buildings and building improvements	187,584	10,221	3,422	-	194,383
Equipment	115,723	8,510	1,578	-	122,655
Total accumulated depreciation	319,582	20,200	5,188	-	334,594
Total capital assets being depreciated, net	306,314	(7,160)	125	89,444	388,473
Capital assets, net	\$ 408,614	\$ 21,822	\$ 125	\$ -	\$ 430,311
Northern Illinois University:					
Capital assets not being depreciated:					
Land and land improvements	\$ 23,110	\$ -	\$ -	\$ -	\$ 23,110
Historic treasures and works of art	329	3	-	-	332
Construction in progress	24,937	26,075	36	(2,675)	48,301
Total capital assets not being depreciated	48,376	26,078	36	(2,675)	71,743
Capital assets being depreciated:					
Site improvements	65,658	-	-	848	66,506
Buildings and building improvements	471,930	-	662	1,827	473,095
Equipment	176,001	5,600	1,676	-	179,925
Intangible assets	3,820	450	-	-	4,270
Total capital assets being depreciated	717,409	6,050	2,338	2,675	723,796
Less accumulated depreciation for:					
Site improvements	34,799	2,414	-	-	37,213
Buildings and building improvements	240,451	11,328	629	-	251,150
Equipment	151,155	7,418	1,635	-	156,938
Intangible assets	1,528	764	-	-	2,292
Total accumulated depreciation	427,933	21,924	2,264	-	447,593
Total capital assets being depreciated, net	289,476	(15,874)	74	2,675	276,203
Capital assets, net	\$ 337,852	\$ 10,204	\$ 110	\$ -	\$ 347,946

Table 7-4 (continued)					
(amounts expressed in thousands)					
	Beginning Balance	Additions	Deletions	Transfers and Reclassifications	Ending Balance
Major Component Units, continued					
Southern Illinois University:					
Capital assets not being depreciated:					
Land and land improvements	\$ 21,860	\$ -	\$ -	\$ -	\$ 21,860
Historic treasures and works of art	10,274	569	-	-	10,843
Construction in progress	87,679	53,637	106	(85,689)	55,521
Total capital assets not being depreciated	119,813	54,206	106	(85,689)	88,224
Capital assets being depreciated:					
Infrastructure	8,608	-	-	-	8,608
Site improvements	59,988	632	1,075	2,539	62,084
Buildings and building improvements	918,638	1,248	3,039	83,150	999,997
Equipment	324,488	16,391	7,370	-	333,509
Intangible assets	6,906	435	-	-	7,341
Total capital assets being depreciated	1,318,628	18,706	11,484	85,689	1,411,539
Less accumulated depreciation for:					
Infrastructure	8,608	-	-	-	8,608
Site improvements	36,336	2,231	1,073	-	37,494
Buildings and building improvements	429,593	25,089	3,039	-	451,643
Equipment	268,346	16,568	6,755	-	278,159
Intangible assets	984	832	-	-	1,816
Total accumulated depreciation	743,867	44,720	10,867	-	777,720
Total capital assets being depreciated, net	574,761	(26,014)	617	85,689	633,819
Capital assets, net	\$ 694,574	\$ 28,192	\$ 723	\$ -	\$ 722,043
University of Illinois:					
Capital assets not being depreciated:					
Land and land improvements	\$ 134,341	\$ 656	\$ -	\$ -	\$ 134,997
Intangible assets	130	-	-	-	130
Historic treasures and works of art	19,803	631	-	-	20,434
Construction in progress	108,655	108,730	30,000	(65,262)	122,123
Total capital assets not being depreciated	262,929	110,017	30,000	(65,262)	277,684
Capital assets being depreciated:					
Site improvements	663,046	-	-	12,565	675,611
Buildings and building improvements	3,491,010	178	3,080	58,258	3,546,366
Equipment	1,504,488	101,243	57,006	(5,561)	1,543,164
Intangible assets	165,196	713	-	-	165,909
Total capital assets being depreciated	5,823,740	102,134	60,086	65,262	5,931,050
Less accumulated depreciation for:					
Site improvements	303,214	23,220	-	-	326,434
Buildings and building improvements	1,155,231	86,314	2,664	3,700	1,242,581
Equipment	1,175,307	85,054	51,745	(3,700)	1,204,916
Intangible assets	109,347	16,339	-	-	125,686
Total accumulated depreciation	2,743,099	210,927	54,409	-	2,899,617
Total capital assets being depreciated, net	3,080,641	(108,793)	5,677	65,262	3,031,433
Capital assets, net	\$ 3,343,570	\$ 1,224	\$ 35,677	\$ -	\$ 3,309,117

8 CHANGES IN LONG-TERM OBLIGATIONS

Changes in long-term obligations for governmental activities for the year ended June 30, 2011 are summarized below:

Table 8-1 (amounts expressed in thousands)

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Amounts Due Within One Year
Primary Government					
Governmental Activities					
Bonds payable:					
General obligation bonds (note 9)	\$ 24,862,604	\$ 4,931,165 *	\$ (1,777,328)	\$ 28,016,441	\$ 1,561,143 ^
Special obligation bonds (note 10)	2,499,242	4,017 **	(189,650)	2,313,609	189,209 ^^
Revenue bonds (note 11)	-	1,503,460	-	1,503,460	59,375
Deferred amount on refundings:					
General obligation bonds (note 9)	(92,375)	-	14,971	(77,404)	(12,949)
Special obligation bonds (note 10)	(17,882)	-	3,091	(14,791)	(2,903)
Unamortized premiums:					
General obligation bonds (note 9)	368,677	-	(49,414)	319,263	45,349
Special obligation bonds (note 10)	110,231	-	(14,452)	95,779	13,562
Revenue bonds (note 11)	-	6,607	(221)	6,386	-
Unamortized (discounts):					
General obligation bonds (note 9)	(1,965)	(90)	122	(1,933)	(125)
Total bonds payable	<u>27,728,532</u>	<u>6,445,159</u>	<u>(2,012,881)</u>	<u>32,160,810</u>	<u>1,852,661</u>
Other long-term obligations:					
Capital lease obligations (note 13A)	6,477	1,255	(1,100)	6,632	1,102
Installment purchases (note 13C)	14,158	87	(6,136)	8,109	4,667
Certificates of participation (note 13B)	75,095	-	(8,225)	66,870	6,925
Financing payable under swap agreement (note 14)	38,334	-	(1,643)	36,691	1,643
Workers compensation (note 19)	536,937	197,484	(143,126)	591,295	145,962
Auto liability (note 19)	14,479	1,567	(3,555)	12,491	5,357
Pollution remediation obligation (note 13D)	35,979	1,000	(679)	36,300	1,100
Compensated absences (note 1L)	461,700	378,432	(371,183)	468,949	44,712
Net pension obligation (note 16)	22,263,271	1,762,890	-	24,026,161	-
Net other postemployment benefits obligation (note 17)	3,878,792	1,837,565	-	5,716,357	-
Other obligations (note 13G)	5,315	-	(5,274)	41	41
Total other long-term obligations	<u>27,330,537</u>	<u>4,180,280</u>	<u>(540,921)</u>	<u>30,969,896</u>	<u>211,509</u>
Total Governmental Activities	<u>\$ 55,059,069</u>	<u>\$ 10,625,439</u>	<u>\$ (2,553,802)</u>	<u>\$ 63,130,706</u>	<u>\$ 2,064,170</u>

* Includes \$31,165 of interest accreted on capital appreciation debt.
** Includes \$4,017 of interest accreted on capital appreciation debt.
^ \$738 of interest will be accreted on capital appreciation debt in the next year.
^^ \$937 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, 2011 are summarized below:

Table 8-2 (amounts expressed in thousands)

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Amounts Due Within One Year
Primary Government Business-type Activities					
Water Revolving Fund:					
Other long-term obligations:					
Capital lease obligations (note 13A)	\$ 7	\$ -	\$ (3)	\$ 4	\$ 4
Compensated absences (note 1L)	1,544	710	(850)	1,404	149
Total Water Revolving Fund	1,551	710	(853)	1,408	153
Prepaid Tuition Fund:					
Tuition and related accretion payable (note 13F)	1,323,029	172,945	(103,645)	1,392,329	85,174
Compensated absences (note 1L)	104	85	(98)	91	25
Total Prepaid Tuition Fund	1,323,133	173,030	(103,743)	1,392,420	85,199
Designated Account Purchase Program:					
Bonds payable:					
Revenue bonds (note 11)	1,022,750	604,000	(982,105)	644,645	-
Deferred amount on refundings (note 11)	-	70,321	(3,314)	67,007	4,418
Unamortized (discounts) (note 11)	(3,049)	(7,231)	2,912	(7,368)	(280)
Total bonds payable	1,019,701	667,090	(982,507)	704,284	4,138
Other long-term obligations:					
Compensated absences (note 1L)	404	121	(302)	223	22
Total Designated Account Purchase Program	1,020,105	667,211	(982,809)	704,507	4,160
Nonmajor Enterprise Funds:					
Lottery prize awards (note 13E)	559	-	(34)	525	59
Compensated absences (note 1L)	6,708	3,388	(3,563)	6,533	619
Other obligations (note 13G)	9,401	2,344	(2,752)	8,993	695
Total Nonmajor Enterprise Funds	16,668	5,732	(6,349)	16,051	1,373
Total Business-type Activities	\$ 2,361,457	\$ 846,683	\$ (1,093,754)	\$ 2,114,386	\$ 90,885

Changes in long-term obligations for fiduciary funds for the year ended June 30, 2011 are summarized below:

Table 8-3 (amounts expressed in thousands)

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Amounts Due Within One Year
Fiduciary Funds					
Capital lease obligations (note 13A)	\$ 2	\$ 36	\$ (11)	\$ 27	\$ 12
Compensated absences (note 1L)	3,880	1,844	(1,837)	3,887	76
Total Fiduciary Funds	\$ 3,882	\$ 1,880	\$ (1,848)	\$ 3,914	\$ 88

Changes in long-term obligations for component units for the year ended June 30, 2011 are summarized below:

Table 8-4 (amounts expressed in thousands)

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Amounts Due Within One Year
Major Component Units					
Illinois Housing Development Authority:					
Bonds and notes payable:					
Revenue bonds (note 11)	\$ 1,684,786	\$ 108,531	\$ (243,049)	\$ 1,550,268	\$ 344,320
Notes payable (note 12)	7,900	-	-	7,900	7,900
Deferred amount on refundings (note 11)	(6,982)	-	1,335	(5,647)	(1,107)
Unamortized premiums (note 11)	1,372	-	(162)	1,210	146
Unamortized (discounts) (note 11)	(136)	-	4	(132)	(3)
Total bonds and notes payable	<u>1,686,940</u>	<u>108,531</u>	<u>(241,872)</u>	<u>1,553,599</u>	<u>351,256</u>
Other long-term obligations:					
Compensated absences (note 1L)	644	1,468	(1,566)	546	546
Other obligations (note 13G)	14,885	-	-	14,885	-
Total other long-term obligations	<u>15,529</u>	<u>1,468</u>	<u>(1,566)</u>	<u>15,431</u>	<u>546</u>
Total Illinois Housing Development Authority	<u>\$ 1,702,469</u>	<u>\$ 109,999</u>	<u>\$ (243,438)</u>	<u>\$ 1,569,030</u>	<u>\$ 351,802</u>
Illinois State Toll Highway Authority:					
Bonds payable:					
Revenue bonds (note 11)	\$ 4,075,740	\$ 279,300	\$ (288,365)	\$ 4,066,675	\$ 49,910
Deferred amount on refundings (note 11)	(49,588)	(12,907)	4,144	(58,351)	(4,143)
Unamortized premiums (note 11)	62,187	9,992	(5,254)	66,925	5,009
Unamortized (discounts) (note 11)	(8,700)	-	378	(8,322)	(378)
Total bonds payable	<u>4,079,639</u>	<u>276,385</u>	<u>(289,097)</u>	<u>4,066,927</u>	<u>50,398</u>
Other long-term obligations:					
Accrued self-insurance (note 19)	16,023	6,065	(7,022)	15,066	15,066
Compensated absences (note 1L)	7,546	5,656	(3,519)	9,683	4,551
Other obligations (note 13G)	-	249	-	249	249
Total other long-term obligations	<u>23,569</u>	<u>11,970</u>	<u>(10,541)</u>	<u>24,998</u>	<u>19,866</u>
Total Illinois State Toll Highway Authority	<u>\$ 4,103,208</u>	<u>\$ 288,355</u>	<u>\$ (299,638)</u>	<u>\$ 4,091,925</u>	<u>\$ 70,264</u>
Illinois State University:					
Bonds payable:					
Revenue bonds (note 11)	\$ 103,876	\$ 841	\$ (6,280)	\$ 98,437	\$ 6,129 [^]
Unamortized premiums (note 11)	228	-	(56)	172	56
Unamortized (discounts) (note 11)	(825)	-	49	(776)	(50)
Total bonds payable	<u>103,279</u>	<u>841</u>	<u>(6,287)</u>	<u>97,833</u>	<u>6,135</u>
Other long-term obligations:					
Certificates of participation (note 13B)	21,405	15,000	(855)	35,550	1,200
Unamortized premiums (note 13B)	-	61	-	61	3
Unamortized (discounts) (note 13B)	(83)	-	4	(79)	(5)
Installment purchase obligations (note 13C)	3,187	-	(65)	3,122	69
Compensated absences (note 1L)	17,231	1,498	(1,672)	17,057	1,736
Other obligations (note 13G)	358	-	(141)	217	23
Total other long-term obligations	<u>42,098</u>	<u>16,559</u>	<u>(2,729)</u>	<u>55,928</u>	<u>3,026</u>
Total Illinois State University	<u>\$ 145,377</u>	<u>\$ 17,400</u>	<u>\$ (9,016)</u>	<u>\$ 153,761</u>	<u>\$ 9,161</u>

[^] \$61 of interest will be accreted on capital appreciation debt in the next year.

Table 8-4 (continued)

(amounts expressed in thousands)

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Amounts Due Within One Year
Major Component Units, continued					
Northern Illinois University:					
Bonds payable:					
Revenue bonds (note 11)	\$ 95,795	\$ 194,265	\$ (80,440)	\$ 209,620	\$ 6,814 ^A
Deferred amount on refundings (note 11)	-	(1,195)	-	(1,195)	(66)
Total bonds payable	<u>95,795</u>	<u>193,070</u>	<u>(80,440)</u>	<u>208,425</u>	<u>6,748</u>
Other long-term obligations:					
Capital lease obligations (note 13A)	19,872	19,520	(18,930)	20,462	286
Certificates of participation (note 13B)	4,165	-	(410)	3,755	435
Compensated absences (note 1L)	22,331	1,625	(3,014)	20,942	3,014
Other obligations (note 13G)	26,467	11,065	(2,666)	34,866	2,629
Total other long-term obligations	<u>72,835</u>	<u>32,210</u>	<u>(25,020)</u>	<u>80,025</u>	<u>6,364</u>
Total Northern Illinois University	<u>\$ 168,630</u>	<u>\$ 225,280</u>	<u>\$ (105,460)</u>	<u>\$ 288,450</u>	<u>\$ 13,112</u>
Southern Illinois University:					
Bonds payable:					
Revenue bonds (note 11)	\$ 292,923	\$ 4,476	\$ (16,120)	\$ 281,279	\$ 16,231 ^{MM}
Deferred amount on refundings (note 11)	(1,536)	-	176	(1,360)	(176)
Unamortized premiums (note 11)	5,886	-	(317)	5,569	315
Total bonds payable	<u>297,273</u>	<u>4,476</u>	<u>(16,261)</u>	<u>285,488</u>	<u>16,370</u>
Other long-term obligations:					
Capital lease obligations (note 13A)	234	227	(251)	210	123
Certificates of participation (note 13B)	22,920	-	(2,875)	20,045	2,105
Unamortized (discounts) (note 13B)	(62)	-	4	(58)	(4)
Accrued self-insurance (note 19)	18,829	11,348	(11,747)	18,430	12,846
Compensated absences (note 1L)	51,031	3,226	(4,655)	49,602	3,735
Other obligations (note 13G)	4,469	343	(524)	4,288	542
Total other long-term obligations	<u>97,421</u>	<u>15,144</u>	<u>(20,048)</u>	<u>92,517</u>	<u>19,347</u>
Total Southern Illinois University	<u>\$ 394,694</u>	<u>\$ 19,620</u>	<u>\$ (36,309)</u>	<u>\$ 378,005</u>	<u>\$ 35,717</u>
University of Illinois:					
Bonds payable:					
Revenue bonds (note 11)	\$ 1,049,156	\$ 66,630	\$ (35,425)	\$ 1,080,361	\$ 37,546 ^{MMM}
Deferred amount on refundings (note 11)	(23,405)	-	1,626	(21,779)	(1,550)
Unamortized premiums (note 11)	32,994	2,659	(1,468)	34,185	1,475
Total bonds payable	<u>1,058,745</u>	<u>69,289</u>	<u>(35,267)</u>	<u>1,092,767</u>	<u>37,471</u>
Other long-term obligations:					
Capital lease obligations (note 13A)	11,441	1,128	(5,095)	7,474	2,509
Certificates of participation (note 13B)	536,050	-	(76,900)	459,150	19,355
Deferred amount on refundings (note 13B)	(7,929)	-	1,299	(6,630)	(650)
Unamortized premiums (note 13B)	13,194	-	(1,440)	11,754	1,440
Financing payable under swap (note 14)	3,453	-	(213)	3,240	212
Accrued self-insurance (note 19)	206,829	75,536	(37,871)	244,494	60,388
Compensated absences (note 1L)	216,421	16,145	(29,496)	203,070	22,872
Other obligations (note 13G)	57,268	26,571	(7,027)	76,812	11,323
Total other long-term obligations	<u>1,036,727</u>	<u>119,380</u>	<u>(156,743)</u>	<u>999,364</u>	<u>117,449</u>
Total University of Illinois	<u>\$ 2,095,472</u>	<u>\$ 188,669</u>	<u>\$ (192,010)</u>	<u>\$ 2,092,131</u>	<u>\$ 154,920</u>

^A \$116 of interest will be accreted on capital appreciation debt in the next year.^{MM} \$289 of interest will be accreted on capital appreciation debt in the next year.^{MMM} \$849 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, 2011 are as follows:

Table 9-1 (amounts expressed in thousands)

		Original Issue Amount	Final Maturity	Interest Rate Ranges	Anti-Pollution	Capital Development	Coal Development	Pension
Governmental Activities								
Multiple Purpose Series:								
November	1990	250,000	8/1/2011	Accreted*	-	15,612	-	-
September	1991	209,793	8/1/2012	Accreted*	366	24,091	665	-
October	1992	249,991	8/1/2013	Accreted*	899	43,670	713	-
October	1993	169,399	8/1/2015	Accreted*	4,709	18,540	278	-
October	1994	209,816	8/1/2016	Accreted*	6,776	54,163	1,969	-
July	1997	100,000	7/1/2022	4.95% to 5.25%	10,175	18,653	-	-
November	1997	168,330	8/1/2019	Accreted*	-	101,634	-	-
November	1998	122,334	8/1/2020	Accreted*	-	45,569	-	-
August	2000	300,000	8/1/2025	5.375%	-	750	-	-
October	2000	101,855	8/1/2022	Accreted*	-	25,232	-	-
December	2000	300,000	12/1/2025	5.375%	327	7,840	-	-
April	2001	112,810	4/1/2016	5.375%	-	-	-	-
May	2001	300,000	5/1/2026	5.25% to 5.5%	-	38,667	800	-
August	2001	375,000	8/1/2026	5.0% to 5.5%	4,239	46,626	2,119	-
November	2001	375,000	11/1/2026	5.0% to 6.0%	2,880	34,330	-	-
December	2001	318,775	10/1/2014	5.25% to 5.375%	-	-	-	-
February	2002	375,000	2/1/2027	5.1% to 5.25%	4,000	50,000	-	-
March	2002	375,000	4/1/2027	5.125% to 5.5%	-	59,400	-	-
April	2002	79,695	4/1/2013	5.5%	-	-	-	-
July	2002	395,000	7/1/2027	5.0% to 5.375%	4,076	48,038	1,746	-
August	2002	564,900	8/1/2019	5.25% to 5.5%	-	-	-	-
October	2002	395,000	10/1/2027	4.75% to 5.25%	-	60,759	-	-
October	2002	62,079	8/1/2024	Accreted*	2,788	8,406	1,115	-
December	2002	400,000	12/1/2027	5.0% to 5.375%	4,098	152,725	1,862	-
June	2003	460,000	6/1/2028	4.25% to 5.0%	9,669	99,909	-	-
June	2003	10,000,000	6/1/2033	3.75% to 5.1%	-	-	-	9,800,000
A-October	2003	363,000	10/1/2020	4.0% to 5.25%	3,960	20,725	-	-
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%	12,875	125,210	-	-
B-March	2004	344,775	3/1/2014	5.0%	-	-	-	-
September	2004	285,000	9/1/2029	4.5% to 5.0%	-	34,200	-	-
November	2004	275,000	11/1/2029	5.0%	3,800	89,395	-	-
April	2005	315,000	4/1/2030	5.0%	-	64,600	-	-
September	2005	300,000	9/1/2030	4.0% to 5.0%	-	95,200	-	-
January	2006	325,000	1/1/2031	5.0% to 5.5%	-	94,400	2,400	-
June	2006	274,950	1/1/2021	5.0%	-	-	-	-
A-June	2006	285,000	6/1/2031	5.0%	-	149,600	3,025	-
April	2007	150,000	4/1/2032	4.5% to 5.0%	-	79,800	-	-
A-June	2007	108,000	6/1/2025	4.5% to 5.5%	-	33,069	-	-
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%	-	88,000	-	-
April	2009	150,000	4/1/2034	3.0% to 5.25%	-	61,364	4,600	-
A-September	2009	400,000	9/1/2034	3.5% to 5.0%	2,400	26,400	19,200	-
January	2010	3,466,000	1/1/2015	2.766% to 4.421%	-	-	-	2,772,800
B.A.B.^	2010-1	1,000,000	2/1/2035	2.186% to 6.63%	-	357,792	-	-
February	2010	1,501,300	1/1/2025	3.0% to 5.0%	-	-	-	-
B.A.B.^	2010-2	300,000	3/1/2035	2.15% to 6.9%	-	-	-	-
March	2010	56,000	3/1/2035	2.15% to 6.9%	-	-	-	-
B.A.B.^	2010-3	700,000	4/1/2035	2.182% to 6.725%	-	-	-	-
February	2011	3,700,000	3/1/2019	4.026% to 5.877%	-	-	-	3,700,000
B.A.B.^	2010-4	300,000	7/1/2035	1.75% to 7.1%	9,500	-	-	-
B.A.B.^	2010-5	900,000	7/1/2035	2.28% to 7.35%	28,500	-	-	-
Total		\$ 33,807,202			\$ 135,027	\$ 2,379,334	\$ 40,492	\$ 16,272,800
Authorized but Unissued					\$ 162,054	\$ 1,936,774	\$ 586,894	\$ 396,348
<p>^ Bonds issued under the American Recovery and Reinvestment Act of 2009 commonly referred to as "Build America Bonds." (B.A.B.)</p> <p>* Accreted bonds are shown at their accreted values as of 6/30/11. Imputed interest rates on these capital appreciation bonds range from 3.75% to 7.2%.</p> <p>** See Note 14—Derivatives for details on the variable rate bonds.</p>								

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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 have been 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. Bonds were also issued for the exclusive purpose of funding Medicaid services subject to enhanced federal participation which expired on December 31, 2010. 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. Bond offerings generally provide a call option for 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 96-1554, effective March 18, 2011, increased the authorized bond limits for Anti-Pollution to \$659.3 million; Capital Development to \$8.900 billion; School Construction to \$4.216 billion; Transportation 'B' bonds to \$4.763 billion and Transportation 'D' bonds to \$2.249 billion; Public Act 96-1497, effective January 15, 2011, increased Pension Contribution bonds to \$17.562 billion.

Bond issues 2010-1, 2010-2, 2010-3, 2010-4 and 2010-5 were issued as "Build America Bonds" for purposes of the American Recovery and Reinvestment Act of 2009 signed into law on February 17, 2009 (the "ARRA"). The State has authorized the issuance of Build America Bonds pursuant to Public Act 96-828. Pursuant to the ARRA, the State expects to receive a cash subsidy payment from the United States Treasury on or about each interest payment date (the "Subsidy Payments"). The Subsidy Payments do not constitute the full faith and credit guarantee of the United States Government, but is required to be paid by the United States Treasury under the ARRA. Any cash subsidy payments received by the State will be deposited into the State Treasury. Such payments are not pledged to secure repayment of the Bonds. The holders of the Bonds are not entitled to a tax credit as a result of the ownership of the Bonds.

Changes in general obligation bonds during the year ended June 30, 2011, are summarized in Note 8. Future general obligation debt service requirements at June 30, 2011 are as follows:

Table 9-2 (amounts expressed in thousands)

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2012	\$ 1,561,881	\$ 1,381,963	\$ 2,943,844
2013	1,549,358	1,337,055	2,886,413
2014	1,628,037	1,281,780	2,909,817
2015	1,825,611	1,214,126	3,039,737
2016	1,421,733	1,133,216	2,554,949
2017-2021	6,776,540	4,492,111	11,268,651
2022-2026	4,679,640	3,084,886	7,764,526
2027-2031	5,685,595	1,732,321	7,417,916
2032-2036	2,977,715	292,974	3,270,689
	28,106,110	\$ 15,950,432	\$ 44,056,542
Less: Unaccreted appreciation	(89,669)		
	28,016,441		
Deferred amount on refundings	(77,404)		
Unamortized premiums	319,263		
Unamortized (discounts)	(1,933)		
Total	\$ 28,256,367		

The State has issued \$600 million in variable rate general obligation bonds. Information regarding the June 30, 2011 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 at June 30,

2011 of \$3.1 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	\$ 444,027	\$ 9,627,310
50% of hotel operators tax	98,110	196,340
\$5 million of vehicle use tax	5,000	35,122
Total	<u>\$ 547,137</u>	<u>\$ 9,858,772</u>
Principal and interest requirements	\$ 299,163	
Percentage to principal and interest requirements	<u>183%</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 at June 30, 2011 of \$132 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, 2011, are as follows:

Table 10-2 (amounts expressed in thousands)

	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*	35,004	1,656	4,098
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%	44,333	-	12,844
Series Q	416,890	6/15/2012	6.0%	-	-	-
Series 1998	37,590	12/15/2015	5.0%	-	-	-
Series 2000	50,280	12/15/2015	5.25% to 5.5%	-	-	-
Series of March 2001	125,165	6/15/2016	5.5%	-	-	-
Series of September 2001	110,450	6/15/2020	4.5% to 5.375%	-	-	-
Series of April 2002	150,000	6/15/2027	6.0%	44,334	7,000	16,333
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%	67,645	7,674	15,348
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%	38,424	7,685	11,527
Series of March 2004	200,000	6/15/2028	5.0%	86,212	13,613	72,600
Series of February 2005	75,000	6/15/2029	4.0% to 5.0%	20,391	22,500	12,656
Series of June 2005	125,000	6/15/2030	5.0% to 5.25%	82,840	-	12,160
Series of March 2006	65,000	6/15/2026	4.375% to 5.0%	27,000	3,000	13,500
Series of June 2006	150,000	6/15/2031	4.5% to 5.0%	84,000	-	36,000
Series of July 2007	50,000	6/15/2027	4.5% to 5.0%	23,600	-	8,400
Series of December 2009-A	154,920	6/15/2034	3.5% to 5.0%	99,590	-	47,438
Series of December 2009-B	375,000	6/15/2034	2.5% to 5.25%	246,295	-	105,415
Series of June 2010	455,080	6/15/2021	3.0% to 5.0%	-	-	-
Total	\$ 3,402,058			\$ 899,668	\$ 63,128	\$ 368,319
Authorized but Unissued				\$ 550,410	\$ 348,199	\$ 823,170
* Accreted bonds are shown at their accreted values as of 6/30/11. Imputed 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, 2011	Amount Related to Capital Assets
		Civic Centers	Libraries	Refunding		
\$ -	\$ -	\$ 21,445	\$ -	\$ -	\$ 21,445	\$ -
222	-	-	-	-	40,980	6,161
-	-	35,924	5,536	-	41,460	-
-	23,504	-	-	-	23,504	2,036
1,063	-	-	-	-	58,240	18,826
-	23,645	-	-	-	23,645	8,749
-	-	-	-	10,390	10,390	-
-	-	-	-	25,880	25,880	-
-	43,870	-	-	-	43,870	11,261
-	67,035	-	-	-	67,035	1,823
2,333	-	-	-	-	70,000	4,195
-	50,310	-	-	-	50,310	18,616
-	94,815	-	-	-	94,815	35,085
2,558	-	-	-	-	93,225	6,052
-	43,110	-	-	-	43,110	6,411
-	64,925	-	-	-	64,925	16,993
6,404	-	-	-	-	64,040	4,019
9,075	-	-	-	-	181,500	12,578
703	-	-	-	-	56,250	9,484
-	-	-	-	-	95,000	55,294
5,250	-	-	-	-	48,750	17,650
-	-	-	-	-	120,000	44,368
8,000	-	-	-	-	40,000	3,470
1,437	-	-	-	-	148,465	-
7,665	-	-	-	-	359,375	1,588
-	427,395	-	-	-	427,395	40,060
<u>\$ 44,710</u>	<u>\$ 838,609</u>	<u>\$ 57,369</u>	<u>\$ 5,536</u>	<u>\$ 36,270</u>	2,313,609	324,719
<u>\$ 68,063</u>	<u>Unlimited</u>	<u>\$ 149,475</u>	<u>\$ 4,464</u>	<u>Unlimited</u>		
					(14,791)	(1,253)
					95,779	11,684
				Total	<u>\$ 2,394,597</u>	<u>\$ 335,150</u>

Changes in special obligation bonds during the year ended June 30, 2011, are summarized in Note 8. Future special obligation debt service requirements at June 30, 2011, are as follows:

Table 10-3 (amounts expressed in thousands)

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2012	\$ 190,146	\$ 115,202	\$ 305,348
2013	192,265	106,569	298,834
2014	192,540	97,421	289,961
2015	192,060	87,522	279,582
2016	186,100	77,467	263,567
2017-2021	693,720	266,144	959,864
2022-2026	398,930	131,199	530,129
2027-2031	217,950	45,396	263,346
2032-2036	66,240	6,762	73,002
	<u>2,329,951</u>	<u>\$ 933,682</u>	<u>\$ 3,263,633</u>
Less: Unaccreted appreciation	(16,342)		
	<u>2,313,609</u>		
Deferred amount on refundings	(14,791)		
Unamortized premiums	95,779		
Total	<u>\$ 2,394,597</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, 2011 (except for the Illinois State Toll Highway Authority, which is as of December 31, 2010), 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
Primary Government			
Governmental Activities			
Blended Component Unit:			
Railsplitter Tobacco Settlement Authority	\$ 1,509,846	3.00% to 6.250%	2028
Business-type Activities			
Major Funds:			
Designated Account Purchase Program	704,284	0.980% to 17.000%	2045
Major Component Units			
Illinois Housing Development Authority	1,545,699	0.090% to 25.000%	2052
Illinois State Toll Highway Authority	4,066,927	3.500% to 6.300%	2034
Illinois State University	97,833	2.700% to 7.400%	2033
Northern Illinois University	208,425	3.000% to 8.150%	2041
Southern Illinois University	285,488	2.500% to 6.200%	2036
University of Illinois	1,092,767	0.090% to 12.000%	2038

Changes in revenue bonds during the year ended June 30, 2011 are summarized in Note 8. Revenue bond debt service requirements, principal and interest as of June 30, 2011, are as follows:

Table 11-2 (amounts expressed in thousands)

Year Ending June 30	Governmental Activities		Business-type Activities	
	Railsplitter Tobacco Settlement Authority		Designated Account Purchase Program	
	Principal	Interest	Principal	Interest
2012	\$ 59,375	\$ 79,599	\$ -	\$ 8,315
2013	63,550	77,480	-	8,315
2014	70,860	74,938	50,000	8,315
2015	76,820	71,869	-	6,740
2016	80,655	68,028	-	6,740
2017-2021	469,825	276,018	137,195	29,375
2022-2026	527,695	139,454	269,000	13,634
2027-2031	154,680	12,485	-	10,726
2032-2036	-	-	-	10,726
2037-2041	-	-	-	10,726
2042-2046	-	-	188,450	6,586
	<u>1,503,460</u>	<u>\$ 799,871</u>	<u>644,645</u>	<u>\$ 120,198</u>
Deferred amount on refundings	-	-	(7,368)	-
Unamortized premiums	6,386	-	-	-
Unamortized (discounts)	-	-	67,007	-
Total	<u>\$ 1,509,846</u>		<u>\$ 704,284</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
2012	\$ 344,320	\$ 55,402	\$ 49,910	\$ 198,450	\$ 6,190	\$ 3,758
2013	48,265	53,956	53,040	195,265	6,330	3,618
2014	46,705	52,200	56,365	191,966	6,625	3,347
2015	49,020	50,408	92,855	187,989	7,025	3,102
2016	51,580	48,242	97,795	182,917	7,075	3,054
2017-2021	217,260	205,866	604,500	835,145	18,300	13,601
2022-2026	203,275	165,615	896,555	657,675	20,845	9,443
2027-2031	214,345	112,231	1,075,360	444,410	24,685	4,525
2032-2036	233,770	64,114	1,140,295	179,462	4,105	310
2037-2041	99,820	19,210	-	-	-	-
2042-2046	32,085	5,622	-	-	-	-
2047-2051	9,250	781	-	-	-	-
2052-2056	580	9	-	-	-	-
	<u>1,550,275</u>	<u>\$ 833,656</u>	<u>4,066,675</u>	<u>\$ 3,073,279</u>	<u>101,180</u>	<u>\$ 44,758</u>
Less: Unaccreted appreciation	(7)	-	-	-	(2,743)	-
	<u>1,550,268</u>		<u>4,066,675</u>		<u>98,437</u>	
Deferred amount on refundings	(5,647)	-	(58,351)	-	-	-
Unamortized premiums	1,210	-	66,925	-	172	-
Unamortized (discounts)	(132)	-	(8,322)	-	(776)	-
Total	<u>\$ 1,545,699</u>		<u>\$ 4,066,927</u>		<u>\$ 97,833</u>	

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

Major Component Units, continued

Year Ending June 30	Northern		Southern		University of Illinois	
	Illinois University		Illinois University		University of Illinois	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 6,930	\$ 14,296	\$ 16,520	\$ 10,301	\$ 38,395	\$ 45,487
2013	6,295	13,403	17,105	9,905	41,770	44,323
2014	3,730	13,300	17,065	9,478	43,680	43,067
2015	3,890	13,300	17,370	9,057	45,420	41,808
2016	3,900	13,295	17,770	8,605	47,145	40,560
2017-2021	21,420	64,545	87,610	35,288	270,880	180,694
2022-2026	27,445	58,513	76,805	21,826	255,365	130,148
2027-2031	35,465	49,898	55,585	9,885	231,365	76,114
2032-2036	45,570	34,909	18,405	2,659	170,260	24,384
2037-2041	57,885	14,485	-	-	4,690	205
	212,530	\$ 289,944	324,235	\$ 117,004	1,148,970	\$ 626,790
Less: Unaccrued appreciation	(2,910)		(42,956)		(68,609)	
	209,620		281,279		1,080,361	
Deferred amount on refundings	(1,195)		(1,360)		(21,779)	
Unamortized premiums	-		5,569		34,185	
Total	\$ 208,425		\$ 285,488		\$ 1,092,767	

All but \$312 thousand of the \$1.546 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. *Railsplitter Tobacco Settlement Authority (“RTSA”)*

The RTSA was created on July 1, 2010 under the Railsplitter Tobacco Settlement Authority Act (30 ILCS 171). RTSA issued \$1.510 billion of Tobacco Settlement Revenue Bonds, Series 2010 (“the bonds”) on December 8, 2010. The bonds were issued as fixed interest rate, fixed scheduled amortization, serial and term bonds with maturities ranging from 2012 through 2028. The fixed interest rates range from 3.0% through 6.25%. Proceeds of the bonds were used to pay issuance costs and to provide an approximate \$1.350 billion payment to the State in exchange for rights to 100 percent of the State’s future Tobacco Settlement Revenues (TSRs) through the final maturity date of the bonds in 2028. The \$1.350 billion payment was used by the State to pay outstanding obligations of the General Revenue Fund. The bond proceeds have been deferred and will be recognized as an expense ratably over the life of the bonds. As of June 30, 2011, the deferred amount is \$1.203 billion.

The total TSRs sold, based on the projected payment schedule in the Master Settlement Agreement, adjusted for historical trends, is estimated to be \$4.125 billion. The RTSA has pledged the future TSRs, net of specified operating expenditures, to repay the bonds. Annual principal and interest on the bonds are expected to require on average, less than 60% of the net TSRs. The total principal and interest remaining to be paid on the bonds is approximately \$2.3 billion. Interest paid for the current year and total TSRs received were \$38 million and \$268 million, respectively.

As part of the consideration for the sale to the RTSA by the State of the pledged settlement payments, the RTSA issued a residual certificate to the State. In accordance with the provisions of the trust indenture, upon payment in full of the deposits required by the trust indenture, the remaining balance of pledged revenues shall be transferred to the State as owner of the residual certificate. Residuals are expected to be approximately \$1.784 billion. During the year ended June 30, 2011, \$190 million of residual revenues was paid to the State and \$58 million was recorded as a liability to the State at year-end.

B. Demand and Variable Rate Bonds

Primary Government

Designated Account Purchase Program (“IDAPP”)

Included within IDAPP’s \$704.3 million of outstanding revenue bonds at June 30, 2011 are \$587.5 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 last auction rate in June 2011 was used in calculating future interest payments for the Union Bank of Switzerland (UBS) debt (\$34.4 million). The interest rate as determined as of the LIBOR determination date of April 20, 2011 was used in calculating future interest payments for the LIBOR FRN debt (\$553.1 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 \$58.8 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, \$14.7 million of Homeowner Mortgage Revenue Bonds Series 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 not to exceed 15% and paid either monthly or semi-annually. Also, \$121.6 million of Multifamily Initiative Bonds Series 2009A and \$179 million of Homeowner Mortgage Revenue Bonds Series 2009B are variable rate, but not demand bonds. The interest rates on these bonds are based on the Four Week Treasury Bill and paid on the bonds conversion date to fixed bonds. 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 1 series of bonds and wrapped credit enhancements on 4 series of bonds (see Note 14—Derivatives).

Illinois State Toll Highway Authority (“THA”)

As of December 31, 2010, the THA had outstanding variable rate demand bonds in the amount of \$123.1 million of Series 1998B bonds, \$700.0 of Series 2007 A-1 and A-2 bonds, and \$478.9 million of Series 2008 A-1 and A-2 bonds. These bonds have final maturities in 2017, 2030 and 2031, respectively, and bear interest rates that are reset weekly by remarketing agents at rates not to exceed 25%, 15% and 12%, respectively. These bonds are subject to tender for purchase by bondholders at a price equal to the principal plus accrued interest, upon a minimum seven days’ notice from the bondholder to the remarketing agent. The THA has agreements with liquidity providers to purchase any bonds so tendered for purchase that fail to be remarketed and to hold such bonds until either remarketed or paid by THA per the terms of the liquidity agreements. For

the Series 1998B and Series 2008 A-1 and A-2 bonds, financial guarantee insurance policies obtained by THA guarantee the payment of principal and interest on the scheduled bond interest payment and maturity dates and on certain payment dates specified in the liquidity agreements. 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 \$17.8 million for the Series 1997B bonds and \$115.0 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.

C. Build America Bonds

The THA, Northern Illinois University (“NIU”) and Southern Illinois University (“SIU”) have issued Build America Bonds under the American Recovery and Reinvestment Act of 2009 (the “ARRA”). Pursuant to the ARRA, THA, NIU and SIU expect to receive cash subsidy payments from the United States Treasury on or about each interest payment date (the “Subsidy Payments”). These Subsidy Payments do not constitute the full faith and credit guarantee of the United States Government, but are required to be paid by the United States Treasury under the ARRA. Such payments are not pledged to secure payment of the Bonds. The holders of the Bonds are not entitled to a tax credit as a result of the ownership of the Bonds.

D. 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, 2011, 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)

Authority	Amount Outstanding	Annual Maturity To
Illinois Finance Authority	25,648,866	2050
Illinois Housing Development Authority	393,138	2048
Southwestern Illinois Development Authority	648,407	2049
Upper Illinois River Valley Development Authority	114,565	2042
Will-Kankakee Regional Development Authority	36,762	2042
Illinois Medical District Commission	25,925	2032
Quad Cities Regional Economic Development Authority	44,999	2041
Southeastern Illinois Economic Development Authority	9,362	2031
Western Illinois Economic Development Authority	19,645	2037
Total	<u>\$ 26,941,669</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, 2011 were as follows:

Table 12-1 (amounts expressed in thousands)

Fund Type/Agency	Amount Outstanding	Interest Rates	Annual Maturity To
Major Component Units			
Illinois Housing Development Authority	\$ 7,900	1.79% to 5.45%	2012

Changes in notes payable during the year ended June 30, 2011 are summarized in Note 8. Future notes payable debt service requirements as of June 30, 2011, are as follows:

Table 12-2 (amounts expressed in thousands)

Year Ending June 30	Illinois Housing Development Authority	
	Principal	Interest
	2012	\$ 7,900
	<u>\$ 7,900</u>	<u>\$ 268</u>

B. General Obligation Certificates Payable

The State is 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 July 28, 2010, the State issued \$1.3 billion of general obligation certificates, of which \$500 million matured on April 15, 2011, \$400 million matured on May 20, 2011, and \$400 million matured on June 14, 2011, with an interest rate of 3.0%. The certificates were issued to supplement revenues during fiscal year 2011. 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: \$1.3 billion into the General Revenue Account, a sub-account of the General Fund, and \$9.154 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, 2011 are as follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Primary Government				
Governmental Activities				
General obligation certificates payable	\$ -	\$ 1,300,000	\$ (1,300,000)	\$ -
Unamortized premiums	-	9,154	(9,154)	-
Total Governmental Activities	<u>\$ -</u>	<u>\$ 1,309,154</u>	<u>\$ (1,309,154)</u>	<u>\$ -</u>

C. *Short-Term Borrowings*

Primary Government – Business-type Activities

Pursuant to the provisions of Title XII of the federal code, the Department of Employment Security (IDES) received advances from the Federal Government to the State's account within the Unemployment Compensation Trust Fund (UCTF). The UCTF account, from which funds are drawn by IDES to pay unemployment benefits to claimants, was depleted in July 2009 due to extended high unemployment rates during the course of the recent national recession and tax revenues that have not yet matched the increased level of unemployment benefit claims. This led IDES to borrow from the Federal Government to fulfill its mandate to pay benefits required by law. The total outstanding advances from the Federal Government were \$2.14 billion at June 30, 2011.

Under current federal law, these loans were interest free through the end of calendar year 2010, with interest accruing beginning on January 1, 2011. The interest rate charged for a given calendar year is the earnings yield on the UCTF for the quarter ending December 31 of the previous calendar year, which for calendar year 2011 was approximately 4.09%. Interest is due and payable to the Federal Government each September 30 and may not be paid from the State's unemployment fund or from federal funds. On September 29, 2011, IDES paid interest of approximately \$71 million.

The Designated Account Purchase Program ("IDAPP") has a 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. On

July 27, 2010, the final maturity date under the credit line agreement, approximately \$355 million remained outstanding under the credit line agreement became payable and due. Due in part to conditions currently existing in the credit markets, IDAPP has been unable to refinance this debt and is currently in payment default under the credit line agreement. IDAPP has reached an agreement with the lender pursuant to which, subject to certain conditions, the lender will refrain from exercising their rights to require payment in the full amount due under the credit line agreement until July 27, 2011 or such later date as may be negotiated. Negotiations are under way with the lender to extend the date to July 27, 2012. In addition, IDAPP is in breach of the coverage condition ratio defined in the indenture. Since the coverage condition cannot be satisfied within two business days, this would qualify as an Event of Termination under which the lender would be eligible for remedies under the indenture. The agreement with the lender discussed above also extends to the breach of the coverage condition ratio. As of June 30, 2011, \$314.457 million outstanding under this line is shown as current for fiscal year 2011.

Under terms of the agreement, all revenues generated by the underlying student loan portfolio are transferred to a trust. The trust then pays all expenses related to the debt service and student loan servicing costs (capped at 65 basis points of the outstanding average balance of the portfolio). During fiscal year 2011, \$34.729 million of principal and \$9.646 million of interest was collected. The total amount transferred to the trust was \$44.391 million. During the same period, the trust paid \$2.366 million for interest expense and other professional fees and \$2.65 million for servicing fees.

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. The agreement was amended on November 12, 2009 and the line of credit was reduced to \$4.717 million. The credit and security agreement was paid in full on March 28, 2011.

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. In December 2009, the credit facility was modified to preclude any additional draws under the agreement and all payments would reduce the draw limit. The loan due date has been extended until December 31, 2011.

The credit agreement allows the NIU Research Foundation to elect from two loan type options: a) Adjusted Base Rate Loan or b) Eurodollar Loan. Each loan option accrues interest at rates specified in the agreement for each type. Throughout fiscal year 2011 and at June 30, 2011, the Eurodollar Loan option has been selected. Interest under the Eurodollar Loan option is payable monthly at a variable rate of the London Interbank Offered Rate (LIBOR) plus 3%. As of June 30, 2011, \$1 million outstanding under this agreement is shown as current for fiscal year 2011. Subsequent to year end, the remaining outstanding loan balance of \$1 million was paid in full.

The NIU Research Foundation has an outstanding irrevocable letter of credit, in the amount of \$804 thousand in favor of the City of West Chicago, to guarantee the installation and design of public improvements. The letter of credit expires on November 7, 2011. The City of West

Chicago has not drawn against the letter of credit; therefore, no liability has been recorded at June 30, 2011.

University of Illinois (“U of I”)

The U of I Foundation has a \$15 million line of credit to a bank, due on demand, with a negotiated interest rate in irregular intervals (1.02% at June 30, 2011). The line of credit is unsecured. The line of credit is to be used to purchase property that is to be held for the U of I. As of June 30, 2011, \$4.932 million outstanding under this line is shown as current for fiscal year 2011.

Changes in short-term borrowing during the year ended June 30, 2011 are as follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Primary Government				
Business-type Activities				
Major Funds:				
Unemployment Compensation Trust Fund	\$ 2,239,582	\$ 1,209,304	\$ (1,310,822)	\$ 2,138,064
Designated Account Purchase Program	360,174	-	(45,717)	314,457
Total Business-type Activities	\$ 2,599,756	\$ 1,209,304	\$ (1,356,539)	\$ 2,452,521
Major Component Units				
Northern Illinois University	\$ 7,250	\$ -	\$ (6,250)	\$ 1,000
University of Illinois	\$ 5,133	\$ -	\$ (201)	\$ 4,932

13 OTHER LONG-TERM OBLIGATIONS

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

Description	Reference	Business-type Activities				
		Governmental Activities	Water Revolving Fund	Prepaid Tuition Fund	Nonmajor Enterprise Funds	Fiduciary Funds
Capital lease obligations	(A)	\$ 6,632	\$ 4	\$ -	\$ -	\$ 27
Certificates of participation	(B)	66,870	-	-	-	-
Installment purchase obligations	(C)	8,109	-	-	-	-
Pollution remediation obligations	(D)	36,300	-	-	-	-
Obligations to Lottery Prize Winners	(E)	-	-	-	525	-
Prepaid Tuition Fund obligations	(F)	-	-	1,392,329	-	-
Other obligations	(G)	41	-	-	8,993	-
Total Other Long-Term Obligations		\$ 117,952	\$ 4	\$ 1,392,329	\$ 9,518	\$ 27

Table 13-2 (amounts expressed in thousands)

Major Component Units		Illinois Housing Development	Toll Highway Authority	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois
Description	Reference	Authority	Authority	University	University	University	Illinois
Capital lease obligations	(A)	\$ -	\$ -	\$ -	\$ 20,462	\$ 210	\$ 7,474
Certificates of participation	(B)	-	-	35,532	3,755	19,987	464,274
Installment purchase obligations	(C)	-	-	3,122	-	-	-
Other obligations	(G)	14,885	249	217	34,866	4,288	76,812
Total Other Long-Term Obligations		\$ 14,885	\$ 249	\$ 38,871	\$ 59,083	\$ 24,485	\$ 548,560

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, 2011, assets capitalized under capitalized leases are as follows:

Table 13-3 (amounts expressed in thousands)

Primary Government	Governmental Activities	Business- type Activities	Fiduciary Funds
Buildings and building improvements	\$ 10,406	\$ -	\$ -
Equipment	2,446	10	36
	12,852	10	36
Less: Accumulated depreciation	7,284	6	4
	\$ 5,568	\$ 4	\$ 32

Table 13-4 (amounts expressed in thousands)

Major Component Units	Northern Illinois University	Southern Illinois University	University of Illinois
Buildings and building improvements	\$ 20,367	\$ -	\$ -
Equipment	1,116	387	14,534
	21,483	387	14,534
Less: Accumulated depreciation	2,328	80	8,511
	\$ 19,155	\$ 307	\$ 6,023

Future minimum commitments for non-cancelable capital leases as of June 30, 2011 are as follows:

Primary Government						
Year Ending June 30	Capitalized Leases					
	Governmental Activities		Business-type Activities		Fiduciary Funds	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 1,102	\$ 681	\$ 4	\$ -	\$ 12	\$ 2
2013	1,053	551	-	-	12	1
2014	960	413	-	-	3	-
2015	925	287	-	-	-	-
2016	796	200	-	-	-	-
2017-2021	1,796	171	-	-	-	-
Total minimum lease payments	<u>\$ 6,632</u>	<u>\$ 2,303</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 27</u>	<u>\$ 3</u>

Major Component Units						
Year Ending June 30	Northern Illinois University		Southern Illinois University		University of Illinois	
	Principal	Interest	Principal	Interest	Principal	Interest
	2012	\$ 286	\$ 57	\$ 123	\$ 7	\$ 2,509
2013	296	47	87	3	2,172	191
2014	237	1,307	-	-	2,054	107
2015	284	1,295	-	-	495	28
2016	213	1,284	-	-	175	8
2017-2021	1,719	6,210	-	-	69	2
2022-2026	2,258	5,643	-	-	-	-
2027-2031	2,858	4,840	-	-	-	-
2032-2036	3,977	3,721	-	-	-	-
2037-2041	5,545	2,153	-	-	-	-
2042-2046	2,789	291	-	-	-	-
Total minimum lease payments	<u>\$ 20,462</u>	<u>\$ 26,848</u>	<u>\$ 210</u>	<u>\$ 10</u>	<u>\$ 7,474</u>	<u>\$ 620</u>

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, 2011 was \$18.3 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, 2011 was \$523.5 million, which includes unamortized premiums of \$11.8 million,

unamortized discounts of \$137 thousand and deferred amounts on refunding of \$6.6 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, 2011 was \$48.6 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, 2011 are as follows:

Table 13-7 (amounts expressed in thousands)

**Primary Government
Governmental Activities**

Year Ending June 30	Certificates of Participation					
	State-Issued		Non-State-Issued		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 2,170	\$ 1,038	\$ 4,755	\$ 2,587	\$ 6,925	\$ 3,625
2013	2,305	905	6,775	2,358	9,080	3,263
2014	2,440	764	7,160	1,965	9,600	2,729
2015	2,590	613	5,615	1,600	8,205	2,213
2016	2,750	451	5,940	1,261	8,690	1,712
2017-2021	6,055	375	18,315	1,725	24,370	2,100
	<u>\$ 18,310</u>	<u>\$ 4,146</u>	<u>\$ 48,560</u>	<u>\$ 11,496</u>	<u>\$ 66,870</u>	<u>\$ 15,642</u>

Table 13-8 (amounts expressed in thousands)

Major Component Units

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
2012	\$ 1,200	\$ 1,449	\$ 435	\$ 191	\$ 2,105	\$ 899	\$ 19,355	\$ 20,807
2013	1,515	1,499	465	167	2,190	813	25,695	19,813
2014	1,555	1,443	485	141	1,760	734	33,950	18,449
2015	1,620	1,386	515	114	1,195	661	35,590	16,833
2016	1,675	1,324	550	85	1,070	610	31,800	15,276
2017-2021	9,410	5,560	1,305	35	6,135	2,284	179,550	53,436
2022-2026	11,675	3,363	-	-	5,590	625	105,145	20,108
2027-2031	6,195	900	-	-	-	-	28,065	1,383
2032-2036	705	38	-	-	-	-	-	-
	<u>35,550</u>	<u>\$ 16,962</u>	<u>3,755</u>	<u>\$ 733</u>	<u>20,045</u>	<u>\$ 6,626</u>	<u>459,150</u>	<u>\$ 166,105</u>
Deferred amount on refundings	-	-	-	-	-	-	(6,630)	-
Unamortized premiums	61	-	-	-	-	-	11,754	-
Unamortized (discounts)	(79)	-	-	-	(58)	-	-	-
	<u>\$ 35,532</u>	<u>\$ 16,962</u>	<u>\$ 3,755</u>	<u>\$ 733</u>	<u>\$ 19,987</u>	<u>\$ 6,626</u>	<u>\$ 464,274</u>	<u>\$ 166,105</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, 2011 are as follows:

Table 13-9 (amounts expressed in thousands)

Primary Government			
Year Ending	Governmental Activities		
	June 30	Principal	Interest
2012	\$ 4,667	\$ 308	\$ 4,975
2013	2,286	166	2,452
2014	347	104	451
2015	366	67	433
2016	407	26	433
2017-2021	36	-	36
	<u>\$ 8,109</u>	<u>\$ 671</u>	<u>\$ 8,780</u>

Table 13-10 (amounts expressed in thousands)

Major Component Unit			
Year Ending	Illinois State University		
	June 30	Principal	Interest
2012	\$ 69	\$ 201	\$ 270
2013	74	196	270
2014	78	191	269
2015	84	186	270
2016	2,817	537	3,354
	<u>\$ 3,122</u>	<u>\$ 1,311</u>	<u>\$ 4,433</u>

D. Pollution Remediation Obligations

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 \$70 million. The State has estimated its portion of the liability for the clean-up to be \$35 million.

The Illinois Department of Transportation has recorded building demolition, pollution remediation obligations for investigations and remediation of contaminated soils and installation of groundwater monitoring wells with a balance, at June 30, 2011, of \$1.3 million.

E. 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 \$525 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 \$370.719 million at year-end, and the net assets are reported as reserved for external investment pool participants.

F. Prepaid Tuition Fund Obligations

Tuition payable in the Illinois Prepaid Tuition Fund, a major enterprise fund, as of June 30, 2011, represents net principal payments received for contracts held by the fund in the amount of \$906.651 million, of which \$78.277 million is considered current. In addition, an accretion payable recorded in the same fund in the amount of \$485.678 million of which \$6.897 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 2011 is 9.17% based on the actuarial reporting. The accretion expense is calculated on a monthly basis on the balance in the tuition payable account.

G. 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 \$40.6

thousand as of June 30, 2011. 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 relevant part, in a settlement requiring the ISBE to pay \$19.25 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 \$2.75 million per year through January 2006. In fiscal year 2005, a federal judge extended the ruling through the end of the 2009-2010 school year. Subsequently, a second motion to extend the ISBE’s settlement amount through August 1, 2011 was approved by the federal court.

Due to the District’s failure to disburse an adequate amount of the ISBE’s portion of the settlement for the intended purposes, the ISBE had paid only \$12.79 million of the settlement amount through June 30, 2011. ISBE’s monitoring obligations under the settlement terminated on August 1, 2011. The court is expected to issue a final ruling on ISBE’s settlement agreement by the end of fiscal year 2013. Due to the expiration of the settlement agreement and the District’s failure to disburse the funds for the intended purposes, the ISBE believes the settlement balance of \$6.46 million is no longer a liability to the ISBE or the State.

Primary Government - Business-type Activities

Other nonmajor enterprise funds presented other obligations in the amount of \$8.993 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 \$131.3 million. These obligations will be liquidated from resources of the reporting major component unit.

14 DERIVATIVES

Hedging Derivatives - 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 (the “Liquidity Provider”) 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. All are considered to be cash flow hedges. 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 were designed to be substantially similar. Further, the critical terms of the 2003B bonds and Agreements are consistent, essentially resulting in a net synthetic fixed rate obligation.

On November 24, 2008, the State entered into a novation agreement which terminated the \$384 million interest rate swap agreement with Lehman Brothers Commercial Bank (“LBCB”) and entered into a new interest rate swap agreement with Deutsche Bank AG with the same terms and conditions present in the original agreement. The value of the swap on that date or the price that Deutsche Bank AG paid to LBCB was \$39.977 million. The remaining balance of \$36.691 million is recorded as a liability on the Statement of Net Assets and will continue to be amortized over the remaining life of the interest rate swap agreement. The change in the remaining Financing Payable Under Swap Agreement balance as of June 30, 2011 is summarized in Note 8.

Details of the agreements are summarized below:

Associated Bond Issue (1)	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values (2)(3)	Change in Fair Value (4)	Swap Termination Date	Counterparty Credit Rating (5)
Primary Government								
Governmental Activities								
Interest Rate Swap Contracts								
Series 2003B	\$ 384,000	10/03	3.890%	67% of 1 mo. LIBOR [^]	\$ (65,078)		10/33	A+/Aa3/AA-
General Obligation Bonds	54,000	10/03	3.890%	when 1 mo. LIBOR	(8,599)		10/33	A-/Baa1/BBB
	54,000	10/03	3.890%	is \geq 2.5%, or	(8,940)		10/33	A/Baa1/A+
	54,000	10/03	3.890%	SIFMA [^] , when 1 mo.	(8,636)		10/33	AA-/Aa1/AA-
	54,000	10/03	3.890%	LIBOR is < 2.5%	(8,940)		10/33	A/Baa1/A+
	<u>\$ 600,000</u>				<u>\$ (100,193)</u>	<u>\$ 17,575</u>		

[^] Securities Industry and Financial Market Association
^{^^} London Interbank Offered Rate
(1) All bond issues are tax-exempt debt instruments.
(2) Includes accrued interest.
(3) The fair value is classified as a derivative instrument liability on the Statement of Net Assets.
(4) The change in fair value is classified as a deferred outflow of resources on the Statement of Net Assets.
(5) Credit rating companies: Standard and Poor's (S&P)/Moody's Investors Services/Fitch Rating Services

Mark-to-Market valuations shown above are received by the State from each of the counterparties. Each firm has its own proprietary method of deriving valuations and there are no guarantees that actual trades could be completed at such values. At the end of the fiscal year, the variable rate received by the State was the SIFMA rate (0.11% was in effect on June 30, 2011) as the LIBOR rate was below 2.5%.

During all of fiscal year 2011, the floating rate received was SIFMA. 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. Further, the frequency of rate resets of the 2003B bonds and the Agreements are identical.

The fair value balance of the derivatives and related changes during the fiscal year are shown on the Government-wide Statement of Net Assets under derivative instrument liabilities and deferred outflows, respectively.

Risks***Credit risk***

As of June 30, 2011, the State was not exposed to credit risk because the swap agreements had a negative fair value. If interest rates change and the fair value of the swaps become positive, the State would be exposed to credit risk. If the State wished to exit from the Agreements, the counterparties may not have the resources to pay that positive value to the State. If the credit ratings of the liquidity provider deteriorate, the amount of floating index 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. This will result in the projected savings of the synthetic rate structure not being realized. 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 and a greater than expected savings. During fiscal year 2011, the State experienced higher rates of interest on the 2003B bonds relative to the floating rates under the Agreements due to the credit ratings of the Liquidity Provider. Current credit ratings of the Liquidity Provider are BBB+/F2 by Fitch Ratings, Baa3/P-3 by Moody's and BBB/A-2 by Standard and Poor's.

Interest rate risk

During fiscal year 2011, declining interest rates adversely affected the fair value of the Agreements.

Basis risk

Since the floating index under the Agreement is based on LIBOR (when LIBOR is greater than 2.5%), 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.

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 negative. 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, 2011).

Rollover risk

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

As of June 30, 2011, 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:

Swap Payments and Associated Debt				
Variable Rate Debt				
Primary Government				
Year Ending	Governmental Activities			Total
	Principal	Interest	Interest Rate Swaps, Net	
June 30				
2012	\$ -	\$ 18,600	\$ 22,680	\$ 41,280
2013	-	18,600	22,680	41,280
2014	-	18,600	22,680	41,280
2015	-	18,600	22,680	41,280
2016	-	18,600	22,680	41,280
2017-2021	32,500	92,496	112,786	237,782
2022-2026	247,300	63,933	77,957	389,190
2027-2031	253,500	29,728	36,248	319,476
2032-2035	66,700	4,354	5,309	76,363
Total	\$ 600,000	\$ 283,511	\$ 345,700	\$ 1,229,211

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

Investment Derivatives - Pensions

Certain State agencies, principally the Illinois State Board of Investment (“ISBI”), the Teachers’ Retirement System (“TRS”), and the State Universities Retirement System (“SURS”), invest in derivative securities. These derivative securities have been authorized by the policies of the applicable State agencies and the Illinois Compiled Statutes. ISBI, TRS, and SURS invest in the following types of derivatives: foreign currency forward contracts, rights, warrants, financial futures, financial options, and swaps.

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 agreements 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. Investment managers use these contracts primarily to hedge the currency exposure of the agencies’ investments.

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. Investment managers use financial futures to improve yield, adjust the duration of the fixed income portfolio, circumvent changes in interest rates, or to replicate an index. Futures contracts are standardized and traded on organized exchanges, thereby minimizing the agencies’ credit risk. The net change in the futures contracts value is settled daily with the exchanges. Because of daily settlement, the futures contracts have no fair value. As the market value of the futures contract varies from the original contract price, a gain or loss is paid to or received from the clearinghouse.

Financial options are used by investment managers in an attempt to add value to the portfolio or protect a position in the portfolio. 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, the agencies 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. As a purchaser of financial options, the agencies 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. 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.

Swaps are agreements to exchange future cash flows. The agencies utilize the following types of swaps:

- a) Credit default swaps are financial instruments used to replicate the effect of investing in debt obligations of corporate bond issuers as a means to manage bond exposure, effectively buying or selling insurance protection in case of default. Credit default swaps may be specific to an individual security or to a specific market sector (index swaps).
- b) Interest rate swaps are agreements between parties to exchange a set of cash flow streams over a period of time. In the most common type of interest rate swap arrangement, one party agrees to pay fixed interest payments on designated dates to a counterparty who, in turn, agrees to make return interest payments that float with some reference rate.
- c) Inflation-linked swaps are agreements where a fixed payment is exchanged for a variable payment linked to an inflation index. These swaps can protect against unfavorable changes in inflation expectations and are used to transfer inflation risk from one counterparty to another. Inflation-linked swaps initially have no net value; the value of the swap's outstanding payments will change as interest and inflation rates change. The value may be either positive or negative.
- d) Total return swaps are agreements that involve a stream of payments based on a set rate, either fixed or variable, by one party while the other party makes payments based on the return of the underlying asset, which includes both the income it generates and any capital gains.

Swaptions are options on swaps that give the purchaser the right, but not the obligation, to enter into a swap at a specific date in the future.

Rights and warrants allow investment managers to replicate an underlying security they wish to hold (sell) in the portfolio. Rights and warrants provide the holder with the right, but not the obligation, to buy or sell a company's stock at a predetermined price. Rights usually expire after a few weeks and warrants can expire from one to several years.

At June 30, 2011, investment derivatives are reported as investments in the Statement of Fiduciary Net Assets. The change in fair value of derivative investments is included in investment income on the Statement of Changes in Fiduciary Net Assets. Following are summaries of investment derivatives held at each agency at June 30, 2011:

ISBI

Table 14-3 (amounts expressed in thousands)

Investment Derivatives	Fair Value at June 30, 2011	Change in Fair Value	Notional*
Currency Forwards	\$ -	\$ (15,460)	N/A
Futures	N/A	N/A	\$ 65
Rights	162	841	902
Warrants	66,421	16,898	5,272
Grand Totals	\$ 66,583	\$ 2,279	\$ 6,239

* Notional amounts represent financial exposure to these instruments in U.S. dollars.

TRS

Table 14-4 (amounts expressed in thousands)

Investment Derivatives	Fair Value at June 30, 2011	Change in Fair Value	Notional*
Rights	\$ 257	\$ 2,256	\$ 2,032
Warrants	7,459	3,054	676
Currency Forwards			
Purchases	2,080,108		
Sales	(2,083,595)		
	<u>(3,487)</u>	<u>(367)</u>	<u>-</u>
Futures**			
U.S. Stock Index Futures Long	-	84,095	43,985
Fixed Income Futures Long	-	8,985	2,811,529
Fixed Income Futures Short	-	(7,579)	(23,782)
Commodity Futures Long	-	2,382	7,581
Commodity Futures Short	-	18	-
	<u>-</u>	<u>87,901</u>	<u>2,839,313</u>
Options**			
U.S. Equity Put Index Options Purchased	1,721	(3,807)	1,573
U.S. Equity Put Index Options Written	-	1,456	-
Currency Forward Put Options Purchased	955	(595)	6,062
Currency Forward Put Options Written	-	665	400
Currency Forward Call Options Purchased	45	2	2,062
Inflation Put Options Written	(65)	214	22,600
Options on Futures Bought	-	(1,202)	-
Options on Futures Written	(119)	1,911	38,586
	<u>2,537</u>	<u>(1,356)</u>	<u>71,283</u>
Swaptions			
Swaptions Bought	4,038	96	18,758
Swaptions Written	(3,057)	4,935	81,386
	<u>981</u>	<u>5,031</u>	<u>100,144</u>
Credit Default Swaps			
Credit Default Swaps Buying Protection	11	843	58,749
Credit Default Swaps Selling Protection	7,619	1,670	561,506
	<u>7,630</u>	<u>2,513</u>	<u>620,255</u>
Interest Rate Swaps			
Pay Fixed Interest Rate Swaps	(2,739)	(12,158)	430,676
Receive Fixed Interest Rate Swaps	1,201	2,085	155,197
	<u>(1,538)</u>	<u>(10,073)</u>	<u>585,873</u>
Grand Totals	\$ 13,839	\$ 88,959	\$ 4,219,576

* Notional amounts represent financial exposure to these instruments in U.S. dollars.
** Notional values do not represent actual values in the Statement of Fiduciary Net Assets.

Interest rate risk for derivative securities is disclosed in Note 3. Both interest rate and inflation rate swaps have fair values that are sensitive to interest rate changes. TRS had the following interest rate and inflation swaps at June 30, 2011.

Table 14-5 (amounts expressed in thousands)

Interest Rate and Inflation Swaps

Asset Description	Par	Gross Notional*	TRS Receives	TRS Pays	Maturity Date	Fair Value June 30, 2011
Pay Fixed Interest Rate Swaps						
United States dollar	433,400	\$ 430,675	3 mo. LIBOR	0.75% to 4.60%	6/30/2013-7/1/2044	\$ (2,740)
Receive Fixed Interest Rate Swaps						
Mexican peso	1,100	\$ 95	6.50%	4 wk. Mexican TIE [^]	3/5/2013	\$ 1
Euro	7,700	11,179	3.50%	6 mo. EURIBOR ^{^^}	9/21/2021	9
United States dollar	49,300	49,082	1.25% to 4.48%	3 mo. LIBOR ^{^^^}	12/21/2014-12/21/2031	(259)
Brazilian real	145,900	94,841	10.84% to 14.77%	3 mo. Brazilian CDI ^{^^^}	1/2/2012-1/2/2014	1,450
		\$ 155,197				\$ 1,201

* Includes income/accrued payable amounts

[^] TIE - Mexico Interbank Equilibrium Interest Rate
^{^^} EURIBOR - Euro Interbank Offer Rate
^{^^^} LIBOR - London Interbank Offered Rate
^{^^^} CDI - Cetip Interbank Deposit (interbank lending rate)

SURS

Table 14-6 (amounts expressed in thousands)

Investment Derivatives	Fair Value at June 30, 2011	Changes in Fair Value	Notional*
Rights and Warrants	\$ 5,097	\$ 4,748	\$ 1,543
Currency Forwards			
Purchases	3,693		
Sales	(4,303)		
	(610)	(7,491)	-
Futures			
Equity Derivatives Long	2,920	3,715	346,632
Fixed Income Long	137	67	1,623,749
Fixed Income Short	20	(1)	(4,667)
	3,077	3,781	1,965,714
Options			
Equity Call	-	5	-
Equity Put	-	364	-
Fixed Income Call	(241)	1,402	(80,700)
Fixed Income Put	(2,018)	(1,961)	(278,100)
Cash and Cash Equivalents Call	(24)	(16)	(3,900)
Cash and Cash Equivalents Put	(6)	148	(2,034)
	(2,289)	(58)	(364,734)
Swaptions			
Call	(342)	4,127	(66,400)
Put	(158)	(635)	(509,752)
	(500)	3,492	(576,152)
Swaps			
Credit Default			
Buying Protection	4,542	(8,682)	241,820
Selling Protection	3,060	4,931	208,032
	7,602	(3,751)	449,852
Inflation-linked			
Total Return	1,714	66,937	142
Pay Fixed Interest Rate	(11,580)	7,839	139,200
Receive Fixed Interest Rate	2,388	(7,235)	143,486
	124	63,699	732,680
Grand Totals	\$ 4,899	\$ 68,171	\$ 1,759,051

* Notional amounts represent financial exposure to these instruments in U.S. dollars.

Interest rate risk for derivative securities is disclosed in Note 3. Both interest rate and inflation rate swaps have fair values that are sensitive to interest rate changes. SURS had the following interest rate and inflation swaps at June 30, 2011.

Table 14-7 (amounts expressed in thousands)
SURS Interest Rate Swaps Table

Pay Fixed / Receive Fixed	Notional Amount	SURS Rate	Counterparty Rate	Fair Value June 30, 2011
pay fixed	\$ 139,200	3.5% to 5.0%	3 mo. LIBOR ^	\$ (11,580)
receive fixed	\$ 5,200	3 mo. LIBOR ^	1.25%	\$ (39)
receive fixed	72,716	Daily CDI ^^	10.58% to 14.77%	1,373
receive fixed	36,369	3 mo. CDOR ^^	5.80%	906
receive fixed	26,677	6 mo. EURIB ^^^	3.50%	38
receive fixed	2,524	28 day TIIE ^^^^	7.33% to 7.34%	110
	<u>\$ 143,486</u>			<u>\$ 2,388</u>

^ London Interbank Offered Rate (LIBOR)
 ^^ Cetip Interbank Deposit (CDI)
 ^^ Canadian Dealer Offer Rate (CDOR)
 ^^^ Euro Interbank Offered Rate (EURIB)
 ^^^^ Tasa de Interes Interbancaria de Equilibrio (TIIE)

Credit 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. Derivatives which are exchange traded are not subject to credit risks. None of the agencies has a policy regarding master netting arrangements.

ISBI: ISBI's derivative investments in forward currency contracts are held with counterparties. The credit ratings and net exposure as of June 30, 2011 for each of the counterparties are as follows:

Table 14-8 (expressed in thousands)

Moody's Rating	Fair Value	Net Exposure	Percentage of Net Exposure
A3	\$ 2,736	\$ 2,736	100%
	<u>\$ 2,736</u>	<u>\$ 2,736</u>	<u>100%</u>

TRS: Non-exchange traded derivative instruments may expose TRS to credit/counterparty risk. To minimize TRS's exposure to potential loss related to credit risk, TRS's policy requires all counterparties utilized by its external investment managers to have a minimum credit rating of A3/A- (Moody's/S&P) and above average market capitalizations. Because the counterparty risk of a security will fluctuate with market movements, all TRS managers using non-exchange traded derivatives operate a collateral call process ensuring full collateralization of its derivatives.

The aggregate fair value of non-exchange traded derivative instruments in asset positions at June 30, 2011 was \$44,361, as shown in the table below. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted.

Table 14-9 (amounts expressed in thousands)

Moody's Quality Rating	
Aa1	\$ 3,812
Aa2	1,083
Aa3	24,441
A1	11,958
A2	3,067
Total subject to credit risk	\$ 44,361

Although the derivative instruments held within the TRS investment portfolio are executed with various counterparties, approximately 85 percent of the net market value exposure to credit risk is for non-exchange traded derivative contracts held with six counterparties.

SURS: The maximum loss that would be recognized at June 30, 2011, if all counterparties fail to perform as contracted is \$25.5 million. This maximum exposure is reduced by \$13.4 million in collateral held and approximately \$25.3 million of liabilities, resulting in no net exposure to credit risk. At June 30, 2011, the counterparties' credit ratings for currency forwards, swaptions and swaps subject to credit risk are as follows:

Table 14-10 (amounts expressed in thousands)

Quality Rating	Forwards	Swaptions	Swaps	Total
AA	\$ (491)	\$ (1)	\$ 388	\$ (104)
AA-	(259)	411	(260)	(108)
A+	(183)	(62)	732	487
A	322	(846)	(736)	(1,260)
Total Subject to Credit Risk	\$ (611)	\$ (498)	\$ 124	\$ (985)

Hedging Derivatives - Major Component Units

Several component units of the State have entered into various hedging derivative instrument agreements. The agreements are reported in accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. The fair value balance of the derivatives, including any change during the fiscal year, is shown on the Statement of Net Assets for Component Units and the Government-wide Statement of Net Assets under deferred outflow of resources and derivative instrument-swap liabilities. Component units with hedging derivative instrument agreements include the Illinois Housing Development Authority (“IHDA”), the Illinois State Toll Highway Authority (“THA”) and the University of Illinois (“U of I”).

IHDA: The IHDA has one active swap contract, four interest rate caps and one forward (pending) interest rate cap. All are considered cash flow hedges. The objective of the one pay-fixed, receive variable, interest rate swap agreement is to achieve a synthetic fixed interest rate on the underlying bonds at a cost anticipated to be less than the amounts paid had the IHDA issued fixed-rate debt. The fair value of the interest rate swap was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap,

assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps.

The objective of the four interest rate cap agreements is to establish a maximum debt service which may be paid over the life of the underlying bonds. The notional amount of the swap and rate caps match the principal amount of the associated debt. The Authority's swap and cap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or an anticipated reduction in the associated bonds payable category. The fair value of the interest rate swap and rate caps were estimated using data provided by the counterparties.

THA: The THA has entered into ten separate variable-to-fixed rate swap agreements (swaps) in connection with its three variable rate bond issues. One of the swaps associated with the Series 2008 A-2 Bonds was terminated on June 10, 2010 in connection with the Tollway's refunding of a portion of its 2008 Series A-2 Bonds on July 1, 2010. As a result, nine of the ten swaps were outstanding as of December 31, 2010, the THA's year-end. The objective of the agreements is 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 swaps' fair market values were estimated by the respective counterparties and were confirmed by the THA.

U of I: The U of I has entered into three separate pay-fixed, receive variable interest rate swap agreements in connection with certain bond issues and into one pay-fixed, receive variable interest rate swap in connection with its Certificates of Participation. All are considered cash flow hedges.

The objective of these swaps was to effectively change the U of I's variable interest rate on the debt to a synthetic fixed rate. The notional amount of the interest rate swaps on the bonds is equal to the par amount of the related bonds, except for Health Services Facilities System Revenue Bonds Series 2008, of which \$340 thousand is not covered by the swap agreement. The notional amount of the interest rate swap for the Certificates of Participation is equal to the par amount of the related Certificates of Participation. All of the swap agreements were entered at the same time as the related debt was issued and terminate with maturity. No cash was paid or received when the original swap agreements were entered into. The U of I engaged a third-party consultant to calculate the market value of each swap transaction.

In 2008, the U of I entered into a novation agreement which terminated the HSFS Series 2008 interest rate swap agreement with Lehman Brothers Commercial Bank ("LBCB") and entered into a new interest rate swap agreement with Loop Financial Products I LLC ("Loop") with the same terms and conditions present in the original agreement. The U of I recorded \$3.665 million as a liability representing the mark-to-market value of the swap at the date the transaction was negotiated between LBCB and Loop. The remaining Financing Payable Under Swap Agreement as of June 30, 2011 is \$3.240 million as summarized in Note 8.

The following table displays the terms of the various hedging derivative instruments of the major component units outstanding at June 30, 2011 (except for the THA, for which the fiscal year end is December 31, 2010), along with the credit rating of the associated counterparty.

Table 14-11 (amounts expressed in thousands)

Associated Bond Issue (1)	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values (2)(3)	Change in Fair Value (4)	Swap Termination Date	Counterparty Credit Rating (5)
Major Component Units								
IHDA								
Interest Rate Swap Contracts								
HMRB*								
Series 2001F	\$ 10,000	1/02	6.615%	1 mo. LIBOR**+40bp**	\$ (2,584)	\$ 246	8/20	A/A2/-
Interest Rate Cap								
HB**								
Series 2004B	5,450	3/04	5.000%	N/A	-		4/12	AA-/Aa1/-
Series 2008A	13,450	1/08	5.750%	N/A	-		12/12	AA-/Aa1/-
Series 2008B	33,285	07/11	5.500%	N/A	261		6/16	A+/A2/-
Series 2008C	5,350	6/06	4.750%	N/A	167		6/21	A+/Aa3/-
	<u>57,535</u>				<u>428</u>	<u>472</u>		
	<u>\$ 67,535</u>				<u>\$ (2,156)</u>	<u>\$ 718</u>		
THA-								
Interest Rate Exchange Agreements								
Series 1998B	\$ 67,705	12/98	4.325%	Cost of Funds	\$ (9,796)		1/17	AAA/Aa1/-
Series 1998B	55,395	12/98	4.325%	Cost of Funds	(8,015)		1/17	AA-/Aa1/-
Series 2007 A-1	175,000	11/07	3.972%	SIFMA^ 7 day Municipal Index	(17,597)		7/30	A+/A1/-
Series 2007 A-1	175,000	11/07	3.972%	SIFMA^ 7 day Municipal Index	(17,597)		7/30	A/Aa3/-
Series 2007 A-2	262,500	11/07	3.9925%	SIFMA^ 7 day Municipal Index	(27,114)		7/30	A+/Aa3/-
Series 2007 A-2	87,500	11/07	3.9925%	SIFMA^ 7 day Municipal Index	(9,038)		7/30	AA/Aa2/-
Series 2008 A-1	191,550	2/08	3.774%	SIFMA^ 7 day Municipal Index	(12,188)		1/31	AA/Aaa/-
Series 2008 A-1	191,550	2/08	3.774%	SIFMA^ 7 day Municipal Index	(12,162)		1/31	A+/Aa3/-
Series 2008 A-2	95,775	2/08	3.764%	SIFMA^ 7 day Municipal Index	(5,958)		1/31	A/A2/-
	<u>\$ 1,301,975</u>				<u>\$ (119,465)</u>	<u>\$ 6,696</u>		
U of I								
Interest Rate Swap Contracts								
Revenue Bonds								
Series 2008 (South Campus)	\$ 27,258	2/06***	4.086%	68% of 1 mo. LIBOR**	\$ (3,941)		1/22	A/A2/-
Series 2008 (South Campus)	26,743	2/06***	4.092%	68% of 1 mo. LIBOR**	(3,868)		1/22	AA-/Aa1/-
Series 2008 (Health Services Facility System)	40,875	11/08***	3.534%	68% of 1 mo. LIBOR**	(1,048)		10/26	A+/Aa3/-
Certificates of Participation								
Series 2004	132,120	3/04	3.765%	SIFMA^ Municipal Swap Index	(14,062)		8/21	A/A2/-
	<u>\$ 226,996</u>				<u>\$ (22,919)</u>	<u>\$ (2,460)</u>		
~ As of 12/31/2010 (THA's fiscal year-end).								
* Homeowner Mortgage Revenue Bonds				^ Securities Industry and Financial Market Association				
** Housing Bonds				^^ London Interbank Offered Rate				
*** Swap agreement was transferred from original issue to the refunded bond issue.				^^^ Basis points				
(1) All bond issues are taxable debt instruments.								
(2) Includes accrued interest.								
(3) The fair value is classified as a derivative instrument liability on the Statement of Net Assets except THA's.								
(4) The change in fair value is classified as a deferred outflow of resources on the Statement of Net Assets except for THA's.								
(5) Credit rating companies: Standard and Poor's (S&P)/Moody's Investors Services/Fitch Rating Services								

Risks

Credit risk

IHDA: As interest rates change and the fair value becomes positive, IHDA is exposed to credit risk in the amount of the swap's or caps' fair value. As of June 30, 2011, IHDA was not exposed to credit risk for the swap that had negative fair value. IHDA is exposed to credit risk on the caps with positive fair value. The aggregate fair value of hedging derivative instruments with positive fair value at June 30, 2011 was \$428 thousand. This represents the maximum loss that would be recognized at June 30, 2011 if all counterparties failed to perform as contracted. Fair value is a factor only upon termination. IHDA does not have a policy regarding master netting arrangements.

THA: At December 31, 2010 (THA's fiscal year-end), THA was not exposed to credit risk because of the negative fair values of the swaps. If changes in interest rates were to create positive market values for the swaps in the future, the THA would be exposed to credit risk in the amount of those positive market values. The swaps require full collateralization of any positive market value of the swaps in the event a counterparty's credit rating falls below a Standard & Poor's rating of A- or a Moody's Investor Services' rating of A3. The swaps require such collateral to be held by a third party custodian in the form of cash, debt obligations issued by the U.S. Treasury or debt issued by federally sponsored agencies. The nine swaps outstanding at December 31, 2010 are with nine different counterparties from seven different financial firms. The counterparty with the largest notional amount holds 20% of the total notional amount of the outstanding swaps. The financial firm with the largest notional amount holds 28% of the total notional amount of the outstanding swaps. THA does not have a policy regarding master netting arrangements.

U of I: As of June 30, 2011 the U of I was not exposed to credit risk because its swaps had a negative fair value. If interest rates change and the fair value of the swaps become positive, the U of I would be exposed to credit risk in the amount of the derivatives' fair values. Since they are negative numbers, they represent an approximation of the amount of money the U of I may have to pay a swap provider to terminate the swap. The counterparty may have to post collateral in the U of I's favor in certain conditions, and the U of I would never be required to post collateral in the counterparty's favor. At June 30, 2011, one counterparty held 70%, another held 18%, and a third held 12% of the total notional amount of the outstanding swaps. U of I does not have a policy regarding master netting arrangements.

Interest rate risk

IHDA: Because interest rates have declined since the implementation of the swap agreement, it had a negative fair value as of June 30, 2011. The negative fair value may be countered by reductions in total interest payments required under the variable-rate bonds, creating lower synthetic interest rates. Because the coupons on the IHDA's variable rate bonds adjust to changing interest rates, the bonds do not have corresponding fair value changes.

THA: Low interest rates, and to a lesser extent, a decrease in duration contributed to the negative market valuations at December 31, 2010. At the time of the swaps, the synthetic fixed rates achieved by the swaps were less than the fixed rates that could have been achieved by issuing fixed rate bonds.

U of I: During fiscal year 2011, declining interest rates exposed the U of I to interest rate risk, which adversely affected the fair values of the swap agreements.

Basis risk

IHDA: Basis risk on a swap occurs when the variable payment received is based on an index other than the index on the underlying bonds. IHDA believes its swap agreement has been structured to minimize or eliminate this risk.

THA: The THA has implemented a strategy on the swaps associated with the 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 swaps 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, 2010 (THA's fiscal year-end), the SIFMA rate in effect for the swaps was 0.26%.

U of I Bonds: The swaps expose the U of I to basis risk should the relationship between LIBOR or SIFMA and the variable weekly rate determined by remarketing agents change, changing the synthetic rate on the bonds. If a change occurs that results in the difference in rates widening, the expected cost savings may not be realized.

U of I Certificates of Participation: Starting in fiscal year 2006, the notional value of the swap and the principal amount of the associated Certificates began to decline. Conversely, the Certificates' variable interest rates are expected to approximate SIFMA. For fiscal year 2011, the Certificates' average variable interest rate was the same as SIFMA. The swap exposes the U of I to basis risk should the relationship between SIFMA and the variable weekly rate determined by remarketing agents converge, changing the synthetic rate on the bonds. If a change occurs that results in the rates widening, the expected cost savings may not be realized.

Termination risk

IHDA: IHDA or the counterparty may terminate the swap agreement if the other party fails to perform under the terms of the agreement. If a swap is insured, a termination event occurs if the insurer fails to meet the obligations under the agreement.

THA: The THA or the counterparties may terminate any of the swaps if the other party fails to perform under terms of the swaps. If a swap were terminated, the associated variable rate bonds would no longer carry synthetic fixed interest rates. In addition, if the swap has a negative market value at the time of termination, the THA would be liable to the counterparty for a payment equal to the swap's market value.

U of I: The U of I has the option to terminate any of its swaps early. The U of I or the counterparties may terminate a swap if the other party fails to perform under the terms of the contract. The U of I may terminate a swap if both credit ratings of the counterparties fall below BBB+ as issued by Standard & Poor's and Baa1 as issued by Moody's Investors Services. If a swap is terminated, the variable-rate debt would no longer carry a synthetic fixed interest rate. In addition, if at the time of termination, a swap has a negative fair value, the U of I would be liable to the counterparties for a payment equal to the swap's fair value.

Rollover risk

IHDA: IHDA is not exposed to rollover risk on its swap agreement. IHDA is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the hedged debt. When these hedging derivative instruments terminate, IHDA will be re-exposed to the risks being hedged by the hedging derivative instrument. IHDA is exposed to rollover risk on the caps which have termination dates that occur prior to the maturity of the related bonds.

THA: THA is not exposed to rollover risk, as all swap agreements are for periods that match the maturities of the related bonds.

U of I: The U of I is not exposed to rollover risk on its swap agreements since the swap agreements extend to the maturity of the related debt.

As of June 30, 2011, (except for the THA which is as of December 31, 2010), 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 14-12 (amounts expressed in thousands)									
Swap Payments and Associated Debt									
Variable Rate Debt									
Major Component Units									
Year Ending	Illinois Housing Development Authority				Illinois State Toll Highway Authority				
	June 30	Principal	Interest	Interest Rate	Principal	Interest	Interest Rate		Total
				Swaps, Net			Swaps, Net	Total	
2012	\$ 2,590	\$ 127	\$ 602	\$ 3,319	\$ -	\$ 4,532	\$ 56,687	\$ 61,219	\$ 61,219
2013	1,845	124	602	2,571	-	4,532	56,687	61,219	61,219
2014	1,950	122	602	2,674	-	4,532	56,687	61,219	61,219
2015	2,060	120	602	2,782	-	4,532	56,687	61,219	61,219
2016	3,070	118	603	3,791	-	4,532	56,685	61,217	61,217
2017-2021	21,365	387	1,356	23,108	130,600	20,807	260,799	412,206	412,206
2022-2026	15,770	178	-	15,948	211,625	19,703	246,379	477,707	477,707
2027-2031	16,245	53	-	16,298	890,500	8,721	108,347	1,007,568	1,007,568
2032-2036	2,320	20	-	2,340	69,250	-	-	69,250	69,250
2037-2041	1,430	7	-	1,437	-	-	-	-	-
2042-2046	190	1	-	191	-	-	-	-	-
Total	\$ 68,835	\$ 1,257	\$ 4,367	\$ 74,459	\$ 1,301,975	\$ 71,891	\$ 898,958	\$ 2,272,824	\$ 2,272,824
Year Ending	University of Illinois-Revenue Bonds				University of Illinois-Certificates of Participation				
	June 30	Principal	Interest	Interest Rate	Principal	Interest	Interest Rate		Total
				Swaps, Net			Swaps, Net	Total	
2012	\$ 1,705	\$ 88	\$ 3,529	\$ 5,322	\$ 6,840	\$ 103	\$ 4,743	\$ 11,686	\$ 11,686
2013	4,315	86	3,421	7,822	7,120	97	4,485	11,702	11,702
2014	6,530	82	3,227	9,839	7,410	92	4,218	11,720	11,720
2015	6,830	75	2,973	9,878	7,710	86	3,939	11,735	11,735
2016	7,050	68	2,710	9,828	8,015	79	3,650	11,744	11,744
2017-2021	42,925	231	8,978	52,134	76,285	244	11,241	87,770	87,770
2022-2026	22,485	58	2,012	24,555	18,740	7	345	19,092	19,092
2027	3,375	1	38	3,414	-	-	-	-	-
Total	\$ 95,215	\$ 689	\$ 26,888	\$ 122,792	\$ 132,120	\$ 708	\$ 32,621	\$ 165,449	\$ 165,449

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

15 REFUNDINGS OF LONG-TERM OBLIGATIONS

A. Current Refundings

During the year ended June 30, 2011, 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, 2011 through April 1, 2029 at a redemption price of 100%.

Current refunding debt issued during fiscal year 2011 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 (Increased)/ Reduced by Refunding	Refunding Economic Gain/ (Loss)	Accounting Gain/(Loss)
Revenue Bonds:							
Primary Government							
Business Type Activities							
Illinois Student Assistance Commission							
Student Loan Asset Backed							
Notes Series 2010-1	\$ 604.0	Variable	\$ 850.0	Variable	\$ 303.8	\$ (78.6)	\$ 70.3
Major Component Units							
Illinois Toll Highway Authority							
Toll Highway Senior Refunding Revenue							
Bonds 2010 Series A-1	279.3	3.75% to 5.25%	287.3	Variable	7.3	(5.4)	(2.5)
Northern Illinois University							
Auxiliary Facilities System Series 2011	67.1	3.0% to 5.5%	76.7	4.0% to 5.87%	(0.9)	0.5	(1.2)
	<u>\$ 950.4</u>		<u>\$ 1,214.0</u>		<u>\$ 310.2</u>	<u>\$ (83.5)</u>	<u>\$ 66.6</u>

B. 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, 2011, the outstanding balances of prior year defeased debt were as follows (except for the State Toll Highway Authority, which is as of December 31, 2010):

Table 15-2 (amounts expressed in thousands)

	Primary Government		Major Component Units			
	Governmental Activities	Illinois Housing Development Authority	Illinois State Toll Highway Authority	Illinois State University	Southern Illinois University	University of Illinois
General obligation bonds	\$ 570,605	\$ -	\$ -	\$ -	\$ -	\$ -
Special obligation bonds	109,970	-	-	-	-	-
Revenue bonds	-	24,705	708,340	10,949	7,850	-
Certificates of participation	-	-	-	-	-	125,495
	<u>\$ 680,575</u>	<u>\$ 24,705</u>	<u>\$ 708,340</u>	<u>\$ 10,949</u>	<u>\$ 7,850</u>	<u>\$ 125,495</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 866 local school districts, 141 special districts, and 22 other State agencies that contribute to the TRS plan.

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 20 thousand of the approximately 82 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 82 thousand active members have chosen this option. \$960.538 million of the \$15.235 billion total net assets relate to the Self-Managed Plan. Plan member contributions were \$49.757 million and the State contributions, along with employer consisting of grant reimbursements, were \$44.841 million for the year ended June 30, 2011.

Public Act 96-0889, effective April 14, 2010, created a "second-tier" of benefits for future members of SERS hired after December 31, 2010. This new legislation changed the eligibility for normal retirement benefits to age 67 with 10 years of service. A member can retire at age 62 with 10 years of service, but with a reduction in benefits of one-half of 1% per month for each month the member's age is under 67. Under this second-tier, the retirement benefit is calculated on a maximum final average compensation of \$106,800. This amount increases annually by 3% or one-half of the Consumer Price Index, whichever is less. The new plan also stops compounding

annual cost of living increases. The original retirement benefit increases annually by 3% or one-half of the Consumer Price Index, whichever is less. Participation in the “alternative formula,” which provides enhanced benefits for members in high-risk state jobs, is reduced and restrictions on retired SERS members who go to work full-time for an employer covered by a reciprocal pension system are tightened. Under these new restrictions, pension payments would be suspended during this time. The second-tier increases the number of months used to calculate the final average rate of pay to the highest 96 months of the last ten years of service and increases the surviving spouse annuity to 66 2/3% of what the deceased member had been receiving.

This same public act also created a “second-tier” of benefits for future members of GARS and JRS hired after December 31, 2010. This legislation changes the eligibility for normal retirement benefits to age 67 with 8 years of service. A member could retire at age 62 with 8 years of service, but with a reduction in benefits of one-half of 1% per month for each month that the member’s age is under 67. Under this second-tier, the retirement benefit is calculated on a maximum final average compensation that shall not exceed the Social Security Covered Wage Base for 2010, and shall automatically be increased or decreased, as applicable, by a percentage equal to the percentage change in the Consumer Price Index during the preceding year. The retirement benefit increases annually by 3% or the annual change in the Consumer Price Index, whichever is less. All other benefit changes for second-tier members of GARS and JRS are the same as those of SERS members.

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 provided for a 15-year phase-in period to allow the State to adapt to the increased financial commitment. Since the 15-year phase-in period ended June 30, 2010, the State’s contribution will 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 required 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 fiscal year 2003, pursuant to Public Act 93-0002, the State made contributions from general obligation bond proceeds of \$7.317 billion to the retirement systems to fund a portion of the State’s unfunded liability. In fiscal year 2010, pursuant to Public Act 96-0043, the State made contributions from general obligation bond proceeds of \$3.452 billion to the retirement systems to fund a portion of the State’s unfunded liability. In fiscal year 2011,

pursuant to Public Act 96-1497, the State made contributions from general obligation bond proceeds of \$3.684 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, 2011.

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")	\$ 13,086	\$ 95,490	\$ 1,289,002	\$ 2,743,221	\$ 1,259,048
Plus: Interest on net pension obligation ("NPO")	4,926	30,207	164,328	1,069,821	561,935
Adjustment to the ARC	(3,485)	(24,424)	(127,175)	(656,775)	(357,035)
Annual pension cost ("APC")	14,527	101,273	1,326,155	3,156,267	1,463,948
Employer contributions	11,434	62,695	1,127,887	2,323,669	773,595
Increase in NPO	3,093	38,578	198,268	832,598	690,353
NPO at June 30, 2010	61,573	431,525	1,933,269	12,586,127	7,250,777
NPO at June 30, 2011	\$ 64,666	\$ 470,103	\$ 2,131,537	\$ 13,418,725	\$ 7,941,130

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
Annual Pension Cost ("APC")					
6/30/2011	\$ 14,527	\$ 101,273	\$ 1,326,155	\$ 3,156,267	\$ 1,463,948
6/30/2010	\$ 13,434	\$ 96,591	\$ 1,214,300	\$ 2,881,902	\$ 1,213,184
6/30/2009	\$ 11,959	\$ 84,167	\$ 1,034,800	\$ 2,479,910	\$ 1,064,784
% of APC Contributed					
6/30/2011	78.71%	61.91%	85.05%	73.62%	52.84%
6/30/2010	77.50%	81.28%	90.22%	78.07%	57.42%
6/30/2009	74.05%	71.27%	74.89%	64.58%	42.41%
Net Pension Obligation					
6/30/2011	\$ 64,666	\$ 470,103	\$ 2,131,537	\$ 13,418,725	\$ 7,941,130
6/30/2010	\$ 61,573	\$ 431,525	\$ 1,933,269	\$ 12,586,127	\$ 7,250,777
6/30/2009	\$ 58,550	\$ 413,444	\$ 1,814,515	\$ 11,954,007	\$ 6,734,188

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	6/30/2011	\$ 63,161	\$ 298,408	\$ 235,247	21.2%	\$ 15,188	1548.9%
JRS	6/30/2011	\$ 614,596	\$ 1,952,539	\$ 1,337,943	31.5%	\$ 169,155	791.0%
SERS	6/30/2011	\$ 11,159,837	\$ 31,395,008	\$ 20,235,171	35.5%	\$ 4,211,186	480.5%
TRS	6/30/2011	\$ 37,769,753	\$ 81,299,745	\$ 43,529,992	46.5%	\$ 9,205,603	472.9%
SURS	6/30/2011	\$ 13,945,680	\$ 31,514,336	\$ 17,568,656	44.3%	\$ 3,460,838	507.6%

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 * Members	\$ 11,039 11.5%	\$ 62,377 11%	\$ 1,102,783 4%-12.5%	\$ 2,293,321 9.4%	\$ 773,595 8%-9.5%
Actuarial valuation date of the ARC**	6/30/2009	6/30/2009	6/30/2009	6/30/2009	6/30/2010
Actuarial valuation date of the UAAL	6/30/2011	6/30/2011	6/30/2011	6/30/2011	6/30/2011
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%	7.75%
Projected salary increases ***	5%	5%	4% - 8.35%	6% - 11.1%****	5% - 10%
Postretirement benefit increases					
Tier 1	3%, compounded	3%, compounded	3%, compounded	3%, compounded	3%, compounded
Tier 2	Lesser of 3% or annual increase in CPI [^] , compounded	Lesser of 3% or annual increase in CPI [^] , compounded	Lesser of 3% or 1/2 of CPI [^] , on original benefit	Lesser of 3% or 1/2 of CPI [^] , not compounded	Lesser of 3% or 1/2 of CPI [^] , not compounded
Inflation rate	4%	4%	3%	3.5%	2.75%
Note: The above actuarial assumptions are the actuarial assumptions used at June 30, 2009, as recertified, to calculate the ARC for the year ended June 30, 2011. The actuarial assumptions used at June 30, 2011 to calculate the actuarial accrued liability as reported in the required supplementary information were the same except for the following:					
	GARS	JRS	SERS	TRS	SURS
Investment rate of return	7%	7%	7.75%		
Projected salary increases	4%	4%	4% - 8.87%	6% - 11.2%****	3.75% - 12.00%
[^] Consumer Price Index * 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 until the 90% funded level is achieved. 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 would not be impacted. ** Reflects recertifications resulting from Public Act 96-0889. Recertification required by Public Act 96-1497 *** Includes inflation rate listed **** Composite, approximately 7.0%					

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 2011, the annual cost of the basic program of group health, dental, and vision benefits before the State’s contribution was \$7,538.40 (\$3,948.72 if Medicare eligible) if the annuitant chose benefits provided by a health maintenance organization and \$10,697.04 (\$4,483.44 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
	\$29,800 and below	\$696
\$29,801 - \$45,000	\$756	\$1,056
\$45,001 - \$59,900	\$786	\$1,086
\$59,901 - \$74,900	\$816	\$1,116
\$74,901 and above	\$846	\$1,146

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 AOPEBC for the current year and related information is included in Table 17-2.

Actuarially required contribution ("ARC")	\$ 2,293,526
Plus: Interest on net other postemployment benefits obligation ("NOPEBO")	174,546
Adjustment to the ARC	(129,293)
Annual other postemployment benefits cost	2,338,779
Benefits paid during the year	501,214
Increase in NOPEBO	1,837,565
NOPEBO at June 30, 2010	3,878,792
NOPEBO at June 30, 2011	<u>\$ 5,716,357</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 two preceding fiscal years are presented in the following Table 17-3.

Table 17-3 (amounts expressed in thousands)	
Annual Other Postemployment Benefits Cost ("AOPEBC")	
6/30/2011	\$ 2,338,779
6/30/2010	\$ 1,936,287
6/30/2009	\$ 1,839,728
% of AOPEBC Contributed	
6/30/2011	21.43%
6/30/2010	27.46%
6/30/2009	32.81%
Net Other Postemployment Benefits Obligation	
6/30/2011	\$ 5,716,357
6/30/2010	\$ 3,878,792
6/30/2009	\$ 2,474,254

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

Table 17-4 (amounts expressed in thousands)						
	(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	\$ -	\$ 33,295,354	\$ 33,295,354	0.0%	\$ 7,375,559	451.4%

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.

Table 17-5	
Actuarial valuation date of the actuarial required contribution	6/30/2011
Actuarial valuation date of the unfunded actuarial accrued liability	6/30/2011
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	3.0%
Healthcare cost trend rate:	
Medical	9.0% grading down .5% per year over 6 years to 6.0% and in the 7th year grading down .4% to 5.6%
Dental	8.0% grading down .5% per year over 6 years to 5.0%
Vision	6.0% grading down 3.0% with 3.0% 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, 2011, there were 1,007 school districts participating with 69,438 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 2011, contributors to TRS contributed .88% of salary and employers contributed .66% 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 .88% 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 \$85.953, \$79.007, and \$75.474 million for fiscal years 2011, 2010, and 2009, respectively.

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, 2011, 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 6,083 retirees and dependent beneficiaries receiving benefits. The Department works in conjunction with 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 \$5.237, \$4.059, and \$3.916 million for fiscal years 2011, 2010, and 2009, respectively.

18 FUND DEFICITS/CASH FLOW DEFICITS

Primary Government - Governmental Activities

A. Fund Deficits

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 \$8.080 billion at June 30, 2011. This deficit results from spending in excess of revenues recognized.

Nonmajor Governmental Funds

The Personal Property Tax Replacement Fund of the Department of Revenue has a deficit at June 30, 2011, aggregating \$385.685 million, resulting from spending in excess of revenues recognized.

The DCFS Childrens’ Services Fund of the Department of Children and Family Services, the Tobacco Settlement Recovery Fund of the Treasurer, the Local Government Tax Fund of the Department of Revenue and the SBE Federal Department of Education Fund of the State Board of Education have deficits at June 30, 2011, aggregating \$28.778 million, \$1.151 billion, \$5.357 million and \$7.305 million, respectively, resulting from the recognition of fund liabilities in excess of accrued revenues on the modified accrual basis.

B. Cash Flow Deficits

As of June 30, 2011, liabilities reported in the financial statements include transactions totaling \$4.740 billion that have been approved for payment by the State, but remained unpaid at year end

due to the State's cash flow difficulties. Of this total, \$182.229 million related to intra-governmental transactions and \$1.352 billion related to statutorily mandated transfers, the latter of which would represent noncompliance with State law. The majority of these unpaid transactions were payable from the General Revenue Fund. Payment of these transactions was ultimately made by December 31, 2011.

Fiduciary Funds

Pension (and Other Employee Benefit) Trust Funds

The Community College Health Insurance Security Fund of the Department of Healthcare and Family Services has a fund deficit at June 30, 2011, aggregating \$19.657 million, resulting from benefit payments exceeding contributions due to funding based on a pay-as-you-go 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 liabilities in the General Fund and Road Fund in the amount of \$208 thousand and \$289 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 \$3.573 million and \$8.421 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 \$591.124 million and \$171 thousand, 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 \$618.791 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, 2011:

Table 19-1 (amounts expressed in thousands)				
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:				
2010				
Auto Liability	\$ 14,400	\$ 4,656	\$ (4,577)	\$ 14,479
Workers' Compensation	402,927	268,810	(134,800)	536,937
Health Insurance	283,089	742,282	(539,070)	486,301
Total	<u>\$ 700,416</u>	<u>\$ 1,015,748</u>	<u>\$ (678,447)</u>	<u>\$ 1,037,717</u>
2011				
Auto Liability	\$ 14,479	\$ 1,567	\$ (3,555)	\$ 12,491
Workers' Compensation	536,937	197,484	(143,126)	591,295
Health Insurance	486,301	694,125	(561,635)	618,791
Total	<u>\$ 1,037,717</u>	<u>\$ 893,176</u>	<u>\$ (708,316)</u>	<u>\$ 1,222,577</u>
Component Units, (Information for the Toll Highway Authority is as of December 31):				
2010				
Toll Highway Authority	\$ 10,878	\$ 11,946	\$ (6,801)	\$ 16,023
Southern Illinois University	17,728	18,111	(17,010)	18,829
University of Illinois	181,827	62,582	(37,580)	206,829
Total	<u>\$ 210,433</u>	<u>\$ 92,639</u>	<u>\$ (61,391)</u>	<u>\$ 241,681</u>
2011				
Toll Highway Authority	\$ 16,023	\$ 6,065	\$ (7,022)	\$ 15,066
Southern Illinois University	18,829	11,348	(11,747)	18,430
University of Illinois	206,829	75,536	(37,871)	244,494
Total	<u>\$ 241,681</u>	<u>\$ 92,949</u>	<u>\$ (56,640)</u>	<u>\$ 277,990</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 \$15.066 million at December 31, 2010.

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 \$18.430 million at June 30, 2011.

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 \$244.494 million at June 30, 2011.

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 \$3.812 billion as of June 30, 2011, which will be financed through State reappropriations. Also, the Capital Development Board has outstanding construction commitments for building and building additions and improvements of \$444.760 million as of June 30, 2011, 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 \$109.000 million as of December 31, 2010. Southern Illinois University and the University of Illinois have outstanding construction commitments for various building and building improvement projects of \$108.619 and \$98.930 million respectively as of June 30, 2011.

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, 2011 are as follows:

Operating Leases						
Year Ending June 30	Primary Government	Major Component Units				University of Illinois
		Housing Development Authority	Illinois State University	Northern Illinois University		
2012	\$ 123,845	\$ 896	\$ 1,443	\$ 965	\$ 11,212	
2013	97,564	922	1,220	956	8,255	
2014	77,043	948	986	751	7,242	
2015	50,596	974	903	699	5,377	
2016	30,505	1,001	300	699	3,368	
2017-2021	36,870	-	600	699	5,422	
2022-2026	10,477	-	-	-	1	
2027-2031	3,306	-	-	-	1	
2032-2036	-	-	-	-	1	
Total minimum lease payments	<u>\$ 430,206</u>	<u>\$ 4,741</u>	<u>\$ 5,452</u>	<u>\$ 4,769</u>	<u>\$ 40,879</u>	

Rental payments for operating leases charged to operations during the year ended June 30, 2011, aggregated \$317.229 million for the governmental and business-type activities and \$630 thousand for fiduciary funds. Illinois Housing Development 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, 2011 of \$1.602 million, \$1.471 million, \$1.159 million, \$15.936 million, and \$13.437 million, respectively.

C. Tax Litigation

At June 30, 2011, the State of Illinois has \$361.354 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, 2011, 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. 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.

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.

F. Forward Fixed-Price Energy Contracts

Illinois State University, Southern Illinois University and the University of Illinois have executed forward fixed-price purchase contracts for natural gas and electricity with commitments of \$29.212 million, \$11.500 million and \$33.909 million, respectively, as of June 30, 2011.

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, 2011, the outstanding balance of bonds which the State is morally obligated to repay is \$312 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 2011, debt service requirements were \$12.51 million. However, the amount paid to the Authority based on their annual certification was \$12.46 million, which is below the authorized amount of \$33.5 million.

The Authority is also authorized to issue an additional \$2.557 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, \$146 million in fiscal year 2011, \$153 million in fiscal year 2012, \$161 million in fiscal year 2013, \$170 million in fiscal year 2014, \$179 million in fiscal year 2015, and graduating to \$350 million in fiscal year 2031 until fiscal year 2060. During fiscal year 2011, debt service requirements for these bonds were \$100.75 million. The amount paid to the Authority based on their annual certification was \$80.21 million. During fiscal year 2011, deposits from the Authority's taxes were not sufficient to pay for the debt service requirements. As a result, \$29.2 million in State sales tax was transferred for deposit into the McCormick Place Expansion Project Fund. In addition, in previous years \$57.2 million in State sales tax was transferred for deposit in the McCormick Place Expansion Project Fund which will be reimbursed beginning in fiscal year 2015.

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 1st 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 91-0037 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 1st of each year until January 1, 2004 for an additional authorization of \$1,300 million to be used for SCIP. Public Act 91-0037 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 2011, the State provided \$130.1 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 2011 was \$36.270 million plus \$10 million for a total of \$46.270 million.

The ISFA’s annual certification for fiscal year 2011 was in the amount of \$43.1 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 \$48.307 million in fiscal year 2012, \$50.458 million in fiscal year 2013, \$52.730 million in fiscal year 2014, \$55.130 million in fiscal year 2015, 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 4.85% to 9% 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, 2011 the outstanding balance of bonds, which the State is morally obligated to repay, is \$30.8 million.

L. Upper Illinois River Valley Development Authority (“UIRVDA”) Revenue Bonds

The UIRVDA, a nonmajor component unit of the State, has issued revenue bonds. The proceeds of these bonds 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 at rates ranging from 5.90% to 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, 2011 the outstanding balance, which the State is morally obligated to repay, is \$19.6 million.

M. Illinois Housing Development Authority Loans

The Illinois Housing Development Authority has entered into commitments aggregating \$40.3 million for the purchase of various home loans as of June 30, 2011.

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, 2011 the outstanding balance of these bonds, which the State is morally obligated to repay, is \$39.6 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 3% to 5% and mature annually through 2014. 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, 2011 the outstanding balance of these bonds, which the State is morally obligated to repay, is \$7.4 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, 2011 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
Condensed Statement of Net Assets:				
Assets and deferred outflow of resources				
Current assets	\$ 62,357	\$ 8,900	\$ 183,643	\$ 259,453
Noncurrent assets:				
Capital assets, net of accumulated depreciation	263,683	35,887	947,892	149,667
Other noncurrent assets	12,741	223	34,645	5,686
Deferred outflow of resources	-	-	-	1,048
Total assets and deferred outflow of resources	338,781	45,010	1,166,180	415,854
Liabilities				
Current liabilities	28,080	2,172	71,353	90,080
Noncurrent liabilities	255,520	17,895	958,236	83,036
Total liabilities	283,600	20,067	1,029,589	173,116
Net Assets				
Invested in capital assets, net of related debt	(4,890)	18,971	4,264	86,243
Restricted-other expendable purposes	42,327	1,393	20,450	5,356
Unrestricted	17,744	4,579	111,877	151,139
Total net assets	\$ 55,181	\$ 24,943	\$ 136,591	\$ 242,738
Condensed Statement of Revenues, Expenses and Changes in Net Assets:				
Operating revenues	\$ 104,553	\$ 39,196	\$ 311,175	\$ 533,881
Operating expenses	(94,691)	(48,687)	(247,605)	(636,206)
Depreciation expense	(13,050)	(1,239)	(29,861)	(18,711)
Operating income (loss)	(3,188)	(10,730)	33,709	(121,036)
Nonoperating revenues (expenses)	9,023	13,596	(20,027)	133,699
Other revenues	362	477	-	-
Increase (decrease) in net assets	6,197	3,343	13,682	12,663
Net assets, July 1, 2010	48,984	21,600	122,909	230,075
Net assets, June 30, 2011	\$ 55,181	\$ 24,943	\$ 136,591	\$ 242,738

22 SUBSEQUENT EVENTS

Subsequent to June 30, 2011, 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
Primary Government:				
Governmental Activities:				
General obligation bonds:				
January, Series 2012 A	1/20/2012	\$ 525.0	3.0%-5.0%	2037
January, Taxable Series 2012 B	1/20/2012	\$ 275.0	0.75%-5.75%	2037
March, Series 2012	3/27/2012	\$ 575.0	4.0%-5.0%	2037
May, Refunding Series 2012	5/8/2012	\$ 1,797.7	2.0%-5.0%	2026
Special obligation bonds:				
October, Build Illinois Bonds Series 2011	10/25/2011	\$ 300.0	3.0%-5.0%	2036
May, Taxable Build Illinois Bonds Series 2012	5/17/2012	\$ 425.0	0.44%-4.08%	2036
Major Component Units:				
Revenue bonds:				
Illinois Housing Development Authority				
Multi-Family Initiative Bonds				
Series 2009 D	7/28/2011	\$ 59.5	3.48%	2041
Series 2009 E	11/17/2011	\$ 7.7	2.32%	2042
Series 2009 F	11/17/2011	\$ 5.8	2.32%	2041
Series 2009 G	11/17/2011	\$ 8.7	2.32%	2041
Series 2009 H	11/17/2011	\$ 11.2	2.32%	2041
Series 2009 I	12/15/2011	\$ 9.6	2.32%	2051
Housing Revenue Bonds				
Series 2011 1A	10/1/2011	\$ 17.6	3.285%	2041
Series 2011 1B	10/1/2011	\$ 42.5	3.285%	2041
Series 2011 1C	10/1/2011	\$ 7.5	3.285%	2041
Multi-Family Housing Revenue Bonds				
Series 2011 (Pullman Wheelworks Development)	12/15/2011	\$ 4.5	Variable	2013
Illinois State University				
Series 2012A (Auxillary Facilities System)	5/16/2012	\$ 18.2	3.00%-4.00%	2032
Taxable Series 2012B (Auxillary Facilities System)	5/16/2012	\$ 3.1	1.30%-2.40%	2018
Southern Illinois University				
Series 2012A (Housing and Auxillary Facilities System)	1/11/2012	\$ 29.8	2.050%-4.375%	2032
University of Illinois				
Series 2011 A (Auxillary Facilities System)	7/7/2011	\$ 82.0	2.0%-5.5%	2041
Taxable Series 2011B (Auxillary Facilities System)	7/7/2011	\$ 10.9	1.347%-4.517%	2021
Series 2011 C (Auxillary Facilities System)	1/12/2012	\$ 71.9	2.0%-5.0%	2032

23 CONTRACTUAL VIOLATION

The Designated Account Purchase Program ("IDAPP") was not in compliance with a debt covenant relating to a revolving credit agreement. As a result of the violation, the bank involved with the agreement has 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 IDAPP has reached an agreement with the Lender pursuant to which, subject to certain conditions, the Lender will refrain from exercising their rights to require payment in full of amounts due under the Facility until July 27, 2011, or such later date as may be negotiated. Negotiations are under way with the Lender to extend the date to July 27, 2012. In addition, IDAPP is in breach of the coverage condition ratio defined in the indenture. Since the coverage condition cannot be satisfied within two business days, this would qualify as an Event of Termination under which Citibank would be eligible for remedies under the indenture. The agreement with the lender discussed above also extends to the breach of the coverage condition ratio.

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Required Supplementary Information

State of Illinois

**Budgetary Comparison Schedule
Major Governmental Funds**

For the Year Ended June 30, 2011 (Expressed in Thousands)

	General Funds				Road Fund			
	Original Budget	Final Budget	Actual	Variance Over (Under)	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES:								
Income taxes	\$ 10,256,000	\$ 10,256,000	\$ 13,077,293	\$ 2,821,293	\$ -	\$ -	\$ -	\$ -
Sales taxes	6,290,000	6,290,000	6,833,036	543,036	-	-	-	-
Public utility taxes	1,144,000	1,144,000	1,147,150	3,150	-	-	-	-
Federal government	5,950,000	5,950,000	5,324,757	(625,243)	1,645,700	1,645,700	1,731,920	86,220
Other	1,994,000	1,994,000	1,866,553	(127,447)	1,026,500	1,026,500	962,439	(64,061)
Less:								
Refunds	-	-	-	-	-	2,343	2,296	(47)
Total revenues	25,634,000	25,634,000	28,248,789	2,614,789	2,672,200	2,669,857	2,692,063	22,206
EXPENDITURES:								
Current:								
Health and social services	12,881,206	13,377,400	12,994,894	(382,506)	159,963	159,963	159,963	-
Education	11,667,505	9,479,234	9,358,069	(121,165)	-	-	-	-
General government	5,131,731	872,684	812,993	(59,691)	1,000	1,000	964	(36)
Employment and economic development	102,270	190,370	172,647	(17,723)	1,900	1,900	1,900	-
Transportation	79,035	79,035	78,203	(832)	6,333,872	2,289,742	2,199,994	(89,748)
Public protection and justice	1,937,997	1,971,149	1,938,821	(32,328)	-	-	-	-
Environment and business regulation	69,738	101,331	92,598	(8,733)	-	-	-	-
Capital outlays	-	-	-	-	66,759	14,331	12,528	(1,803)
Total expenditures	31,869,482	26,071,203	25,448,225	(622,978)	6,563,494	2,466,936	2,375,349	(91,587)
Excess (deficiency) of revenues over (under) expenditures	(6,235,482)	(437,203)	2,800,564	3,237,767	(3,891,294)	202,921	316,714	113,793
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:								
Proceeds from short-term borrowings		1,300,000	1,300,000	-	-	-	-	-
Transfers-in	7,427,963	7,427,963	7,427,963	-	312,394	312,394	312,394	-
Transfers-out	(9,941,837)	(9,941,837)	(9,941,837)	-	(447,574)	(447,574)	(447,574)	-
Total other sources (uses) of financial resources	(2,513,874)	(1,213,874)	(1,213,874)	-	(135,180)	(135,180)	(135,180)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(8,749,356)	(1,651,077)	1,586,690	3,237,767	(4,026,474)	67,741	181,534	113,793
Budgetary fund balances, July 1, 2010	(6,094,099)	(6,094,099)	(6,094,099)	-	489,427	489,427	489,427	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (14,843,455)	\$ (7,745,176)	\$ (4,507,409)	\$ 3,237,767	\$ (3,537,047)	\$ 557,168	\$ 670,961	\$ 113,793

State Construction Account			
Original Budget	Final Budget	Actual	Variance Over (Under)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
503,258	503,258	461,730	(41,528)
-	-	-	-
503,258	503,258	461,730	(41,528)
-	-	-	-
-	-	-	-
-	-	-	-
1,410,216	622,470	622,333	(137)
-	-	-	-
-	-	-	-
-	-	-	-
1,410,216	622,470	622,333	(137)
(906,958)	(119,212)	(160,603)	(41,391)
-	-	-	-
210,186	210,186	210,186	-
(40)	(40)	(40)	-
210,146	210,146	210,146	-
(696,812)	90,934	49,543	(41,391)
123,607	123,607	123,607	-
\$ (573,205)	\$ 214,541	\$ 173,150	\$ (41,391)

Notes to Budgetary Comparison Schedule**– Major Governmental Funds**

For the Year Ended June 30, 2011

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, 2011 is presented below for the major governmental funds (amounts expressed in thousands):

	MAJOR GOVERNMENTAL FUNDS		
	General Fund		
	General Fund	Road Fund	State Construction Account
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources (budgetary basis)	\$ 1,586,690	\$ 181,534	\$ 49,543
Reclassifications:			
Budgetary Special State Funds reported as part of the General Fund for GAAP reporting	197,876	-	-
Adjustments:			
To adjust revenues, related receivables and deferred revenue	(1,475,492)	105,104	276
To adjust expenditures and related liabilities	439,316	(47,048)	15,414
To adjust for lapse period expenditures which were not recorded as liabilities	(10,496)	(691)	-
Excess (deficiency) of revenues over (under) expenditures/expenses and other sources (uses) of financial resources into financial resources (GAAP basis) - budgetary classifications	737,894	238,899	65,233
To record excess (deficiency) of revenues over (under) expenditures/expenses and other sources (uses) of financial resources for nonbudgeted accounts	24	-	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources (GAAP basis)	\$ 737,918	\$ 238,899	\$ 65,233

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, 2011, 2010 and 2009.

	(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						
6/30/2011	\$ 63,161	\$ 298,408	\$ 235,247	21.2%	\$ 15,188	1548.9%
6/30/2010	\$ 66,212	\$ 251,765	\$ 185,553	26.3%	\$ 14,775	1255.9%
6/30/2009	\$ 71,574	\$ 245,226	\$ 173,652	29.2%	\$ 14,728	1179.1%
Judges'						
6/30/2011	\$ 614,596	\$ 1,952,539	\$ 1,337,943	31.5%	\$ 169,155	791.0%
6/30/2010	\$ 619,926	\$ 1,819,448	\$ 1,199,522	34.1%	\$ 161,164	744.3%
6/30/2009	\$ 616,849	\$ 1,548,509	\$ 931,660	39.8%	\$ 155,645	598.6%
State Employees'						
6/30/2011	\$ 11,159,837	\$ 31,395,008	\$ 20,235,171	35.5%	\$ 4,211,186	480.5%
6/30/2010	\$ 10,961,540	\$ 29,309,464	\$ 18,347,924	37.4%	\$ 4,119,361	445.4%
6/30/2009	\$ 10,999,954	\$ 25,298,346	\$ 14,298,392	43.5%	\$ 4,027,263	355.0%
Teachers'						
6/30/2011	\$ 37,769,753	\$ 81,299,745	\$ 43,529,992	46.5%	\$ 9,205,603	472.9%
6/30/2010	\$ 37,439,092	\$ 77,293,198	\$ 39,854,106	48.4%	\$ 9,251,139	430.8%
6/30/2009	\$ 38,026,044	\$ 73,027,198	\$ 35,001,154	52.1%	\$ 8,945,021	391.3%
State Universities						
6/30/2011	\$ 13,945,680	\$ 31,514,336	\$ 17,568,656	44.3%	\$ 3,460,838	507.6%
6/30/2010	\$ 13,966,643	\$ 30,120,427	\$ 16,153,784	46.4%	\$ 3,491,071	462.7%
6/30/2009	\$ 14,281,998	\$ 26,316,231	\$ 12,034,233	54.3%	\$ 3,463,922	347.4%

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 three most recent actuarial valuations.

	(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)
6/30/2011	\$ -	\$ 33,295,354	\$ 33,295,354	0.0%	\$ 7,375,559	451.4%
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 used to account for resources obtained and used for those services traditionally provided by State government which are not 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.

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, 2011 (Expressed in Thousands)

	General Revenue Account	Education Assistance Account	Common School Account	Medicaid Provider Assessment Program	Eliminations	Total
ASSETS						
Cash equity with State Treasurer	\$ 1,364,884	\$ 375,893	\$ 124,647	\$ 88,985		\$ 1,954,409
Cash and cash equivalents	2,220					2,220
Securities lending collateral of State Treasurer	1,725,164		25,540	9,741		1,760,445
Receivables, net:						
Taxes	955,631	30,129	101,212	4,661		1,091,633
Intergovernmental	864,758	25		118,689		983,472
Other	444,823		29	82		444,934
Due from other funds	298,432	34,083		788	\$ (765)	332,538
Due from component units	238					238
Inventories	27,236					27,236
Loans and notes receivable, net	4,872					4,872
Other assets	15,000					15,000
Total assets	\$ 5,703,258	\$ 440,130	\$ 251,428	\$ 222,946	\$ (765)	\$ 6,616,997
LIABILITIES						
Accounts payable and accrued liabilities	\$ 5,242,254	\$ 3,718	\$ 62,984	\$ 1,912		\$ 5,310,868
Intergovernmental payables	2,338,609			97,849		2,436,458
Due to other funds	3,052,286	4	101,659	48	\$ (765)	3,153,232
Due to component units	607,880			37,333		645,213
Unavailable revenue	764,396	6,510	9,409	90,528		870,843
Unearned revenue	494,022	25,565				519,587
Obligations under securities lending of State Treasurer	1,725,164		25,540	9,741		1,760,445
Matured portion of long-term liabilities	208					208
Total liabilities	14,224,819	35,797	199,592	237,411	(765)	14,696,854
FUND BALANCES (DEFICITS)						
Nonspendable - long-term portion of loans and notes receivable	4,872					4,872
Nonspendable - inventories	27,236					27,236
Restricted	37,247					37,247
Committed	630,080	404,333	51,836	46,073		1,132,322
Unassigned	(9,220,996)			(60,538)		(9,281,534)
Total fund balances (deficits)	(8,521,561)	404,333	51,836	(14,465)		(8,079,857)
Total liabilities and fund balances (deficits)	\$ 5,703,258	\$ 440,130	\$ 251,428	\$ 222,946	\$ (765)	\$ 6,616,997

State of Illinois

Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances

General Fund

For the Year Ended June 30, 2011 (Expressed in Thousands)

	General Revenue Account	Education Assistance Account	Common School Account	Medicaid Provider Assessment Program	Eliminations	Total
REVENUES						
Income taxes	\$ 11,321,291	\$ 975,608	\$ 116,469			\$ 12,413,368
Sales taxes	5,098,321		1,776,192			6,874,513
Public utility taxes	1,011,795		115,473			1,127,268
Hospital assessment taxes	890,742			\$ 53,893		944,635
Other taxes	1,152,137		118,591	190,818		1,461,546
Federal government	7,814,530			1,245,669		9,060,199
Licenses and fees	552,500		640	742		553,882
Interest and other investment income	26,108		279	246		26,633
Other	437,992	455		696,955		1,135,402
Total revenues	28,305,416	976,063	2,127,644	2,188,323		33,597,446
EXPENDITURES						
Current:						
Health and social services	16,402,705			2,158,283		18,560,988
Education	4,784,348	924,091	4,006,798			9,715,237
General government	997,660	6				997,666
Employment and economic development	175,743					175,743
Transportation	528,326					528,326
Public protection and justice	2,333,994					2,333,994
Environment and business regulations	149,580					149,580
Debt service:						
Principal	1,841					1,841
Interest	834					834
Capital outlays	18,847					18,847
Total expenditures	25,393,878	924,097	4,006,798	2,158,283		32,483,056
Excess (deficiency) of revenues over (under) expenditures	2,911,538	51,966	(1,879,154)	30,040		1,114,390
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
Transfers-in	3,002,109	406,760	1,855,517	75,000	\$ (1,379,792)	3,959,594
Transfers-out	(5,716,941)				1,379,792	(4,337,149)
Capital lease financing	1,083					1,083
Net other sources (uses) of financial resources	(2,713,749)	406,760	1,855,517	75,000	-	(376,472)
Net change in fund balances	197,789	458,726	(23,637)	105,040	-	737,918
Fund balances (deficits), July 1, 2010, as restated	(8,719,417)	(54,393)	75,473	(119,505)		(8,817,842)
Increase for changes in inventory	67					67
FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (8,521,561)	\$ 404,333	\$ 51,836	\$ (14,465)	\$ -	\$ (8,079,857)

State of Illinois

Combining Schedule of Accounts - General Fund

Medicaid Provider Assessment Program

June 30, 2011 (Expressed in Thousands)

	County Hospital Services Account	Long-Term Care Provider Account	Other Medicaid Provider Assessment Accounts	Total
ASSETS				
Cash equity with State Treasurer	\$ 1,245	\$ 39,063	\$ 48,677	\$ 88,985
Securities lending collateral of State Treasurer	1,044	6,685	2,012	9,741
Receivables, net:				
Taxes		4,253	408	4,661
Intergovernmental	77,436	18,773	22,480	118,689
Other	1	8	73	82
Due from other funds		27	761	788
Total assets	\$ 79,726	\$ 68,809	\$ 74,411	\$ 222,946
LIABILITIES				
Accounts payable and accrued liabilities	\$ 42	\$ 143	\$ 1,727	\$ 1,912
Intergovernmental payables	78,618	19,230	1	97,849
Due to other funds	22	19	7	48
Due to component units			37,333	37,333
Unavailable revenue	60,538	19,500	10,490	90,528
Obligations under securities lending of State Treasurer	1,044	6,685	2,012	9,741
Total liabilities	140,264	45,577	51,570	237,411
FUND BALANCES (DEFICITS)				
Committed		23,232	22,841	46,073
Unassigned	(60,538)			(60,538)
Total fund balances (deficits)	(60,538)	23,232	22,841	(14,465)
Total liabilities and fund balances (deficits)	\$ 79,726	\$ 68,809	\$ 74,411	\$ 222,946

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, 2011 (Expressed in Thousands)

	County Hospital Services Account	Long-Term Care Provider Account	Other Medicaid Provider Assessment Accounts	Total
REVENUES				
Hospital assessment taxes		\$ 51,906	\$ 1,987	\$ 53,893
Other taxes		173,718	17,100	190,818
Federal government	\$ 693,396	342,504	209,769	1,245,669
Licenses and fees			742	742
Interest and other investment income	15	203	28	246
Other	651,955		45,000	696,955
Total revenues	1,345,366	568,331	274,626	2,188,323
EXPENDITURES				
Current:				
Health and social services	1,338,239	543,776	276,268	2,158,283
Total expenditures	1,338,239	543,776	276,268	2,158,283
Excess (deficiency) of revenues over (under) expenditures	7,127	24,555	(1,642)	30,040
OTHER SOURCES (USES) OF FINANCIAL RESOURCES				
Transfers-in		30,000	45,000	75,000
Net other sources (uses) of financial resources		30,000	45,000	75,000
Net change in fund balances	7,127	54,555	43,358	105,040
Fund balances (deficits), July 1, 2010	(67,665)	(31,323)	(20,517)	(119,505)
FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (60,538)	\$ 23,232	\$ 22,841	\$ (14,465)

State of Illinois

Combining Balance Sheet -
Nonmajor Governmental Funds

June 30, 2011 (Expressed in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash equity with State Treasurer	\$ 2,143,407	\$ 1,239,440	\$ 1,451,967	\$ 9,644	\$ 4,844,458
Cash and cash equivalents	78,319	102,873	4,742	192	186,126
Securities lending collateral of State Treasurer	177,481	473,310		749	651,540
Investments	162,199	49,578		1,292	213,069
Receivables, net:					
Taxes	357,328				357,328
Intergovernmental	1,133,718	2	1,626		1,135,346
Other	321,996	2,330	10	1	324,337
Due from other funds	2,428,476	3,243	6,400	4,000	2,442,119
Due from component units	346,725		595		347,320
Inventories	15,389				15,389
Loans and notes receivable, net	57,431	13,346			70,777
Other assets	4,136				4,136
Total assets	\$ 7,226,605	\$ 1,884,122	\$ 1,465,340	\$ 15,878	\$ 10,591,945
LIABILITIES					
Accounts payable and accrued liabilities	\$ 488,425		\$ 139,300		\$ 627,725
Intergovernmental payables	1,920,155		133,295		2,053,450
Due to other funds	1,891,817		1,098	\$ 233	1,893,148
Due to component units	37,979				37,979
Unavailable revenue	647,156		10		647,166
Unearned revenue	279,502	\$ 13,055	399		292,956
Obligations under security lending of State Treasurer	177,481	473,310		749	651,540
Total liabilities	5,442,515	486,365	274,102	982	6,203,964
FUND BALANCES					
Nonspendable - inventories	15,389				15,389
Nonspendable - endowments and similar funds				11,775	11,775
Restricted	1,790,996	1,397,757	507	3,121	3,192,381
Committed	1,655,218		1,190,720		2,845,938
Assigned	20,973		11		20,984
Unassigned	(1,698,486)				(1,698,486)
Total fund balances	1,784,090	1,397,757	1,191,238	14,896	4,387,981
Total liabilities and fund balances	\$ 7,226,605	\$ 1,884,122	\$ 1,465,340	\$ 15,878	\$ 10,591,945

State of Illinois

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

For the Year Ended June 30, 2011 (Expressed in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
REVENUES					
Income taxes	\$ 1,997,084				\$ 1,997,084
Sales taxes	2,752,797				2,752,797
Motor fuel taxes	785,686				785,686
Public utility taxes	451,673				451,673
Riverboat taxes	457,865				457,865
Other taxes	353,924				353,924
Federal government	9,434,158	\$ 48,757	\$ 26,918		9,509,833
Licenses and fees	526,766	161		\$ 69	526,996
Interest and other investment income	9,927	5,956		77	15,960
Other	924,124	16	15,669	2	939,811
Total revenues	17,694,004	54,890	42,587	148	17,791,629
EXPENDITURES					
Current:					
Health and social services	6,010,048		84	16	6,010,148
Education	5,708,262		258,445		5,966,707
General government	366,491	90	13,630		380,211
Employment and economic development	1,159,378	20	199,378		1,358,776
Transportation	441,577	1	513,205		954,783
Public protection and justice	705,404		56		705,460
Environment and business regulation	758,873		37,527		796,400
Debt service:					
Principal	1,456	1,972,385			1,973,841
Interest	38,347	1,314,094			1,352,441
Capital outlays	44,632		1,030,464		1,075,096
Intergovernmental	5,191,373				5,191,373
Total expenditures	20,425,841	3,286,590	2,052,789	16	25,765,236
Excess (deficiency) of revenues over (under) expenditures	(2,731,837)	(3,231,700)	(2,010,202)	132	(7,973,607)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES					
General obligation and revenue bonds issued	5,203,460		1,200,000		6,403,460
Premiums on general obligation and revenue bonds issued	6,607				6,607
Discounts on general obligation bonds issued			(90)		(90)
Transfers-in	851,405	4,872,123	1,336		5,724,864
Transfers-out	(2,978,351)	(1,318,872)	(36,261)	(38)	(4,333,522)
Capital lease financing	178				178
Net other sources (uses) of financial resources	3,083,299	3,553,251	1,164,985	(38)	7,801,497
Net change in fund balances	351,462	321,551	(845,217)	94	(172,110)
Fund balances, July 1, 2010, as restated	1,431,808	1,076,206	2,036,455	14,802	4,559,271
Increase for changes in inventories	820				820
FUND BALANCES, JUNE 30, 2011	\$ 1,784,090	\$ 1,397,757	\$ 1,191,238	\$ 14,896	\$ 4,387,981

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SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

SIGNIFICANT NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS DESCRIPTIONS

Treasurer

Pension Contribution Fund--to account for proceeds from the sale of bonds for the purpose of making a portion of the required contributions to the designated retirement systems.

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 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.

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.

Department of Human Services

Food Stamp and Commodity Fund--to account for food stamps and commodities received from the federal government.

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 Revenue

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.

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.

Downstate Public Transportation Fund--to provide financial assistance for local governments with public transportation systems.

Railsplitter Tobacco Settlement Authority

Railsplitter Trustee Account Fund--to account for the payment of principal and interest on bonds issued in exchange for rights to the State's future tobacco settlement revenues.

State Board of Education

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.

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State of Illinois

Combining Balance Sheet
Nonmajor Special Revenue Funds

June 30, 2011 (Expressed in Thousands)

	Treasurer	Children and Family Services DCFS Childrens' Services Fund	Commerce and Economic Opportunity Supplemental Low Income Energy Assistance Fund	Human Services Food Stamp and Commodity Fund	Healthcare and Family Services Child Support Administration Fund
ASSETS					
Cash equity with State Treasurer	\$ 182,756	\$ 10,571	\$ 74,816		\$ 30,196
Cash and cash equivalents		341			
Securities lending collateral of State Treasurer					
Investments					
Receivables, net:					
Taxes			4,744		
Intergovernmental	3,026	204,040			17,497
Other	96				10,892
Due from other funds	58,100		1,991		28,439
Due from component units					
Inventories					
Loans and notes receivable, net					
Other assets					
Total assets	\$ 243,978	\$ 214,952	\$ 81,551	\$ -	\$ 87,024
LIABILITIES					
Accounts payable and accrued liabilities	\$ 12,062	\$ 33,157	\$ 779		\$ 6,280
Intergovernmental payables	3,052	2,110	196		17,877
Due to other funds	1,203,286	166	10		11,481
Due to component units	94	4,257			
Unavailable revenue	2,738	204,040			58
Unearned revenue					
Obligations under securities lending of State Treasurer					
Total liabilities	1,221,232	243,730	985		35,696
FUND BALANCES (DEFICITS)					
Nonspendable - inventories					
Restricted	60,304				
Committed	113,742		80,566		51,328
Assigned					
Unassigned	(1,151,300)	(28,778)			
Total fund balances (deficits)	(977,254)	(28,778)	80,566		51,328
Total liabilities and fund balances (deficits)	\$ 243,978	\$ 214,952	\$ 81,551	\$ -	\$ 87,024

						Railsplitter Tobacco Settlement Authority
						Railsplitter Trustee Account Fund
Revenue	Transportation			State Board of Education	Other	Total
\$ 522,953	\$ 113,306		\$ 1,361	\$ 1,207,448	\$ 2,143,407	
61,868		\$ 47,861		30,117	78,319	
		141,571		115,613	177,481	
				20,628	162,199	
180,035	104,385					
			455,532	453,623	1,133,718	
71		134,222	515	176,200	321,996	
523,976	158,196	1,203,250	418	454,106	2,428,476	
327,833			324	18,568	346,725	
			1,412	13,977	15,389	
				57,431	57,431	
				4,136	4,136	
\$ 1,616,736	\$ 375,887	\$ 1,526,904	\$ 459,562	\$ 2,620,011	\$ 7,226,605	
<hr/>						
\$ 54,795	\$ 9,658		\$ 4,220	\$ 367,474	\$ 488,425	
1,041,457	130,212		441,427	283,824	1,920,155	
279,510	95,993	\$ 58,036	7,850	235,485	1,891,817	
			897	32,731	37,979	
19,187	5,666	134,222	11,062	270,183	647,156	
141,963				137,539	279,502	
61,868				115,613	177,481	
1,598,780	241,529	192,258	465,456	1,442,849	5,442,515	
			1,412	13,977	15,389	
	29,722	1,334,646		366,324	1,790,996	
408,998	104,636			895,948	1,655,218	
				20,973	20,973	
(391,042)			(7,306)	(120,060)	(1,698,486)	
17,956	134,358	1,334,646	(5,894)	1,177,162	1,784,090	
\$ 1,616,736	\$ 375,887	\$ 1,526,904	\$ 459,562	\$ 2,620,011	\$ 7,226,605	

State of Illinois

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended June 30, 2011 (Expressed in Thousands)

		Children and Family Services	Commerce and Economic Opportunity	Human Services	Healthcare and Family Services
	Treasurer	DCFS Childrens' Services Fund	Supplemental Low Income Energy Assistance Fund	Food Stamp and Commodity Fund	Child Support Administration Fund
REVENUES					
Income taxes					
Sales taxes					
Motor fuel taxes					
Public utility taxes			\$ 91,129		
Riverboat taxes					
Other taxes					
Federal government	\$ 320,468	\$ 321,382		\$ 2,978,312	\$ 124,983
Licenses and fees					
Interest and other investment income	30				
Other	159,776	24			15,041
Total revenues	480,274	321,406	91,129	2,978,312	140,024
EXPENDITURES					
Current:					
Health and social services	837,803	368,154	68,866	2,978,312	173,414
Education	2,960,888				
General government	139,897				
Employment and economic development	29,011				
Transportation	77,204				
Public protection and justice	287,850				
Environment and business regulations	44,906				
Debt service:					
Principal					
Interest					
Capital outlays			1,470		11
Intergovernmental					
Total expenditures	4,377,559	368,154	70,336	2,978,312	173,425
Excess (deficiency) of revenues over (under) expenditures	(3,897,285)	(46,748)	20,793	-	(33,401)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES					
General obligation and revenue bonds issued	3,700,000				
Premiums on general obligation and revenue bonds issued					
Transfers-in	397,070	17,000			29,939
Transfers-out	(1,262,753)				
Capital lease financing					
Net other sources (uses) of financial resources	2,834,317	17,000			29,939
Net change in fund balances	(1,062,968)	(29,748)	20,793	-	(3,462)
Fund balances, July 1, 2010, as restated	85,714	970	59,773		54,790
Increase (decrease) for changes in inventories					
FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (977,254)	\$ (28,778)	\$ 80,566	\$ -	\$ 51,328

**Railsplitter
Tobacco
Settlement
Authority**

		Railsplitter Trustee Account Fund		State Board of Education	Other	Total
Revenue	Transportation					
\$ 1,986,946					\$ 10,138	\$ 1,997,084
2,118,954	\$ 172,105				461,738	2,752,797
	714,937				70,749	785,686
169,827					190,717	451,673
					457,865	457,865
122,513					231,411	353,924
	116		\$ 2,355,153		3,333,744	9,434,158
27	3,254				523,485	526,766
2,637		\$ (194)			7,454	9,927
	4	268,444	902		479,933	924,124
4,400,904	890,416	268,250	2,356,055	5,767,234		17,694,004
120					1,583,379	6,010,048
			2,361,391		385,983	5,708,262
34,290	45,051	10,240			137,013	366,491
12,463					1,117,904	1,159,378
	167,065				197,308	441,577
					417,554	705,404
					713,967	758,873
			40	1,416		1,456
		38,252	6	89		38,347
1,856	968		1,694	38,633		44,632
4,108,496	578,575			504,302		5,191,373
4,157,225	791,659	48,492	2,363,131	5,097,548		20,425,841
243,679	98,757	219,758	(7,076)	669,686		(2,731,837)
		1,503,460				5,203,460
		6,607				6,607
151,048				256,348		851,405
(536,593)	(77,753)	(395,179)		(706,073)		(2,978,351)
				178		178
(385,545)	(77,753)	1,114,888		(449,547)		3,083,299
(141,866)	21,004	1,334,646	(7,076)	220,139		351,462
159,822	113,354		1,506	955,879		1,431,808
			(324)	1,144		820
\$ 17,956	\$ 134,358	\$ 1,334,646	\$ (5,894)	\$ 1,177,162	\$ 1,784,090	

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Treasurer

June 30, 2011 (Expressed in Thousands)

	Pension Contribution Fund	Unclaimed Property Trust Fund	Tobacco Settlement Recovery Fund	Total
ASSETS				
Cash equity with State Treasurer		\$ 174,407	\$ 8,349	\$ 182,756
Receivables, net:				
Intergovernmental			3,026	3,026
Other			96	96
Due from other funds			58,100	58,100
Total assets	\$ -	\$ 174,407	\$ 69,571	\$ 243,978
LIABILITIES				
Accounts payable and accrued liabilities	\$ 339	\$ 11,723	\$ 12,062	
Intergovernmental payables	4	3,048	3,052	
Due to other funds	18	1,203,268	1,203,286	
Due to component units		94	94	
Unavailable revenue			2,738	2,738
Total liabilities		361	1,220,871	1,221,232
FUND BALANCES (DEFICITS)				
Restricted		60,304		60,304
Committed		113,742		113,742
Unassigned			(1,151,300)	(1,151,300)
Total fund balances (deficits)		174,046	(1,151,300)	(977,254)
Total liabilities and fund balances (deficits)	\$ -	\$ 174,407	\$ 69,571	\$ 243,978

State of Illinois

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

Treasurer

For the Year Ended June 30, 2011 (Expressed in Thousands)

	Pension Contribution Fund	Unclaimed Property Trust Fund	Tobacco Settlement Recovery Fund	Total
REVENUES				
Federal government			\$ 320,468	\$ 320,468
Interest and other investment income			30	30
Other		\$ 159,775	1	159,776
Total revenues		159,775	320,499	480,274
EXPENDITURES				
Current:				
Health and social services	\$ 230,532		607,271	837,803
Education	2,897,888	63,000		2,960,888
General government	132,609	6,444	844	139,897
Employment and economic development	29,011			29,011
Transportation	77,204			77,204
Public protection and justice	287,850			287,850
Environment and business regulations	44,906			44,906
Total expenditures	3,700,000	69,444	608,115	4,377,559
Excess (deficiency) of revenues over (under) expenditures	(3,700,000)	90,331	(287,616)	(3,897,285)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES				
General obligation bonds issued	3,700,000			3,700,000
Transfers-in		1,891	395,179	397,070
Transfers-out		(2,233)	(1,260,520)	(1,262,753)
Net other sources (uses) of financial resources	3,700,000	(342)	(865,341)	2,834,317
Net change in fund balances	-	89,989	(1,152,957)	(1,062,968)
Fund balances, July 1, 2010, as restated		84,057	1,657	85,714
FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ -	\$ 174,046	\$ (1,151,300)	\$ (977,254)

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds
Revenue

June 30, 2011 (Expressed in Thousands)

	Local Government Tax Fund	Illinois Affordable Housing Trust Fund	Local Government Distributive Fund	Personal Property Tax Replacement Fund	Build Illinois Fund	Total
ASSETS						
Cash equity with State Treasurer	\$ 193,750	\$ 12,029	\$ 56	\$ 303,776	\$ 13,342	\$ 522,953
Securities lending collateral of State Treasurer		4,127		49,382	8,359	61,868
Receivables, net:						
Taxes	90,955			53,420	35,660	180,035
Other		5		56	10	71
Due from other funds	100,000	27,023	387,503		9,450	523,976
Due from component units		327,833				327,833
Total assets	\$ 384,705	\$ 371,017	\$ 387,559	\$ 406,634	\$ 66,821	\$ 1,616,736
LIABILITIES						
Accounts payable and accrued liabilities				\$ 40,635	\$ 14,160	\$ 54,795
Intergovernmental payables	\$ 343,462		\$ 386,934	311,061		1,041,457
Due to other funds	41,243		625	237,642		279,510
Unavailable revenue	5,357			11,636	2,194	19,187
Unearned revenue				141,963		141,963
Obligations under securities lending of State Treasurer		\$ 4,127		49,382	8,359	61,868
Total liabilities	390,062	4,127	387,559	792,319	24,713	1,598,780
FUND BALANCES (DEFICITS)						
Committed		366,890			42,108	408,998
Unassigned	(5,357)			(385,685)		(391,042)
Total fund balances (deficits)	(5,357)	366,890		(385,685)	42,108	17,956
Total liabilities and fund balances (deficits)	\$ 384,705	\$ 371,017	\$ 387,559	\$ 406,634	\$ 66,821	\$ 1,616,736

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Special Revenue Funds**

Revenue

For the Year Ended June 30, 2011 (Expressed in Thousands)

	Local Government Tax Fund	Illinois Affordable Housing Trust Fund	Local Government Distributive Fund	Personal Property Tax Replacement Fund	Build Illinois Fund	Total
REVENUES						
Income taxes			\$ 921,502	\$ 1,065,444		\$ 1,986,946
Sales taxes	\$ 1,563,258		149,469		\$ 406,227	2,118,954
Public utility taxes				169,827		169,827
Other taxes		\$ 19,403			103,110	122,513
Licenses and fees		27				27
Interest and other investment income		2,131		411	\$ 95	2,637
Total revenues	1,563,258	21,561	1,070,971	1,235,682	509,432	4,400,904
EXPENDITURES						
Current:						
Health and social services		120				120
General government		11,126		23,164		34,290
Employment and economic development					12,463	12,463
Capital outlays				1,856		1,856
Intergovernmental	1,561,580		1,065,346	1,481,570		4,108,496
Total expenditures	1,561,580	11,246	1,065,346	1,506,590	12,463	4,157,225
Excess (deficiency) of revenues over (under) expenditures	1,678	10,315	5,625	(270,908)	496,969	243,679
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
Transfers-in				111,582	39,466	151,048
Transfers-out			(5,625)		(530,968)	(536,593)
Net other sources (uses) of financial resources			(5,625)	111,582	(491,502)	(385,545)
Net change in fund balances	1,678	10,315	-	(159,326)	5,467	(141,866)
Fund balances (deficits), July 1, 2010	(7,035)	356,575		(226,359)	36,641	159,822
FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (5,357)	\$ 366,890	\$ -	\$ (385,685)	\$ 42,108	\$ 17,956

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds
Transportation

June 30, 2011 (Expressed in Thousands)

	Motor Fuel Tax Fund	Downstate Public Transportation Fund	Total
ASSETS			
Cash equity with State Treasurer	\$ 110,876	\$ 2,430	\$ 113,306
Taxes receivable, net	104,385		104,385
Due from other funds		158,196	158,196
Total assets	\$ 215,261	\$ 160,626	\$ 375,887
LIABILITIES			
Accounts payable and accrued liabilities	\$ 9,658		\$ 9,658
Intergovernmental payables	103,944	\$ 26,268	130,212
Due to other funds	95,993		95,993
Unavailable revenue	5,666		5,666
Total liabilities	215,261	26,268	241,529
FUND BALANCES			
Restricted		29,722	29,722
Committed		104,636	104,636
Total fund balances		134,358	134,358
Total liabilities and fund balances	\$ 215,261	\$ 160,626	\$ 375,887

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Special Revenue Funds
Transportation**

For the Year Ended June 30, 2011 (Expressed in Thousands)

	Motor Fuel Tax Fund	Downstate Public Transportation Fund	Total
REVENUES			
Sales taxes		\$ 172,105	\$ 172,105
Motor fuel taxes	\$ 714,937		714,937
Federal government	116		116
Licenses and fees	3,254		3,254
Other	4		4
Total revenues	718,311	172,105	890,416
EXPENDITURES			
Current:			
General government	45,051		45,051
Transportation	15,964	151,101	167,065
Capital outlays	968		968
Intergovernmental	578,575		578,575
Total expenditures	640,558	151,101	791,659
Excess (deficiency) of revenues over (under) expenditures	77,753	21,004	98,757
OTHER SOURCES (USES) OF FINANCIAL RESOURCES			
Transfers-out	(77,753)		(77,753)
Net other sources (uses) of financial resources	(77,753)		(77,753)
Net change in fund balances	-	21,004	21,004
Fund balances, July 1, 2010, as restated		113,354	113,354
FUND BALANCES, JUNE 30, 2011	\$ -	\$ 134,358	\$ 134,358

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

State Board of Education

June 30, 2011 (Expressed in Thousands)

	SBE Federal Department of Agriculture Fund	SBE Federal Department of Education Fund	Total
ASSETS			
Cash equity with State Treasurer	\$ 390	\$ 971	\$ 1,361
Receivables, net:			
Intergovernmental	43,916	411,616	455,532
Other	515		515
Due from other funds		418	418
Due from component units		324	324
Inventories	1,412		1,412
Total assets	\$ 46,233	\$ 413,329	\$ 459,562
LIABILITIES			
Accounts payable and accrued liabilities	\$ 29	\$ 4,191	\$ 4,220
Intergovernmental payables	40,388	401,039	441,427
Due to other funds	201	7,649	7,850
Due to component units		897	897
Unavailable revenue	4,204	6,858	11,062
Total liabilities	44,822	420,634	465,456
FUND BALANCES (DEFICITS)			
Nondisposable - inventories	1,412		1,412
Unassigned	(1)	(7,305)	(7,306)
Total fund balances (deficits)	1,411	(7,305)	(5,894)
Total liabilities and fund balances (deficits)	\$ 46,233	\$ 413,329	\$ 459,562

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, 2011 (Expressed in Thousands)

	SBE Federal Department of Agriculture Fund	SBE Federal Department of Education Fund	Total
REVENUES			
Federal government	\$ 656,022	\$ 1,699,131	\$ 2,355,153
Other	7	895	902
Total revenues	656,029	1,700,026	2,356,055
EXPENDITURES			
Current:			
Education	655,435	1,705,956	2,361,391
Debt service:			
Principal	18	22	40
Interest	2	4	6
Capital outlays	451	1,243	1,694
Total expenditures	655,906	1,707,225	2,363,131
Excess (deficiency) of revenues over (under) expenditures	123	(7,199)	(7,076)
Net change in fund balances	123	(7,199)	(7,076)
Fund balances (deficits), July 1, 2010	1,612	(106)	1,506
Increase (decrease) for changes in inventories	(324)		(324)
FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ 1,411	\$ (7,305)	\$ (5,894)

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DEBT SERVICE FUNDS

The Debt Service Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest.

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

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, 2011 (Expressed in Thousands)

	Governor's Office of Management and Budget		Other	Total
	Treasurer			
	General Obligation Bond Retirement and Interest Fund	Build Illinois Bond Retirement and Interest Fund		
ASSETS				
Cash equity with State Treasurer	\$ 1,226,270	\$ 4,235	\$ 8,935	\$ 1,239,440
Cash and cash equivalents	6,732	74,204	21,937	102,873
Securities lending collateral of State Treasurer	471,658	1,652		473,310
Investments		49,578		49,578
Receivables, net:				
Intergovernmental	2			2
Other	1,813	517		2,330
Due from other funds	3,243			3,243
Loans and notes receivable, net	13,346			13,346
Total assets	\$ 1,723,064	\$ 130,186	\$ 30,872	\$ 1,884,122
LIABILITIES				
Unearned revenue	\$ 13,055			\$ 13,055
Obligations under securities lending of State Treasurer	471,658	\$ 1,652		473,310
Total liabilities	484,713	1,652		486,365
FUND BALANCES				
Restricted	1,238,351	128,534	\$ 30,872	1,397,757
Total fund balances	1,238,351	128,534	30,872	1,397,757
Total liabilities and fund balances	\$ 1,723,064	\$ 130,186	\$ 30,872	\$ 1,884,122

State of Illinois

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Year Ended June 30, 2011 (Expressed in Thousands)

	Governor's Office of Management and Budget		Other	Total
	Treasurer			
	General Obligation Bond Retirement and Interest Fund	Build Illinois Bond Retirement and Interest Fund		
REVENUES				
Federal government	\$ 48,757			\$ 48,757
Licenses and fees	161			161
Interest and other investment income	6,017	\$ (64)	\$ 3	5,956
Other	16			16
Total revenues	54,951	(64)	3	54,890
EXPENDITURES				
Current:				
General government		90		90
Employment and economic development			20	20
Transportation			1	1
Debt service:				
Principal	1,777,330	180,565	14,490	1,972,385
Interest	1,188,122	118,598	7,374	1,314,094
Total expenditures	2,965,452	299,253	21,885	3,286,590
Excess (deficiency) of revenues over (under) expenditures	(2,910,501)	(299,317)	(21,882)	(3,231,700)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES				
Transfers-in	4,549,480	300,445	22,198	4,872,123
Transfers-out	(1,311,174)	(7,698)		(1,318,872)
Net other sources (uses) of financial resources	3,238,306	292,747	22,198	3,553,251
Net change in fund balances	327,805	(6,570)	316	321,551
Fund balances, July 1, 2010	910,546	135,104	30,556	1,076,206
FUND BALANCES, JUNE 30, 2011	\$ 1,238,351	\$ 128,534	\$ 30,872	\$ 1,397,757

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CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays including the acquisition and/or construction of capital facilities and other capital assets.

SIGNIFICANT NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS DESCRIPTIONS

Department of Commerce and Economic Opportunity

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 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.

Transportation Bond Series D Fund--to account for the proceeds from bond issues used to finance State highways, arterial highways, freeways, roads, bridges, structures separating highways and railroads and roads, and bridges on roads maintained by counties, municipalities, townships or road districts.

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, 2011 (Expressed in Thousands)

	Commerce and Economic Opportunity		Capital Development Board	Environmental Protection Agency		Other	Total
	Build Illinois Bond Fund	Transportation		Anti-Pollution Fund			
ASSETS							
Cash equity with State Treasurer	\$ 71,869	\$ 988,643	\$ 381,431	\$ 8,519	\$ 1,505	\$ 1,451,967	
Cash and cash equivalents			4,731		11	4,742	
Receivables, net:							
Intergovernmental			1,626			1,626	
Other		10				10	
Due from other funds	1,743	5	4,141		511	6,400	
Due from component units			595			595	
Total assets	\$ 73,612	\$ 988,658	\$ 392,524	\$ 8,519	\$ 2,027	\$ 1,465,340	
LIABILITIES							
Accounts payable and accrued liabilities	\$ 476	\$ 107,482	\$ 31,292		\$ 50	\$ 139,300	
Intergovernmental payables	708	124,522	8,065			133,295	
Due to other funds	6		198	\$ 889	5	1,098	
Unavailable revenue		10				10	
Unearned revenue			399			399	
Total liabilities	1,190	232,014	39,954	889	55	274,102	
FUND BALANCES							
Restricted					507	507	
Committed	72,422	756,644	352,570	7,630	1,454	1,190,720	
Assigned					11	11	
Total fund balances	72,422	756,644	352,570	7,630	1,972	1,191,238	
Total liabilities and fund balances	\$ 73,612	\$ 988,658	\$ 392,524	\$ 8,519	\$ 2,027	\$ 1,465,340	

State of Illinois

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the Year Ended June 30, 2011 (Expressed in Thousands)

	Commerce and Economic Opportunity		Capital Development Board	Environmental Protection Agency		Total
	Build Illinois Bond Fund	Transportation		Anti-Pollution Fund	Other	
REVENUES						
Federal government			\$ 26,918			\$ 26,918
Other	\$ 6		15,663			15,669
Total revenues	6		42,581			42,587
EXPENDITURES						
Current:						
Health and social services	84					84
Education	12,009		246,436			258,445
General government	801	\$ 1,912	10,917			13,630
Employment and economic development	173,409		25,254		\$ 715	199,378
Transportation		511,673			1,532	513,205
Public protection and justice			56			56
Environment and business regulations	31,079		5,433	\$ 990	25	37,527
Capital outlays	502	972,870	57,042		50	1,030,464
Total expenditures	217,884	1,486,455	345,138	990	2,322	2,052,789
Excess (deficiency) of revenues over (under) expenditures	(217,878)	(1,486,455)	(302,557)	(990)	(2,322)	(2,010,202)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
General obligation bonds issued		1,162,000		38,000		1,200,000
Discounts on general obligation bonds issued		(87)		(3)		(90)
Transfers-in					1,336	1,336
Transfers-out			(5,402)	(30,859)		(36,261)
Net other sources (uses) of financial resources		1,161,913	(5,402)	7,138	1,336	1,164,985
Net change in fund balances	(217,878)	(324,542)	(307,959)	6,148	(986)	(845,217)
Fund balances, July 1, 2010	290,300	1,081,186	660,529	1,482	2,958	2,036,455
FUND BALANCES, JUNE 30, 2011	\$ 72,422	\$ 756,644	\$ 352,570	\$ 7,630	\$ 1,972	\$ 1,191,238

State of Illinois

Combining Balance Sheet - Nonmajor Capital Projects Funds

Transportation

June 30, 2011 (Expressed in Thousands)

	Transportation Bond Series A Fund	Transportation Bond Series B Fund	Transportation Bond Series D Fund	Total
ASSETS				
Cash equity with State Treasurer	\$ 668,625	\$ 225,318	\$ 94,700	\$ 988,643
Other receivables, net	10			10
Due from other funds		5		5
Total assets	\$ 668,635	\$ 225,323	\$ 94,700	\$ 988,658
LIABILITIES				
Accounts payable and accrued liabilities	\$ 39,319	\$ 21,570	\$ 46,593	\$ 107,482
Intergovernmental payables	1,970	98,897	23,655	124,522
Unavailable revenue	10			10
Total liabilities	41,299	120,467	70,248	232,014
FUND BALANCES				
Committed	627,336	104,856	24,452	756,644
Total fund balances	627,336	104,856	24,452	756,644
Total liabilities and fund balances	\$ 668,635	\$ 225,323	\$ 94,700	\$ 988,658

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Capital Projects Funds
Transportation**

For the Year Ended June 30, 2011 (Expressed in Thousands)

	Transportation Bond Series A Fund	Transportation Bond Series B Fund	Transportation Bond Series D Fund	Total
EXPENDITURES				
Current:				
General government			\$ 1,912	\$ 1,912
Transportation	\$ (10,301)	\$ 329,720	192,254	511,673
Capital outlays	591,041	1,418	380,411	972,870
Total expenditures	580,740	331,138	574,577	1,486,455
Excess (deficiency) of revenues over (under) expenditures	(580,740)	(331,138)	(574,577)	(1,486,455)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES				
General obligation bonds issued	649,000	239,775	273,225	1,162,000
Discounts on general obligation bonds issued	(48)	(18)	(21)	(87)
Net other sources (uses) of financial resources	648,952	239,757	273,204	1,161,913
Net change in fund balances	68,212	(91,381)	(301,373)	(324,542)
Fund balances, July 1, 2010	559,124	196,237	325,825	1,081,186
FUND BALANCES, JUNE 30, 2011	\$ 627,336	\$ 104,856	\$ 24,452	\$ 756,644

State of Illinois

Combining Balance Sheet - Nonmajor Capital Projects Funds

Capital Development Board

June 30, 2011 (Expressed in Thousands)

	Capital Development Fund	School Construction Fund	CDB Contributory Trust Fund	Total
ASSETS				
Cash equity with State Treasurer	\$ 108,832	\$ 271,475	\$ 1,124	\$ 381,431
Cash and cash equivalents	4,731			4,731
Intergovernmental receivables, net			1,626	1,626
Due from other funds			4,141	4,141
Due from component units	595			595
Total assets	\$ 114,158	\$ 271,475	\$ 6,891	\$ 392,524
LIABILITIES				
Accounts payable and accrued liabilities	\$ 25,424		\$ 5,868	\$ 31,292
Intergovernmental payables	1,017	\$ 7,048		8,065
Due to other funds	46		152	198
Unearned revenue			399	399
Total liabilities	26,487	7,048	6,419	39,954
FUND BALANCES				
Committed	87,671	264,427	472	352,570
Total fund balances	87,671	264,427	472	352,570
Total liabilities and fund balances	\$ 114,158	\$ 271,475	\$ 6,891	\$ 392,524

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, 2011 (Expressed in Thousands)

	Capital Development Fund	School Construction Fund	CDB Contributory Trust Fund	Total
REVENUES				
Federal government			\$ 26,918	\$ 26,918
Other			15,663	15,663
Total revenues			42,581	42,581
EXPENDITURES				
Current:				
Education	\$ 97,961	\$ 133,170	15,305	246,436
General government	10,917			10,917
Employment and economic development	25,254			25,254
Public protection and justice	56			56
Environment and business regulations	5,433			5,433
Capital outlays	33,439		23,603	57,042
Total expenditures	173,060	133,170	38,908	345,138
Excess (deficiency) of revenues over (under) expenditures	(173,060)	(133,170)	3,673	(302,557)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES				
Transfers-out	(2,000)		(3,402)	(5,402)
Net other sources (uses) of financial resources	(2,000)		(3,402)	(5,402)
Net change in fund balances	(175,060)	(133,170)	271	(307,959)
Fund balances, July 1, 2010	262,731	397,597	201	660,529
FUND BALANCES, JUNE 30, 2011	\$ 87,671	\$ 264,427	\$ 472	\$ 352,570

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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 Employment Security

Title XII Interest Fund--to account for receipts of a one-time surcharge from employers and to pay interest required on advances under Title XII of the Social Security Act.

Department of Financial and Professional Regulation

Bank and Trust Company Fund--to account for receipts of fees under the Illinois Banking Act, the Corporate Fiduciary Act, or the Foreign Banking Office Act, and to pay for ordinary administrative expenses of the Department of Financial and Professional Regulation.

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.

Student Loan Operation Fund--to account for the administration of the student loan guaranty program.

**Combining Statement of Net Assets
Nonmajor Enterprise Funds**

June 30, 2011 (Expressed in Thousands)

	Employment Security	Financial and Professional Regulation	Revenue				
	Title XII Interest Fund	Bank and Trust Company Fund	State Lottery Fund	Student Assistance Commission	Other	Total	
ASSETS							
Cash equity with State Treasurer		\$ 16,386	\$ 36,522	\$ 41,075	\$ 32,566	\$ 126,549	
Cash and cash equivalents	\$ 90,005		6,278		2,890	99,173	
Securities lending collateral of State Treasurer		6,759		15,343	10,342	32,444	
Investments			59		28,629	28,688	
Receivables, net:							
Intergovernmental				33,946	155	34,101	
Other		7,256	13,362	17	1,613	22,248	
Due from other funds		8,000	101,987	42,631	10,236	162,854	
Inventories			248			248	
Prepaid expenses			120		226	346	
Total current assets	90,005	38,401	158,576	133,012	86,657	506,651	
Investments			466		6,756	7,222	
Capital assets not being depreciated					190	190	
Capital assets being depreciated, net			269	689	2,636	3,594	
Total noncurrent assets			735	689	9,582	11,006	
Total assets	90,005	38,401	159,311	133,701	96,239	517,657	
LIABILITIES							
Accounts payable and accrued liabilities		4,230	118,280	16,385	11,986	150,881	
Intergovernmental payables	50,485	1		7,791	3	58,280	
Due to other funds		7	414	4,884	194	5,499	
Unearned revenue			3,785		26,425	30,210	
Obligations under security lending of State Treasurer		6,759		15,343	10,342	32,444	
Current portion of long-term obligations		110	156	277	830	1,373	
Total current liabilities	50,485	11,107	122,635	44,680	49,780	278,687	
Noncurrent portion of long-term obligations		2,098	1,785	1,843	8,952	14,678	
Total liabilities	50,485	13,205	124,420	46,523	58,732	293,365	
NET ASSETS							
Invested in capital assets, net of related debt			269	689	2,826	3,784	
Net assets restricted for:							
Debt service	39,520					39,520	
Education			34,622	46,558		81,180	
Unrestricted		25,196		39,931	34,681	99,808	
Total net assets	\$ 39,520	\$ 25,196	\$ 34,891	\$ 87,178	\$ 37,507	\$ 224,292	

State of Illinois

**Combining Statement of Revenues, Expenses and
Changes in Net Assets - Nonmajor Enterprise Funds**

For the Year Ended June 30, 2011 (Expressed in Thousands)

	Employment Security	Financial and Professional Regulation	Revenue			
	Title XII Interest Fund	Bank and Trust Company Fund	State Lottery Fund	Student Assistance Commission	Other	Total
OPERATING REVENUES						
Charges for sales and services		\$ 22,668	\$ 2,264,685	\$ 31,179	\$ 101,985	\$ 2,420,517
Interest and other investment income					2	2
Employer contributions	\$ 90,000					90,000
Other			4,990			4,990
Total operating revenues	90,000	22,668	2,269,675	31,179	101,987	2,515,509
OPERATING EXPENSES						
Cost of sales and services		15,928	160,910	214,736	3,197	394,771
Benefit payments and refunds					68,697	68,697
Prizes and claims			1,368,472			1,368,472
Interest	50,485				109	50,594
General and administrative			71,857	23,741	17,181	112,779
Depreciation			148	30	507	685
Other					12,958	12,958
Total operating expenses	50,485	15,928	1,601,387	238,507	102,649	2,008,956
Operating income (loss)	39,515	6,740	668,288	(207,328)	(662)	506,553
NONOPERATING REVENUES (EXPENSES)						
Interest and investment income	5	92		234	490	821
Federal government				205,015	120	205,135
Other expenses					(20)	(20)
Income (loss) before transfers	39,520	6,832	668,288	(2,079)	(72)	712,489
Transfers-in				58,931		58,931
Transfers-out		(5,492)	(668,288)	(27,289)	(825)	(701,894)
Net income (loss)	39,520	1,340		29,563	(897)	69,526
Net assets, July 1, 2010		23,856	34,891	57,615	38,404	154,766
NET ASSETS, JUNE 30, 2011	\$ 39,520	\$ 25,196	\$ 34,891	\$ 87,178	\$ 37,507	\$ 224,292

**Combining Statement of Cash Flows
Nonmajor Enterprise Funds**

For the Year Ended June 30, 2011 (Expressed in Thousands)

	Employment Security	Financial and Professional Regulation	Revenue			
		Bank and Trust Company Fund	State Lottery Fund	Student Assistance Commission	Other	Total
	Title XII Interest Fund					
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from sales and services		\$ 25,729		\$ 105,723	\$ 90,260	\$ 221,712
Cash received from lottery sales (net of \$227,419 cash prizes paid by agents and \$29,684 commissions retained by agents)			\$ 1,155,015			1,155,015
Cash payments to suppliers for goods and services		(15,426)		(2,050)	(56,291)	(73,767)
Cash payments to employees for services			(134,668)	(18,389)	(22,282)	(175,339)
Cash payments for lottery prizes			(326,909)			(326,909)
Cash receipts from unemployment taxes	\$ 90,000					90,000
Cash receipts from other operating activities			4,990		712	5,702
Cash payments for other operating activities		(1,104)		(300,744)	(9,330)	(311,178)
Net cash provided (used) by operating activities	90,000	9,199	698,428	(215,460)	3,069	585,236
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Grants received				209,535	128	209,663
Transfers-in from other funds				24,705	(2)	24,703
Transfers-out to other funds		(5,492)	(722,987)	(26,561)	(10,823)	(765,863)
Net cash provided (used) by noncapital financing activities		(5,492)	(722,987)	207,679	(10,697)	(531,497)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets			(6)	(569)	(309)	(884)
Net cash provided (used) by capital and related financing activities			(6)	(569)	(309)	(884)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investment securities					(45,546)	(45,546)
Proceeds from sales and maturities of investment securities					44,762	44,762
Loan disbursements		(8,000)				(8,000)
Interest and dividends on investments	5	100		250	514	869
Net cash provided (used) by investing activities	5	(7,900)		250	(270)	(7,915)
Net increase (decrease) in cash and cash equivalents	90,005	(4,193)	(24,565)	(8,100)	(8,207)	44,940
Cash and cash equivalents, July 1, 2010		20,579	67,365	49,175	43,663	180,782
CASH AND CASH EQUIVALENTS, JUNE 30, 2011	\$ 90,005	\$ 16,386	\$ 42,800	\$ 41,075	\$ 35,456	\$ 225,722
Reconciliation of cash and cash equivalents to the statement of net assets:						
Total cash and cash equivalents per statement of net assets	\$ 90,005		\$ 6,278		\$ 2,890	\$ 99,173
Add: cash equity with State Treasurer		\$ 16,386	36,522	\$ 41,075	32,566	126,549
CASH AND CASH EQUIVALENTS, JUNE 30, 2011	\$ 90,005	\$ 16,386	\$ 42,800	\$ 41,075	\$ 35,456	\$ 225,722

(continued)

State of Illinois

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended June 30, 2011 (Expressed in Thousands)

(continued)

	Employment Security	Financial and Professional Regulation	Revenue			
		Bank and Trust Company Fund	State Lottery Fund	Student Assistance Commission	Other	Total
	Title XII Interest Fund					
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
OPERATING INCOME (LOSS)	\$ 39,515	\$ 6,740	\$ 668,288	\$ (207,328)	\$ (662)	\$ 506,553
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation			148	30	507	685
Provision for uncollectible accounts			1,046			1,046
Interest expense	50,485					50,485
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable		(236)	(8,732)	66	(344)	(9,246)
(Increase) decrease in intergovernmental receivables				249	114	363
(Increase) decrease in due from other funds			(208)	(636)	(39)	(883)
(Increase) decrease in inventory			409			409
(Increase) decrease in prepaid expenses			(52)		45	(7)
Increase (decrease) in accounts payable and accrued liabilities		2,890	38,928	(7,173)	2,512	37,157
Increase (decrease) in intergovernmental payables		(28)	(31)	(544)	(89)	(692)
Increase (decrease) in due to other funds		(178)	(2,254)	150	(25)	(2,307)
Increase (decrease) in due to component units			(3)			(3)
Increase (decrease) in unearned revenue			846		1,413	2,259
Increase (decrease) in other liabilities		11	43	(274)	(363)	(583)
Total adjustments	50,485	2,459	30,140	(8,132)	3,731	78,683
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 90,000	\$ 9,199	\$ 698,428	\$ (215,460)	\$ 3,069	\$ 585,236
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES						
Gain (loss) on disposal of assets					\$ (20)	\$ (20)
Increase (decrease) in fair value of investments					\$ (66)	\$ (66)

State of Illinois

**Combining Statement of Net Assets - Nonmajor Enterprise Funds
Student Assistance Commission**

June 30, 2011 (Expressed in Thousands)

	Federal Student Loan Fund	Student Loan Operation Fund	Total
ASSETS			
Cash equity with State Treasurer	\$ 34,945	\$ 6,130	\$ 41,075
Securities lending collateral of State Treasurer	12,664	2,679	15,343
Receivables, net:			
Intergovernmental	33,031	915	33,946
Other	14	3	17
Due from other funds	3,177	39,454	42,631
Total current assets	83,831	49,181	133,012
Capital assets being depreciated, net		689	689
Total noncurrent assets		689	689
Total assets	83,831	49,870	133,701
LIABILITIES			
Accounts payable and accrued liabilities	15,428	957	16,385
Intergovernmental payables	7,791		7,791
Due to other funds	1,390	3,494	4,884
Obligations under security lending of State Treasurer	12,664	2,679	15,343
Current portion of long-term obligations		277	277
Total current liabilities	37,273	7,407	44,680
Noncurrent portion of long-term obligations		1,843	1,843
Total liabilities	37,273	9,250	46,523
NET ASSETS			
Invested in capital assets, net of related debt		689	689
Net assets restricted for education	46,558		46,558
Unrestricted		39,931	39,931
Total net assets	\$ 46,558	\$ 40,620	\$ 87,178

State of Illinois

**Combining Statement of Revenues, Expenses and
Changes in Net Assets - Nonmajor Enterprise Funds
Student Assistance Commission**

For the Year Ended June 30, 2011 (Expressed in Thousands)

	Federal Student Loan Fund	Student Loan Operation Fund	Total
OPERATING REVENUES			
Charges for sales and services	\$ 19,458	\$ 11,721	\$ 31,179
Total operating revenues	19,458	11,721	31,179
OPERATING EXPENSES			
Cost of sales and services	212,839	1,897	214,736
General and administrative		23,741	23,741
Depreciation		30	30
Total operating expenses	212,839	25,668	238,507
Operating loss	(193,381)	(13,947)	(207,328)
NONOPERATING REVENUES (EXPENSES)			
Interest and investment income	199	35	234
Federal government	205,015		205,015
Income (loss) before transfers	11,833	(13,912)	(2,079)
Transfers-in	3,789	55,142	58,931
Transfers-out	(21,642)	(5,647)	(27,289)
Net income (loss)	(6,020)	35,583	29,563
Net assets, July 1, 2010	52,578	5,037	57,615
NET ASSETS, JUNE 30, 2011	\$ 46,558	\$ 40,620	\$ 87,178

Combining Statement of Cash Flows - Nonmajor Enterprise Funds

Student Assistance Commission

For the Year Ended June 30, 2011 (Expressed in Thousands)

	Federal Student Loan Fund	Student Loan Operation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from sales and services	\$ 95,932	\$ 9,791	\$ 105,723
Cash payments to suppliers for goods and services		(2,050)	(2,050)
Cash payments to employees for services		(18,389)	(18,389)
Cash payments for other operating activities	(297,076)	(3,668)	(300,744)
Net cash provided (used) by operating activities	(201,144)	(14,316)	(215,460)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Grants received	209,535		209,535
Transfers-in from other funds	3,676	21,029	24,705
Transfers-out to other funds	(21,029)	(5,532)	(26,561)
Net cash provided (used) by noncapital financing activities	192,182	15,497	207,679
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets		(569)	(569)
Net cash provided (used) by capital and related financing activities		(569)	(569)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities			
Interest and dividends on investments	213	37	250
Net cash provided (used) by investing activities	213	37	250
Net increase (decrease) in cash and cash equivalents	(8,749)	649	(8,100)
Cash and cash equivalents, July 1, 2010	43,694	5,481	49,175
CASH AND CASH EQUIVALENTS, JUNE 30, 2011	\$ 34,945	\$ 6,130	\$ 41,075
Reconciliation of cash and cash equivalents to the statement of net assets:			
Total cash equity with State Treasurer	\$ 34,945	\$ 6,130	\$ 41,075
CASH AND CASH EQUIVALENTS, JUNE 30, 2011	\$ 34,945	\$ 6,130	\$ 41,075
Reconciliation of operating income (loss) to net cash used by operating activities:			
OPERATING INCOME (LOSS)	\$ (193,381)	\$ (13,947)	\$ (207,328)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation		30	30
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	66		66
(Increase) decrease in intergovernmental receivables		249	249
(Increase) decrease in due from other funds	7	(643)	(636)
Increase (decrease) in accounts payable and accrued liabilities	(7,286)	113	(7,173)
Increase (decrease) in intergovernmental payables	(544)		(544)
Increase (decrease) in due to other funds	(6)	156	150
Increase (decrease) in other liabilities		(274)	(274)
Total adjustments	(7,763)	(369)	(8,132)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (201,144)	\$ (14,316)	\$ (215,460)

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.

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, 2011 (Expressed in Thousands)

	Auditor General		Corrections	Healthcare and Family Services		Total
	Audit Expense Fund	Central Management Services	Working Capital Revolving Fund	Health Insurance Reserve Fund	Other	
ASSETS						
Cash equity with State Treasurer	\$ 19,867	\$ 46,706	\$ 2,797	\$ 46,273	\$ 4,316	\$ 119,959
Cash and cash equivalents		3,849		26,965		30,814
Securities lending collateral of State Treasurer		10,940		19,045		29,985
Receivables, net:						
Intergovernmental		3,266	47	9,047	45	12,405
Other		2,240	946	19,052	6,593	28,831
Due from other funds	313	797,997	17,241	1,242,145	11,561	2,069,257
Due from component units	1,303	619	22	33,294	1,003	36,241
Inventories			7,247		1,799	9,046
Prepaid expenses			10			10
Other assets			229			229
Total current assets	21,483	865,617	28,539	1,395,821	25,317	2,336,777
Capital assets not being depreciated		40,137				40,137
Capital assets being depreciated, net		210,781	1,670	10	480	212,941
Total noncurrent assets		250,918	1,670	10	480	253,078
Total assets	21,483	1,116,535	30,209	1,395,831	25,797	2,589,855
LIABILITIES						
Accounts payable and accrued liabilities	4,696	72,214	10,496	1,375,076	11,983	1,474,465
Intergovernmental payables		12,674	26	10	3	12,713
Due to other funds	8	17,492	1,530	1,159	5,210	25,399
Due to component units		983	3		1	987
Unearned revenue		3,675				3,675
Obligations under security lending of State Treasurer		10,940		19,045		29,985
Current portion of long-term liabilities		153,342	211	180	192	153,925
Total current liabilities	4,704	271,320	12,266	1,395,470	17,389	1,701,149
Noncurrent portion of long-term liabilities		478,825	1,366	361	1,616	482,168
Total liabilities	4,704	750,145	13,632	1,395,831	19,005	2,183,317
NET ASSETS						
Invested in capital assets, net of related debt		218,472	1,613	10	289	220,384
Restricted for debt service		3,849				3,849
Unrestricted	16,779	144,069	14,964	(10)	6,503	182,305
Total net assets	\$ 16,779	\$ 366,390	\$ 16,577	\$ -	\$ 6,792	\$ 406,538

State of Illinois

**Combining Statement of Revenues, Expenses and
Changes in Net Assets - Internal Service Funds**

For the Year Ended June 30, 2011 (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>
OPERATING REVENUES						
Charges for sales and services	\$ 22,010	\$ 646,654	\$ 47,196	\$ 2,228,816	\$ 68,295	\$ 3,012,971
Other		4,678			17	4,695
Total operating revenues	22,010	651,332	47,196	2,228,816	68,312	3,017,666
OPERATING EXPENSES						
Cost of sales and services	18,076	385,037	24,265		55,583	482,961
Benefit payments and refunds		187,237		2,117,304		2,304,541
Interest				74,687		74,687
General and administrative		17,338	21,122	72,670	6,035	117,165
Depreciation		24,659	654	4	175	25,492
Other		11,906			313	12,219
Total operating expenses	18,076	626,177	46,041	2,264,665	62,106	3,017,065
Operating income (loss)	3,934	25,155	1,155	(35,849)	6,206	601
NONOPERATING REVENUES (EXPENSES)						
Interest and investment income		255		314	67	636
Interest expense		(2,936)	(4)		(139)	(3,079)
Federal government				35,535		35,535
Other revenues			729			729
Other expenses		(167)			(18)	(185)
Income (loss) before contributions and transfers	3,934	22,307	1,880	-	6,116	34,237
Contributions of capital assets		3,797				3,797
Net income (loss)	3,934	26,104	1,880	-	6,116	38,034
Net assets, July 1, 2010	12,845	340,286	14,697		676	368,504
NET ASSETS, JUNE 30, 2011	\$ 16,779	\$ 366,390	\$ 16,577	\$ -	\$ 6,792	\$ 406,538

State of Illinois

**Combining Statement of Cash Flows
Internal Service Funds**

For the Year Ended June 30, 2011 (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
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from sales and services	\$ 1,549	\$ 155,402	\$ 1,827	\$ 152,321	\$ 718	\$ 311,817
Cash received from transactions with other funds	24,332	389,499	35,384	1,708,381	79,570	2,237,166
Cash payments to suppliers for goods and services	(17,199)	(349,185)	(25,637)	(1,933,254)	(67,403)	(2,392,678)
Cash payments to employees for services	(411)	(45,581)	(9,949)	(4,802)	(9,903)	(70,646)
Cash payments for workers compensation		(126,944)				(126,944)
Cash receipts from other operating activities			948	46,875	17	47,840
Net cash provided (used) by operating activities	8,271	23,191	2,573	(30,479)	2,999	6,555
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Grants received				36,535		36,535
Transfers-out to other funds			(1,613)			(1,613)
Other noncapital financing activities		(1,587)			(139)	(1,726)
Net cash provided (used) by noncapital financing activities		(1,587)	(1,613)	36,535	(139)	33,196
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets		(6,942)	(174)		(371)	(7,487)
Principal paid on capital debt		(6,547)	(3)		(206)	(6,756)
Interest paid on capital debt		(1,802)	(4)			(1,806)
Proceeds from sales of capital assets			137			137
Other capital and related financing activities			(229)			(229)
Net cash provided (used) by capital and related financing activities		(15,291)	(273)		(577)	(16,141)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest and dividends on investments		255		335	68	658
Net cash provided (used) by investing activities		255		335	68	658
Net increase (decrease) in cash and cash equivalents	8,271	6,568	687	6,391	2,351	24,268
Cash and cash equivalents, July 1, 2010	11,596	43,987	2,110	66,847	1,965	126,505
CASH AND CASH EQUIVALENTS, JUNE 30, 2011	\$ 19,867	\$ 50,555	\$ 2,797	\$ 73,238	\$ 4,316	\$ 150,773
Reconciliation of cash and cash equivalents to the statement of net assets:						
Total cash and cash equivalents per statement of net assets	\$ 19,867	\$ 46,706	\$ 2,797	\$ 46,273	\$ 4,316	\$ 119,959
Add: cash equity with State Treasurer		3,849		26,965		30,814
CASH AND CASH EQUIVALENTS, JUNE 30, 2011	\$ 19,867	\$ 50,555	\$ 2,797	\$ 73,238	\$ 4,316	\$ 150,773

(continued)

State of Illinois

**Combining Statement of Cash Flows
Internal Service Funds**

For the Year Ended June 30, 2011 (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	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
OPERATING INCOME (LOSS)	\$ 3,934	\$ 25,155	\$ 1,155	\$ (35,849)	\$ 6,206	\$ 601	
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation		24,659	654	4	175	25,492	
Provision for uncollectible accounts		21				21	
Cash receipts from other nonoperating income			948			948	
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable		(262)	(164)	6,805	3,477	9,856	
(Increase) decrease in intergovernmental receivables		(2,112)	(29)		(4)	(2,145)	
(Increase) decrease in due from other funds	4,097	(39,498)	(9,673)	(360,174)	2,045	(403,203)	
(Increase) decrease in due from component units	(226)	244	(21)	(7,939)	(240)	(8,182)	
(Increase) decrease in inventories			473		(120)	353	
(Increase) decrease in prepaid expenses			(9)			(9)	
Increase (decrease) in accounts payable and accrued liabilities	460	(27,907)	8,451	366,338	(844)	346,498	
Increase (decrease) in intergovernmental payables		499	(13)	1	(26)	461	
Increase (decrease) in due to other funds	6	(13,685)	682	307	(7,627)	(20,317)	
Increase (decrease) in due to component units		500	2		1	503	
Increase (decrease) in unearned revenue		2,246			(1)	2,245	
Increase (decrease) in other liabilities		53,331	117	28	(43)	53,433	
Total adjustments	4,337	(1,964)	1,418	5,370	(3,207)	5,954	
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 8,271	\$ 23,191	\$ 2,573	\$ (30,479)	\$ 2,999	\$ 6,555	
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES							
Cost of capital assets acquisitions financed by capital leases			\$ 60			\$ 60	
Gain (loss) on disposal of capital assets		\$ (167)	\$ 124			\$ (43)	
Transfer of assets from other state funds		\$ 3,797			\$ (18)	\$ 3,779	

State of Illinois

Combining Statement of Net Assets - Internal Service Funds

Central Management Services

June 30, 2011 (Expressed in Thousands)

	Statistical Services Revolving Fund	Communications Revolving Fund	Facilities Management Fund	Professional Services	Workers' Compensation Revolving Fund	Total
ASSETS						
Cash equity with State Treasurer	\$ 9,348	\$ 5,562	\$ 11,367	\$ 7,352	\$ 13,077	\$ 46,706
Cash and cash equivalents			3,849			3,849
Securities lending collateral of						
State Treasurer			2,911	2,960	5,069	10,940
Receivables, net:						
Intergovernmental		3,266				3,266
Other		2,226	5	3	6	2,240
Due from other funds	68,759	59,295	87,713	3,783	578,447	797,997
Due from component units	40	565	14			619
Total current assets	78,147	70,914	105,859	14,098	596,599	865,617
Capital assets not being depreciated		1,768	38,369			40,137
Capital assets being depreciated, net	5,273	11,562	193,946			210,781
Total noncurrent assets	5,273	13,330	232,315			250,918
Total assets	83,420	84,244	338,174	14,098	596,599	1,116,535
LIABILITIES						
Accounts payable and accrued liabilities	15,354	11,106	45,382	292	80	72,214
Intergovernmental payables	7,566	3,454	1,640	10	4	12,674
Due to other funds	15,554	770	918	183	67	17,492
Due to component units		537	446			983
Unearned revenue			3,675			3,675
Obligations under security lending of						
State Treasurer			2,911	2,960	5,069	10,940
Current portion of long-term liabilities	3,095	1,237	3,154	42	145,814	153,342
Total current liabilities	41,569	17,104	58,126	3,487	151,034	271,320
Noncurrent portion of long-term liabilities	6,133	2,290	24,629	208	445,565	478,825
Total liabilities	47,702	19,394	82,755	3,695	596,599	750,145
NET ASSETS						
Invested in capital assets, net of related debt	1,704	9,629	207,139			218,472
Restricted for debt service			3,849			3,849
Unrestricted	34,014	55,221	44,431	10,403		144,069
Total net assets	\$ 35,718	\$ 64,850	\$ 255,419	\$ 10,403	\$ -	\$ 366,390

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, 2011 (Expressed in Thousands)

	Statistical Services Revolving Fund	Communications Revolving Fund	Facilities Management Fund	Professional Services	Workers' Compensation Revolving Fund	Total
OPERATING REVENUES						
Charges for sales and services	\$ 141,943	\$ 113,285	\$ 191,814	\$ 12,555	\$ 187,057	\$ 646,654
Other		4,678				4,678
Total operating revenues	141,943	117,963	191,814	12,555	187,057	651,332
OPERATING EXPENSES						
Cost of sales and services	118,987	77,274	181,945	6,831		385,037
Benefit payments and refunds					187,237	187,237
General and administrative	2,197	9,597	6,042	(498)		17,338
Depreciation	5,775	6,387	12,497			24,659
Other		11,906				11,906
Total operating expenses	126,959	105,164	200,484	6,333	187,237	626,177
Operating income (loss)	14,984	12,799	(8,670)	6,222	(180)	25,155
NONOPERATING REVENUES (EXPENSES)						
Interest and investment income			36	39	180	255
Interest expense	(746)	(51)	(2,139)			(2,936)
Other expenses	(162)	(5)				(167)
Income (loss) before contributions	14,076	12,743	(10,773)	6,261	-	22,307
Contributions of capital assets	167	6	3,624			3,797
Net income (loss)	14,243	12,749	(7,149)	6,261	-	26,104
Net assets, July 1, 2010	21,475	52,101	262,568	4,142		340,286
NET ASSETS, JUNE 30, 2011	\$ 35,718	\$ 64,850	\$ 255,419	\$ 10,403	\$ -	\$ 366,390

State of Illinois

Combining Statement of Cash Flows - Internal Service Funds

Central Management Services

For the Year Ended June 30, 2011 (Expressed in Thousands)

	Statistical Services Revolving Fund	Communications Revolving Fund	Facilities Management Fund	Professional Services	Workers' Compensation Revolving Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from sales and services	\$ 135,931	\$ 18,652	\$ 819			\$ 155,402
Cash received from transactions with other funds	(67,715)	95,113	215,488	\$ 9,821	\$ 136,792	389,499
Cash payments to suppliers for goods and services	(64,553)	(90,239)	(181,726)	(6,701)	(5,966)	(349,185)
Cash payments to employees for services		(17,362)	(27,817)	(402)		(45,581)
Cash payments for workers compensation					(126,944)	(126,944)
Net cash provided (used) by operating activities	3,663	6,164	6,764	2,718	3,882	23,191
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Other noncapital financing activities	(609)		(978)			(1,587)
Net cash provided (used) by noncapital financing activities	(609)		(978)			(1,587)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(862)	(5,955)	(125)			(6,942)
Principal paid on bond maturities and equipment contracts	(2,563)	(1,096)	(2,888)			(6,547)
Interest paid on bond maturities and equipment contracts	(163)	(51)	(1,588)			(1,802)
Net cash provided (used) by capital and related financing activities	(3,588)	(7,102)	(4,601)			(15,291)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest and dividends on investments			37	38	180	255
Net cash provided (used) by investing activities			37	38	180	255
Net increase (decrease) in cash and cash equivalents	(534)	(938)	1,222	2,756	4,062	6,568
Cash and cash equivalents, July 1, 2010	9,882	6,500	13,994	4,596	9,015	43,987
CASH AND CASH EQUIVALENTS, JUNE 30, 2011	\$ 9,348	\$ 5,562	\$ 15,216	\$ 7,352	\$ 13,077	\$ 50,555
Reconciliation of cash and cash equivalents to the statement of net assets:						
Total cash and cash equivalents per statement of net assets	\$ 9,348	\$ 5,562	\$ 11,367	\$ 7,352	\$ 13,077	\$ 46,706
Add: cash equity with State Treasurer			3,849			3,849
CASH AND CASH EQUIVALENTS, JUNE 30, 2011	\$ 9,348	\$ 5,562	\$ 15,216	\$ 7,352	\$ 13,077	\$ 50,555
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
OPERATING INCOME (LOSS)	\$ 14,984	\$ 12,799	\$ (8,670)	\$ 6,222	\$ (180)	\$ 25,155
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	5,775	6,387	12,497			24,659
Provision for uncollectible accounts		21				21
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable		(267)	5			(262)
(Increase) decrease in intergovernmental receivables		(2,112)				(2,112)
(Increase) decrease in due from other funds	(6,434)	(2,307)	22,242	(2,734)	(50,265)	(39,498)
(Increase) decrease in due from component units	117	130	(3)			244
Increase (decrease) in accounts payable and accrued liabilities	625	(9,072)	(19,236)	(229)	5	(27,907)
Increase (decrease) in intergovernmental payables	303	340	(134)	(11)	1	499
Increase (decrease) in due to other funds	(11,293)	(305)	(2,052)	(32)	(3)	(13,685)
Increase (decrease) in due to component units		524	(24)			500
Increase (decrease) in unearned revenue	(3)		2,249			2,246
Increase (decrease) in other liabilities	(411)	26	(110)	(498)	54,324	53,331
Total adjustments	(11,321)	(6,635)	15,434	(3,504)	4,062	(1,964)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 3,663	\$ 6,164	\$ 6,764	\$ 2,718	\$ 3,882	\$ 23,191
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES						
Gain (loss) on disposal of capital assets	\$ (162)	\$ (5)				\$ (167)
Transfer of assets from other state funds	\$ 167	\$ 6	\$ 3,624			\$ 3,797

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 134 for description of retirement systems.

State of Illinois

Combining Statement of Fiduciary Net Assets
Pension (and Other Employee Benefit) Trust Funds

June 30, 2011 (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
ASSETS						
Cash equity with State Treasurer	\$ 5,594	\$ 34,053	\$ 1,129	\$ 3,102	\$ 18,016	\$ 54,940
Cash and cash equivalents	2,412	7,364	733			
Securities lending collateral of State Treasurer	1,892	12,003	745	1,270	7,261	26,414
Investments:						
Equities	2,255,209					
Fixed income	284,930					
Private equity						
Real estate						
Other	786,840					
Equity in Illinois State Board of Investments				57,346	587,795	10,882,484
Securities lending collateral						
Receivables, net:						
Members		4,787	205	30	148	9,516
Employers		3,590	205			
Investment income	330	14	1	1	8	30
Intergovernmental		5,994	558			
Pending investment sales						
Other	609	8,111	818		9	12,567
Due from other funds					56	28
Due from primary government funds			1,000			19,027
Due from component units						
Prepaid expenses						
Capital assets not being depreciated						954
Capital assets being depreciated, net				2	3	1,722
Total assets	3,337,816	75,916	5,394	61,751	613,296	11,007,682
LIABILITIES						
Accounts payable and accrued liabilities	889	56,487	24,273	5	13	6,265
Intergovernmental payables	2	3	1			
Due to other funds	6	32	3	58	6	
Due to primary government funds	29	169	23		2	3,246
Obligations under securities lending of State Treasurer	1,892	12,003	745	1,270	7,261	26,414
Payable to brokers for unsettled trades						
Security lending collateral						
Long term obligations:						
Due within one year						12
Due subsequent to one year	127	97	6	23	54	992
Total liabilities	2,945	68,791	25,051	1,356	7,336	36,929
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS	\$ 3,334,871	\$ 7,125	\$ (19,657)	\$ 60,395	\$ 605,960	\$ 10,970,753

**State Universities Retirement
System**

Teachers' Retirement System	Defined Benefit	Defined Contribution	Total
\$ 36,799			\$ 153,633
114,998	\$ 505,492		630,999
40,159			89,744
17,395,698	10,086,790	\$ 520,201	30,257,898
7,085,363	3,163,072	205,134	10,738,499
3,615,944			3,615,944
3,991,533	374,926	7,967	4,374,426
5,544,806	94,264	223,664	6,649,574
			11,527,625
3,064,369	1,516,154		4,580,523
51,419	9,847	2,262	78,214
16,801	2,447	1,310	24,353
105,310	40,462		146,156
			6,552
2,692,516	529,080		3,221,596
	909		23,023
21			105
	49		20,076
	2		2
3,144	23		3,167
238	532		1,724
3,755	5,471		10,953
43,762,873	16,329,520	960,538	76,154,786
			6
44,152	27,357		159,441
			105
35			3,504
40,159			89,744
3,141,314	511,136		3,652,450
3,064,369	1,515,998		4,580,367
	76		88
1,577	950		3,826
6,291,606	2,055,517		8,489,531
\$ 37,471,267	\$ 14,274,003	\$ 960,538	\$ 67,665,255

State of Illinois

**Combining Statement of Changes in Fiduciary Net Assets
Pension (and Other Employee Benefit) Trust Funds**

For the Year Ended June 30, 2011 (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				
ADDITIONS							
Contributions:							
Employer State		\$ 70,570	\$ 4,090	\$ 11,434	\$ 62,695		\$ 1,127,887
Members:							
Employees	\$ 166,814	94,176	4,090	2,006	16,725		254,201
Retirees		162,586	14,109				
Federal Medicare Part D		23,422	2,219				
Other	5,269	88		10	5		
Total contributions	172,083	436,795	29,745	13,450	79,425		1,382,088
Investment income:							
Interest and other investment income	86,591	173	9	1,376	14,036		257,075
Net increase in fair value of investments	514,999			9,099	93,119		1,708,271
Reimbursements of expenses not separable from investment income	2,535						
Less investment expense	(567)			(184)	(1,902)		(35,138)
Net investment income	603,558	173	9	10,291	105,253		1,930,208
Total additions	775,641	436,968	29,754	23,741	184,678		3,312,296
DEDUCTIONS							
Benefit payments	184,726	466,310	41,169	17,677	100,720		1,492,063
Refunds	42			61	652		37,576
Depreciation					1		370
General and administration	2,970	2,756	1,554	299	621		13,365
Total deductions	187,738	469,066	42,723	18,037	101,994		1,543,374
Change in fiduciary net assets held in trust for pension and other employee benefits	587,903	(32,098)	(12,969)	5,704	82,684		1,768,922
Net assets held in trust for pension and other employee benefits, July 1, 2010	2,746,968	39,223	(6,688)	54,691	523,276		9,201,831
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS, JUNE 30, 2011	\$ 3,334,871	\$ 7,125	\$ (19,657)	\$ 60,395	\$ 605,960		\$ 10,970,753

**State Universities Retirement
System**

Teachers' Retirement System	Defined Benefit	Defined Contribution	Total
\$ 154,151	\$ 36,547	\$ 5,380	\$ 344,867
2,169,518	737,048	39,461	4,165,104
909,577	260,177	49,757	1,757,523
			176,695
2,360			25,641
			7,732
3,235,606	1,033,772	94,598	6,477,562
957,345	378,943		1,695,548
6,493,315	2,474,259	172,506	11,465,568
			2,535
(216,121)	(52,093)		(306,005)
7,234,539	2,801,109	172,506	12,857,646
10,470,145	3,834,881	267,104	19,335,208
4,228,283	1,611,228	11,224	8,153,400
76,587	58,918	14,978	188,814
587	615		1,573
17,205	11,659	344	50,773
4,322,662	1,682,420	26,546	8,394,560
6,147,483	2,152,461	240,558	10,940,648
31,323,784	12,121,542	719,980	56,724,607
\$ 37,471,267	\$ 14,274,003	\$ 960,538	\$ 67,665,255

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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, 2011 (Expressed in Thousands)

	Treasurer Public Treasurers' External Investment Pool Fund	Revenue Deferred Prize Winners' Trust Fund	Total
ASSETS			
Cash equity with State Treasurer		\$ 491	\$ 491
Cash and cash equivalents	\$ 2,508,165		2,508,165
Fixed income investments	1,751,274	370,719	2,121,993
Investment income receivables, net	799		799
Total assets	4,260,238	371,210	4,631,448
LIABILITIES			
Accounts payable and accrued liabilities	151		151
Due to primary government funds	234	328	562
Other liabilities		163	163
Total liabilities	385	491	876
NET ASSETS HELD IN TRUST FOR POOL PARTICIPANTS	\$ 4,259,853	\$ 370,719	\$ 4,630,572

**Combining Statement of Changes in Fiduciary Net Assets
Investment Trust Funds**

For the Year Ended June 30, 2011 (Expressed in Thousands)

	Treasurer Public Treasurers' External Investment Pool Fund	Revenue Deferred Prize Winners' Trust Fund	Total
ADDITIONS			
Investment income:			
Interest and other investment income	\$ 8,615	\$ 22,975	\$ 31,590
Net increase (decrease) in fair value of investments		(18,690)	(18,690)
Less investment expense	(3,836)		(3,836)
Net investment income	4,779	4,285	9,064
Capital share and individual account transactions:			
Shares sold	5,039,575	25,477	5,065,052
Reinvested distributions	4,779		4,779
Shares redeemed	(4,736,080)	(91,011)	(4,827,091)
Net capital share and individual account transactions	308,274	(65,534)	242,740
Total additions	313,053	(61,249)	251,804
DEDUCTIONS			
Distribution to pool investors	4,779		4,779
Total deductions	4,779		4,779
Change in net assets held in trust for pool participants	308,274	(61,249)	247,025
Net assets held in trust for pool participants, July 1, 2010	3,951,579	431,968	4,383,547
NET ASSETS HELD IN TRUST FOR POOL PARTICIPANTS, JUNE 30, 2011	\$ 4,259,853	\$ 370,719	\$ 4,630,572

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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, 2011 (Expressed in Thousands)

	<u>Treasurer</u>		
	<u>College Savings Pool Fund</u>	<u>Other</u>	<u>Total</u>
ASSETS			
Cash equity with State Treasurer		\$ 713	\$ 713
Cash and cash equivalents	\$ 218,903	49	218,952
Investments:			
Equities	3,907,720	248	3,907,968
Fixed income		137	137
Other		22	22
Securities lending collateral of State Treasurer		276	276
Investment income receivables, net	6,087		6,087
Due from primary government funds		504	504
Loans and notes receivable, net		61	61
Total assets	<u>4,132,710</u>	<u>2,010</u>	<u>4,134,720</u>
LIABILITIES			
Accounts payable and accrued liabilities	1,384		1,384
Obligations under securities lending of State Treasurer		276	276
Other liabilities	7,395		7,395
Total liabilities	<u>8,779</u>	<u>276</u>	<u>9,055</u>
NET ASSETS			
Net assets held in trust for other purposes	<u>\$ 4,123,931</u>	<u>\$ 1,734</u>	<u>\$ 4,125,665</u>

State of Illinois

Combining Statement of Changes in Fiduciary Net Assets
Private-Purpose Trust Funds

For the Year Ended June 30, 2011 (Expressed in Thousands)

	<u>Treasurer</u>		
	College Savings Pool Fund	Other	Total
ADDITIONS			
Contributions:			
Participants	\$ 1,539,519		\$ 1,539,519
Other		\$ 25	25
Total contributions	<u>1,539,519</u>	<u>25</u>	<u>1,539,544</u>
Investment income:			
Interest and other investment income	34,501	7	34,508
Net increase in fair value of investments	594,881	69	594,950
Net investment income	<u>629,382</u>	<u>76</u>	<u>629,458</u>
Total additions	<u>2,168,901</u>	<u>101</u>	<u>2,169,002</u>
DEDUCTIONS			
Payments in accordance with trust agreements	1,148,727		1,148,727
General and administrative	14,080	9	14,089
Total deductions	<u>1,162,807</u>	<u>9</u>	<u>1,162,816</u>
Change in net assets held in trust for individuals, organizations, and other governments	1,006,094	92	1,006,186
Net assets held in trust for individuals, organizations, and other governments, July 1, 2010	<u>3,117,837</u>	<u>1,642</u>	<u>3,119,479</u>
NET ASSETS HELD IN TRUST FOR INDIVIDUALS, ORGANIZATIONS, AND OTHER GOVERNMENTS, JUNE 30, 2011	<u>\$ 4,123,931</u>	<u>\$ 1,734</u>	<u>\$ 4,125,665</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 Insurance

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.

Metropolitan Pier and Exposition Authority Trust Fund--to receive and record monies obtained under the Metropolitan Pier and Exposition Authority Act.

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, 2011 (Expressed in Thousands)

	Insurance	Healthcare and Family Services			
		Child Support Enforcement Trust			
	Security Deposit Fund	Administrative Fund	Revenue	Other	Total
ASSETS					
Cash equity with State Treasurer		\$ 15,801	\$ 385,831	\$ 91,836	\$ 493,468
Cash and cash equivalents	\$ 6,141	133		22,757	29,031
Securities lending collateral of State Treasurer			118,008	18,157	136,165
Investments	869,311			26,881	896,192
Receivables, net:					
Taxes			111,216	15,691	126,907
Intergovernmental				485	485
Other		222,962	134	1,216	224,312
Due from primary government funds			82,660	7,391	90,051
Other assets				170	170
Total assets	\$ 875,452	\$ 238,896	\$ 697,849	\$ 184,584	\$ 1,996,781
LIABILITIES					
Accounts payable and accrued liabilities		\$ 16,997	\$ 7,860	\$ 19,005	\$ 43,862
Intergovernmental payables			571,981	89,818	661,799
Due to component units				65	65
Obligations under securities lending of State Treasurer			118,008	18,157	136,165
Depository and other liabilities	\$ 875,452	221,899		57,539	1,154,890
Total liabilities	\$ 875,452	\$ 238,896	\$ 697,849	\$ 184,584	\$ 1,996,781

State of Illinois

Combining Statement of Changes in Assets and Liabilities
Agency Funds

For the Year Ended June 30, 2011 (Expressed in Thousands)

	Balance at July 1, 2010	Additions	Deletions	Balance at June 30, 2011
Agency/Fund				
Insurance:				
Security Deposit Fund				
Assets				
Cash and cash equivalents	\$ 4,870	\$ 28,935	\$ 27,664	\$ 6,141
Investments	893,351	158,463	182,503	869,311
Total assets	\$ 898,221	\$ 187,398	\$ 210,167	\$ 875,452
Liabilities				
Depository and other liabilities	\$ 898,221	\$ 187,398	\$ 210,167	\$ 875,452
Total liabilities	\$ 898,221	\$ 187,398	\$ 210,167	\$ 875,452
Healthcare and Family Services:				
Child Support Enforcement Trust				
Administrative Fund				
Assets				
Cash equity with State Treasurer	\$ 15,637	\$ 212,536	\$ 212,372	\$ 15,801
Cash and cash equivalents	156	66,023	66,046	133
Other receivables, net	216,276	219,219	212,533	222,962
Due from primary government funds	1	2	3	-
Total assets	\$ 232,070	\$ 497,780	\$ 490,954	\$ 238,896
Liabilities				
Accounts payable and accrued liabilities	\$ 18,638	\$ 51,509	\$ 53,150	\$ 16,997
Depository and other liabilities	213,432	233,735	225,268	221,899
Total liabilities	\$ 232,070	\$ 285,244	\$ 278,418	\$ 238,896
Revenue:				
Assets				
Cash equity with State Treasurer	\$ 349,961	\$ 2,703,735	\$ 2,667,865	\$ 385,831
Securities lending collateral of State Treasurer	74,075	876,793	832,860	118,008
Taxes receivable, net	122,502	2,577,353	2,588,639	111,216
Other receivables, net	159	1,364	1,389	134
Due from primary government funds	57,968	138,399	113,707	82,660
Total assets	\$ 604,665	\$ 6,297,644	\$ 6,204,460	\$ 697,849
Liabilities				
Accounts payable and accrued liabilities	\$ 5,841	\$ 74,410	\$ 72,391	\$ 7,860
Intergovernmental payables	524,749	2,642,706	2,595,474	571,981
Obligations under securities lending of State Treasurer	74,075	876,793	832,860	118,008
Total liabilities	\$ 604,665	\$ 3,593,909	\$ 3,500,725	\$ 697,849
Other:				
Assets				
Cash equity with State Treasurer	\$ 84,475	\$ 1,933,954	\$ 1,926,593	\$ 91,836
Cash and cash equivalents	18,496	1,150,209	1,145,948	22,757
Securities lending collateral of State Treasurer	14,801	156,238	152,882	18,157
Investments	34,538	9,653	17,310	26,881
Taxes receivable, net	27,919	346,810	359,038	15,691
Intergovernmental receivables, net	406	19,420	19,341	485
Other receivables, net	2,027	3,945	4,756	1,216
Due from primary government funds	4,725	10,939	8,273	7,391
Other assets	143	27	-	170
Total assets	\$ 187,530	\$ 3,631,195	\$ 3,634,141	\$ 184,584
Liabilities				
Accounts payable and accrued liabilities	\$ 18,489	\$ 1,171,892	\$ 1,171,376	\$ 19,005
Intergovernmental payables	89,667	1,546,554	1,546,403	89,818
Due to component units	49	429	413	65
Obligations under securities lending of State Treasurer	14,801	156,238	152,882	18,157
Depository and other liabilities	64,524	333,576	340,561	57,539
Total liabilities	\$ 187,530	\$ 3,208,689	\$ 3,211,635	\$ 184,584

State of Illinois

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2011 (Expressed in Thousands)

	Balance at July 1, 2010	Additions	Deletions	Balance at June 30, 2011
Total - All Funds				
Assets				
Cash equity with State Treasurer	\$ 450,073	\$ 4,850,225	\$ 4,806,830	\$ 493,468
Cash and cash equivalents	23,522	1,245,167	1,239,658	29,031
Securities lending collateral of State Treasurer	88,876	1,033,031	985,742	136,165
Investments	927,889	168,116	199,813	896,192
Taxes receivable, net	150,421	2,924,163	2,947,677	126,907
Intergovernmental receivables, net	406	19,420	19,341	485
Other receivables, net	218,462	224,528	218,678	224,312
Due from primary government funds	62,694	149,340	121,983	90,051
Other assets	143	27	-	170
Total assets	\$ 1,922,486	\$ 10,614,017	\$ 10,539,722	\$ 1,996,781
Liabilities				
Accounts payable and accrued liabilities	\$ 42,968	\$ 1,297,811	\$ 1,296,917	\$ 43,862
Intergovernmental payables	614,416	4,189,260	4,141,877	661,799
Due to component units	49	429	413	65
Obligations under securities lending of State Treasurer	88,876	1,033,031	985,742	136,165
Depository and other liabilities	1,176,177	754,709	775,996	1,154,890
Total liabilities	\$ 1,922,486	\$ 7,275,240	\$ 7,200,945	\$ 1,996,781

Combining Statement of Fiduciary Net Assets - Agency Funds

Revenue

June 30, 2011 (Expressed in Thousands)

	Home Rule Municipal Retailers Occupation Tax Fund	Home Rule County Retailers Occupation Tax Fund	Metropolitan Pier and Exposition Authority Trust Fund	Municipal Telecommunications Fund	RTA Sales Tax Trust Fund	Total
ASSETS						
Cash equity with State Treasurer	\$ 119,416	\$ 45,231	\$ 68,538	\$ 22,151	\$ 130,495	\$ 385,831
Securities lending collateral of State Treasurer	31,663	29,657	23,071		33,617	118,008
Receivables, net:						
Taxes	34,520	32,173	11,193	1,136	32,194	111,216
Other	36	34	26		38	134
Due from primary government funds				54,234	28,426	82,660
Total assets	\$ 185,635	\$ 107,095	\$ 102,828	\$ 77,521	\$ 224,770	\$ 697,849
LIABILITIES						
Accounts payable and accrued liabilities	\$ 1,710			\$ 6,150		\$ 7,860
Intergovernmental payables	152,262	77,438	79,757	71,371	191,153	571,981
Obligations under securities lending of State Treasurer	31,663	29,657	23,071		33,617	118,008
Total liabilities	\$ 185,635	\$ 107,095	\$ 102,828	\$ 77,521	\$ 224,770	\$ 697,849

State of Illinois

Combining Statement of Changes in Assets and Liabilities
Agency Funds - Revenue

For the Year Ended June 30, 2011 (Expressed in Thousands)

	Balance at July 1, 2010	Additions	Deletions	Balance at June 30, 2011
Home Rule Municipal Retailers				
Occupation Tax Fund				
Assets				
Cash equity with State Treasurer	\$ 97,050	\$ 795,158	\$ 772,792	\$ 119,416
Securities lending collateral of State Treasurer	23,388	244,901	236,626	31,663
Taxes receivable, net	38,455	790,808	794,743	34,520
Other receivables, net	50	401	415	36
Total assets	\$ 158,943	\$ 1,831,268	\$ 1,804,576	\$ 185,635
Liabilities				
Accounts payable and accrued liabilities	\$ 1,752	\$ 977	\$ 1,019	\$ 1,710
Intergovernmental payables	133,803	790,232	771,773	152,262
Obligations under securities lending of State Treasurer	23,388	244,901	236,626	31,663
Total liabilities	\$ 158,943	\$ 1,036,110	\$ 1,009,418	\$ 185,635
Home Rule County Retailers				
Occupation Tax Fund				
Assets				
Cash equity with State Treasurer	\$ 91,188	\$ 494,927	\$ 540,884	\$ 45,231
Securities lending collateral of State Treasurer	21,746	251,777	243,866	29,657
Taxes receivable, net	26,036	500,709	494,572	32,173
Other receivables, net	47	342	355	34
Total assets	\$ 139,017	\$ 1,247,755	\$ 1,279,677	\$ 107,095
Liabilities				
Intergovernmental payables	\$ 117,271	\$ 501,051	\$ 540,884	\$ 77,438
Obligations under securities lending of State Treasurer	21,746	251,777	243,866	29,657
Total liabilities	\$ 139,017	\$ 752,828	\$ 784,750	\$ 107,095
Metropolitan Pier and Exposition Authority Trust Fund				
Assets				
Cash equity with State Treasurer	\$ 8,919	\$ 110,588	\$ 50,969	\$ 68,538
Securities lending collateral of State Treasurer	2,633	87,113	66,675	23,071
Taxes receivable, net	12,487	109,153	110,447	11,193
Other receivables, net	6	161	141	26
Total assets	\$ 24,045	\$ 307,015	\$ 228,232	\$ 102,828
Liabilities				
Intergovernmental payables	\$ 21,412	\$ 109,314	\$ 50,969	\$ 79,757
Obligations under securities lending of State Treasurer	2,633	87,113	66,675	23,071
Total liabilities	\$ 24,045	\$ 196,427	\$ 117,644	\$ 102,828
Municipal Telecommunications Fund				
Assets				
Cash equity with State Treasurer	\$ 37,515	\$ 260,789	\$ 276,153	\$ 22,151
Taxes receivable, net	5,330	256,595	260,789	1,136
Due from primary government funds	31,413	22,821	-	54,234
Total assets	\$ 74,258	\$ 540,205	\$ 536,942	\$ 77,521
Liabilities				
Accounts payable and accrued liabilities	\$ 4,089	\$ 73,433	\$ 71,372	\$ 6,150
Intergovernmental payables	70,169	205,983	204,781	71,371
Total liabilities	\$ 74,258	\$ 279,416	\$ 276,153	\$ 77,521
RTA Sales Tax Trust Fund				
Assets				
Cash equity with State Treasurer	\$ 115,289	\$ 1,042,273	\$ 1,027,067	\$ 130,495
Securities lending collateral of State Treasurer	26,308	293,002	285,693	33,617
Taxes receivable, net	40,194	920,088	928,088	32,194
Other receivables, net	56	460	478	38
Due from primary government funds	26,555	115,578	113,707	28,426
Total assets	\$ 208,402	\$ 2,371,401	\$ 2,355,033	\$ 224,770
Liabilities				
Intergovernmental payables	\$ 182,094	\$ 1,036,126	\$ 1,027,067	\$ 191,153
Obligations under securities lending of State Treasurer	26,308	293,002	285,693	33,617
Total liabilities	\$ 208,402	\$ 1,329,128	\$ 1,312,760	\$ 224,770

State of Illinois

Combining Statement of Changes in Assets and Liabilities

Agency Funds - Revenue

For the Year Ended June 30, 2011 (Expressed in Thousands)

	Balance at July 1, 2010	Additions	Deletions	Balance at June 30, 2011
Total - All Funds				
Assets				
Cash equity with State Treasurer	\$ 349,961	\$ 2,703,735	\$ 2,667,865	\$ 385,831
Securities lending collateral of State Treasurer	74,075	876,793	832,860	118,008
Taxes receivable, net	122,502	2,577,353	2,588,639	111,216
Other receivables, net	159	1,364	1,389	134
Due from primary government funds	57,968	138,399	113,707	82,660
Total assets	\$ 604,665	\$ 6,297,644	\$ 6,204,460	\$ 697,849
Liabilities				
Accounts payable and accrued liabilities	\$ 5,841	\$ 74,410	\$ 72,391	\$ 7,860
Intergovernmental payables	524,749	2,642,706	2,595,474	571,981
Obligations under securities lending of State Treasurer	74,075	876,793	832,860	118,008
Total liabilities	\$ 604,665	\$ 3,593,909	\$ 3,500,725	\$ 697,849

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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, 2011 (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
ASSETS						
Cash and cash equivalents	\$ 28	\$ 6,961	\$ 555	\$ 10	\$ 80,246	\$ 167
Securities lending collateral of State Treasurer						
Investments			2,552	74		6,617
Receivables, net:						
Intergovernmental			10			
Other		4	13		3,339	
Due from component units						
Due from primary government		49			24,630	
Prepaid expenses			5		3	
Unamortized bond issuance costs						
Loans and notes receivable, net						
Restricted assets:						
Cash equity with State Treasurer						
Cash and cash equivalents						
Investments						
Other receivables, net						
Loans and notes receivable, net						
Capital assets not being depreciated			2,968			
Capital assets being depreciated, net			1,429		41	
Other assets						
Total assets	28	7,014	7,532	84	108,259	6,784
LIABILITIES						
Accounts payable and accrued liabilities			22		2,859	5
Due to component units						
Due to primary government					6	
Obligations under securities lending collateral of State Treasurer						
Unearned revenue					15,233	
Short-term notes payable						
Other liabilities					42,589	
Long-term obligations:						
Due within one year					1	
Due subsequent to one year					310	
Total liabilities			22		60,998	5
NET ASSETS						
Invested in capital assets, net of related debt			4,397		41	
Restricted for:						
Debt service						
Nonexpendable purposes			111			
Other purposes		7,014	1,068		47,220	
Unrestricted	28		1,934	84		6,779
Total net assets	\$ 28	\$ 7,014	\$ 7,510	\$ 84	\$ 47,261	\$ 6,779

Illinois Finance Authority	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
\$ 47,043	\$ 330	\$ 66	\$ 347	\$ 3,831	\$ 1	\$ 53	\$ 53	\$ 919	\$ 140,610
6,889									6,889
2,333	3,476					514		3,293	18,859
									10
133	1			2,060				1,105	6,655
52,372	30,781								83,153
64,460	1,123							389	90,651
228	28			2				5	271
399	641								1,040
17,456				2,828					20,284
17,697									17,697
16,132	1,004								17,136
91,204									91,204
1,673									1,673
58,930				191					59,121
	41,855		2	100					44,925
113	18,499			320					20,402
	18								18
377,062	97,756	66	349	9,332	1	567	53	5,711	620,598
5,168	786			8	27			16	8,891
	35,204								35,204
18,937									18,943
6,889									6,889
435	680			2,005				4	18,357
	3,000								3,000
									42,589
26,444	762								27,207
228,205	25,240								253,755
286,078	65,672			2,013	27			20	414,835
113	22,810		2	420					27,783
4,138									4,138
								72	183
20,598	23			4,944				1,640	82,507
66,135	9,251	66	347	1,955	(26)	567	53	3,979	91,152
\$ 90,984	\$ 32,084	\$ 66	\$ 349	\$ 7,319	\$ (26)	\$ 567	\$ 53	\$ 5,691	\$ 205,763

State of Illinois

**Combining Statement of Activities
Component Units - Other Authorities**

For the Year Ended June 30, 2011 (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	\$ 203		\$ 45		\$ (158)
Illinois Grain Insurance Corporation	12	\$ 234			222
Illinois Conservation Foundation	2,050	47	5,629	\$ 78	3,704
Illinois Arts Council Foundation			2		2
Comprehensive Health Insurance Plan Board	207,373	122,710	3,411		(81,252)
East St. Louis Financial Advisory Authority	183				(183)
Illinois Finance Authority	17,445	14,549			(2,896)
Illinois Medical District Commission	7,064	3,167		170	(3,727)
Quad Cities Regional Economic Development Authority	73	81			8
Western Illinois Economic Development Authority	48				(48)
Southwestern Illinois Development Authority	736	291	400		(45)
Southeastern Illinois Economic Development Authority	9				(9)
Upper Illinois River Valley Development Authority	296	292			(4)
Will-Kankakee Regional Development Authority	64	111			47
IMSA Fund for Advancement of Education	1,260	18	2,144		902
Total	\$ 236,816	\$ 141,500	\$ 11,631	\$ 248	\$ (83,437)

<u>General revenues</u>			<u>Additions to permanent endowments</u>	<u>Total general revenues and additions to permanent endowments</u>	<u>Change in net assets</u>	<u>Net assets, July 1, 2010</u>	<u>Net assets, June 30, 2011</u>
<u>State appropriations</u>	<u>Interest and investment income</u>	<u>Other</u>					
\$ 153				\$ 153	\$ (5)	\$ 33	\$ 28
12	\$ 8			20	242	6,772	7,014
427	419			846	4,550	2,960	7,510
	1			1	3	81	84
24,630	30	\$ 61,349		86,009	4,757	42,504	47,261
116	118			234	51	6,728	6,779
	5,638			5,638	2,742	88,242	90,984
	1,393			1,393	(2,334)	34,418	32,084
	1			1	9	57	66
	7	2		9	(39)	388	349
	44	55		99	54	7,265	7,319
					(9)	(17)	(26)
	4			4	-	567	567
					47	6	53
270	732		\$ 27	1,029	1,931	3,760	5,691
<u>\$ 25,608</u>	<u>\$ 8,395</u>	<u>\$ 61,406</u>	<u>\$ 27</u>	<u>\$ 95,436</u>	<u>\$ 11,999</u>	<u>\$ 193,764</u>	<u>\$ 205,763</u>

State of Illinois

**Combining Statement of Net Assets
Component Units - Other Universities**

June 30, 2011 (Expressed in Thousands)

	Chicago State University	Eastern Illinois University	Governors State University	Northeastern Illinois University	Western Illinois University
ASSETS					
Cash and cash equivalents	\$ 8,135	\$ 42,444	\$ 29,303	\$ 42,721	\$ 58,366
Investments		1,797	1,203	1,668	38,690
Receivables, net:					
Intergovernmental			13,206	2,429	21
Other	27,573	12,016	3,067	21,418	12,991
Due from component units					7
Due from primary government	234	20,900	481	752	25,360
Inventories	40	2,118	66	18	2,225
Prepaid expenses	420	50	51	789	87
Unamortized bond issuance costs		2,044	583	757	1,900
Loans and notes receivable, net	717	6,370	2,783	2,024	2,018
Restricted assets:					
Cash and cash equivalents		5,605	4,707	7,635	76
Investments	4,305	60,398		5,798	21,567
Other receivables		1,728			
Other assets					2,530
Other assets	94	1,374	149	18	627
Capital assets not being depreciated	16,227	85,664	3,271	11,770	34,972
Capital assets being depreciated, net	130,988	209,211	77,328	93,558	139,733
Total assets	188,733	451,719	136,198	191,355	341,170
LIABILITIES					
Accounts payable and accrued liabilities	8,740	16,113	3,384	7,381	22,739
Intergovernmental payables			3,068	147	
Due to component units	54				
Due to primary government		613		8	180
Unearned revenue	2,480	3,923	3,807	2,665	5,328
Assets held for others		6,800		444	
Short-term notes payable		1,415			
Other liabilities		5,711			44
Long-term obligations:					
Due within one year	2,089	9,230	2,236	1,798	6,197
Due subsequent to one year	22,020	135,345	32,246	42,946	97,215
Total liabilities	35,383	179,150	44,741	55,389	131,703
NET ASSETS					
Invested in capital assets, net of related debt	129,199	166,765	53,901	82,619	123,276
Restricted for:					
Debt service		584	650	1,951	
Nonexpendable purposes	3,063	36,586	1,237	4,491	18,577
Other expendable purposes	3,765	24,281	1,320	4,838	9,873
Unrestricted	17,323	44,353	34,349	42,067	57,741
Total net assets	\$ 153,350	\$ 272,569	\$ 91,457	\$ 135,966	\$ 209,467

Total

\$ 180,969
43,358

15,656
77,065
7

47,727
4,467
1,397
5,284
13,912

18,023
92,068
1,728
2,530
2,262
151,904

650,818
1,309,175

58,357
3,215
54
801
18,203
7,244
1,415
5,755

21,550
329,772
446,366

555,760

3,185
63,954
44,077
195,833

\$ 862,809

State of Illinois

Combining Statement of Activities
Component Units - Other Universities
For the Year Ended June 30, 2011 (Expressed in Thousands)

Functions/Programs	Expenses	Program revenues		Net (expense) revenue
		Charges for service	Operating grants and contributions	
Chicago State University	\$ 143,543	\$ 45,216	\$ 19,227	\$ (79,100)
Eastern Illinois University	240,518	112,250	25,428	(101,585)
Governors State University	92,677	40,314	9,545	(42,818)
Northeastern Illinois University	155,414	61,829	37,735	(55,850)
Western Illinois University	269,814	135,593	20,211	(113,960)
Total	<u>\$ 901,966</u>	<u>\$ 395,202</u>	<u>\$ 112,146</u>	<u>\$ (393,313)</u>

General revenues			Additions to permanent endowments	Total general revenues and additions to permanent endowments	Change in net assets	Net assets, July 1, 2010	Net assets, June 30, 2011
State appropriations	Interest and investment income	Other					
\$ 69,823	\$ 281	\$ 21,527	\$ 1,000	\$ 92,631	\$ 13,531	\$ 139,819	\$ 153,350
96,435	8,578	19,369	1,280	125,662	24,077	248,492	272,569
45,673	137	6,992	103	52,905	10,087	81,370	91,457
73,918	1,156	70	231	75,375	19,525	116,441	135,966
121,976	4,635	18,514	889	146,014	32,054	177,413	209,467
<u>\$ 407,825</u>	<u>\$ 14,787</u>	<u>\$ 66,472</u>	<u>\$ 3,503</u>	<u>\$ 492,587</u>	<u>\$ 99,274</u>	<u>\$ 763,535</u>	<u>\$ 862,809</u>

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 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.

During the year ended June 30, 2011, the fund group has been reclassified for certain funds. The budgetary fund balances as of July 1, 2010, reflects those reclassifications, with no effect on the total amount reported.

Budgetary Schedules

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 Highway Funds: Grade Crossing Protection Fund Special State Funds: Budget Stabilization Fund Metropolitan and Exposition Auditorium and Office Building Fund Community Mental Health Medicaid 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 Medical Interagency Program Fund Drug Rebate Fund Healthcare Provider Relief Fund Illinois Sports Facilities Fund Income Tax Refund Fund Public Transportation Fund Vehicle Inspection Fund and 33 funds included as other special state funds Debt Service Funds: Capital Projects Fund and 1 fund included as an other debt service fund Federal Trust Funds: Community Developmental Disabilities Services Medicaid Trust Fund and 1 fund included as an other federal trust fund State Trust Funds: Public Assistance Recoveries Trust Fund and 1 fund included as an other state 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, 2011 (Expressed in Thousands)

	General Funds			Highway Funds		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes	\$ 10,256,000	\$ 13,077,293	\$ 2,821,293			
Sales taxes	6,290,000	6,833,036	543,036			
Motor fuel taxes				\$ 1,301,700	\$ 1,243,055	\$ (58,645)
Public utility taxes	1,144,000	1,147,150	3,150			
Federal government	5,950,000	5,324,757	(625,243)	1,645,700	1,732,009	86,309
Other	1,994,000	1,866,553	(127,447)	1,529,758	1,427,454	(102,304)
Less:						
Refunds				23,359	20,114	(3,245)
Total revenues	25,634,000	28,248,789	2,614,789	4,453,799	4,382,404	(71,395)
EXPENDITURES:						
Current:						
Health and social services	13,377,400	12,994,894	(382,506)	159,963	159,963	-
Education	9,479,234	9,358,069	(121,165)			
General government	872,684	812,993	(59,691)	87,950	46,054	(41,896)
Employment and economic development	190,370	172,647	(17,723)	1,900	1,900	-
Transportation	79,035	78,203	(832)	3,574,016	3,445,809	(128,207)
Public protection and justice	1,971,149	1,938,821	(32,328)			
Environment and business regulation	101,331	92,598	(8,733)			
Debt service:						
Principal						
Interest						
Capital outlays				14,359	12,533	(1,826)
Total expenditures	26,071,203	25,448,225	(622,978)	3,838,188	3,666,259	(171,929)
Excess (deficiency) of revenues over (under) expenditures	(437,203)	2,800,564	3,237,767	615,611	716,145	100,534
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues	1,300,000	1,300,000	-			
Operating transfers-in	7,427,963	7,427,963	-	1,145,412	1,145,412	-
Operating transfers-out	(9,941,837)	(9,941,837)	-	(1,636,471)	(1,636,471)	-
Total other sources (uses) of financial resources	(1,213,874)	(1,213,874)	-	(491,059)	(491,059)	-
Budgetary funds-nonbudgeted accounts						
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(1,651,077)	1,586,690	3,237,767	124,552	225,086	100,534
Budgetary fund balances (deficits), July 1, 2010, as previously reported	(6,094,099)	(6,094,099)	-	685,739	685,739	-
Reclassifications between budgetary/nonbudgetary funds-net						
Budgetary fund balances (deficits), July 1, 2010, as reclassified	(6,094,099)	(6,094,099)	-	685,739	685,739	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (7,745,176)	\$ (4,507,409)	\$ 3,237,767	\$ 810,291	\$ 910,825	\$ 100,534

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)
\$ 2,838,786	\$ 2,846,020	\$ 7,234						
842,377	772,593	(69,784)				\$ 52,000	\$ 52,000	\$ -
72,361	71,179	(1,182)						
472,704	483,904	11,200						
4,950,901	5,966,979	1,016,078				-	61,810	61,810
7,031,722	6,783,950	(247,772)	\$ -	\$ 6	\$ 6	406,737	457,968	51,231
1,568,017	1,556,468	(11,549)						
14,640,834	15,368,157	727,323	-	6	6	458,737	571,778	113,041
13,199,767	9,917,826	(3,281,941)	77	77	-			
187,187	143,739	(43,448)	41,493	41,478	(15)			
3,695,695	3,438,650	(257,045)	142,294	141,862	(432)			
973,554	539,353	(434,201)	244,818	200,544	(44,274)			
612,523	576,510	(36,013)	1,495,447	1,387,320	(108,127)			
259,600	117,168	(142,432)						
1,246,794	1,096,421	(150,373)	65,815	65,815	-			
						3,288,855	3,267,657	(21,198)
						1,327,718	1,327,718	-
46,839	32,687	(14,152)	440,572	132,021	(308,551)			
20,221,959	15,862,354	(4,359,605)	2,430,516	1,969,117	(461,399)	4,616,573	4,595,375	(21,198)
(5,581,125)	(494,197)	5,086,928	(2,430,516)	(1,969,111)	461,405	(4,157,836)	(4,023,597)	134,239
4,933,572	4,933,572	-	1,191,510	1,191,510	-	3	3	-
4,406,495	4,406,495	-				4,828,114	4,828,114	-
(8,284,478)	(8,284,478)	-				(591,654)	(591,654)	-
1,055,589	1,055,589	-	1,191,510	1,191,510	-	4,236,463	4,236,463	-
(54,227)	(54,227)	-						
(4,579,763)	507,165	5,086,928	(1,239,006)	(777,601)	461,405	78,627	212,866	134,239
1,442,037	1,442,037	-	2,225,896	2,225,896	-	919,731	919,731	-
1,442,037	1,442,037	-	2,225,896	2,225,896	-	919,731	919,731	-
\$ (3,137,726)	\$ 1,949,202	\$ 5,086,928	\$ 986,890	\$ 1,448,295	\$ 461,405	\$ 998,358	\$ 1,132,597	\$ 134,239

(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, 2011 (Expressed in Thousands)

(continued)

	Federal Trust Funds			Revolving Funds		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes						
Sales taxes						
Motor fuel taxes						
Public utility taxes						
Federal government	\$ 5,659,346	\$ 5,100,868	\$ (558,478)	\$ 754	\$ 3,926	\$ 3,172
Other	255,062	309,074	54,012	623,182	561,438	(61,744)
Less:						
Refunds	2,340	29	(2,311)	8,601	3,306	(5,295)
Total revenues	5,912,068	5,409,913	(502,155)	615,335	562,058	(53,277)
EXPENDITURES:						
Current:						
Health and social services	2,052,029	1,380,659	(671,370)			
Education	4,511,931	2,598,148	(1,913,783)			
General government	125,370	15,634	(109,736)	835,833	599,812	(236,021)
Employment and economic development	1,979,536	800,523	(1,179,013)			
Transportation	117,078	117,078	-	1,000	547	(453)
Public protection and justice	621,975	207,187	(414,788)	47,448	43,792	(3,656)
Environment and business regulation	271,123	116,858	(154,265)			
Debt service:						
Principal						
Interest						
Capital outlays	10,703	1,012	(9,691)	3,489	1,337	(2,152)
Total expenditures	9,689,745	5,237,099	(4,452,646)	887,770	645,488	(242,282)
Excess (deficiency) of revenues over (under) expenditures	(3,777,677)	172,814	3,950,491	(272,435)	(83,430)	189,005
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues						
Operating transfers-in	48,159	48,159	-	147,041	147,041	-
Operating transfers-out	(39,540)	(39,540)	-	(16,786)	(16,786)	-
Total other sources (uses) of financial resources	8,619	8,619	-	130,255	130,255	-
Budgetary funds-nonbudgeted accounts	(305,983)	(305,983)	-	(5,899)	(5,899)	-
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(4,075,041)	(124,550)	3,950,491	(148,079)	40,926	189,005
Budgetary fund balances (deficits), July 1, 2010, as previously reported	(369,986)	(369,986)	-	(70,499)	(70,499)	-
Reclassifications between budgetary/nonbudgetary funds-net	73	73	-			
Budgetary fund balances (deficits), July 1, 2010, as reclassified	(369,913)	(369,913)	-	(70,499)	(70,499)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (4,444,954)	\$ (494,463)	\$ 3,950,491	\$ (218,578)	\$ (29,573)	\$ 189,005

State Trust Funds			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 13,094,786	\$ 15,923,313	\$ 2,828,527
\$ 793,353	\$ 793,353	\$ -	7,977,730	8,450,982	473,252
32,544	32,544	-	1,406,605	1,346,778	(59,827)
262,852	262,852	-	1,879,556	1,893,906	14,350
92,608	141,737	49,129	18,299,309	18,332,086	32,777
2,158,031	2,903,353	745,322	13,998,492	14,309,796	311,304
312	172	(140)	1,602,629	1,580,089	(22,540)
3,339,076	4,133,667	794,591	55,053,849	58,676,772	3,622,923
241,283	181,423	(59,860)	29,030,519	24,634,842	(4,395,677)
18,459	3,976	(14,483)	14,238,304	12,145,410	(2,092,894)
425,355	135,499	(289,856)	6,185,181	5,190,504	(994,677)
575	154	(421)	3,390,753	1,715,121	(1,675,632)
			5,879,099	5,605,467	(273,632)
2,350	1,696	(654)	2,902,522	2,308,664	(593,858)
11,182	4,468	(6,714)	1,696,245	1,376,160	(320,085)
			3,288,855	3,267,657	(21,198)
			1,327,718	1,327,718	-
2,000	-	(2,000)	517,962	179,590	(338,372)
701,204	327,216	(373,988)	68,457,158	57,751,133	(10,706,025)
2,637,872	3,806,451	1,168,579	(13,403,309)	925,639	14,328,948
			7,425,085	7,425,085	-
703,022	703,022	-	18,706,206	18,706,206	-
(447,902)	(447,902)	-	(20,958,668)	(20,958,668)	-
255,120	255,120	-	5,172,623	5,172,623	-
(4,003,882)	(4,003,882)	-	(4,369,991)	(4,369,991)	-
(1,110,890)	57,689	1,168,579	(12,600,677)	1,728,271	14,328,948
870,402	870,402	-	(390,779)	(390,779)	-
(631,319)	(631,319)	-	(631,246)	(631,246)	-
239,083	239,083	-	(1,022,025)	(1,022,025)	-
\$ (871,807)	\$ 296,772	\$ 1,168,579	\$ (13,622,702)	\$ 706,246	\$ 14,328,948

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, 2011 (Expressed in Thousands)

	General Revenue			Common School Special Account		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes	\$ 9,416,000	\$ 12,006,270	\$ 2,590,270			
Sales taxes	4,654,000	5,064,431	410,431	\$ 1,579,000	\$ 1,707,158	\$ 128,158
Public utility taxes	1,025,000	1,028,013	3,013			
Federal government	5,950,000	5,324,757	(625,243)			
Other	1,873,000	1,746,232	(126,768)			
Total revenues	22,918,000	25,169,703	2,251,703	1,579,000	1,707,158	128,158
EXPENDITURES:						
Current:						
Health and social services	13,377,400	12,994,894	(382,506)			
Education	4,377,170	4,257,595	(119,575)			
General government	872,678	812,987	(59,691)			
Employment and economic development	190,370	172,647	(17,723)			
Transportation	79,035	78,203	(832)			
Public protection and justice	1,971,149	1,938,821	(32,328)			
Environment and business regulation	101,331	92,598	(8,733)			
Total expenditures	20,969,133	20,347,745	(621,388)			
Excess (deficiency) of revenues over (under) expenditures	1,948,867	4,821,958	2,873,091	1,579,000	1,707,158	128,158
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues	1,300,000	1,300,000	-			
Operating transfers-in	3,294,768	3,294,768	-			
Operating transfers-out	(8,240,849)	(8,240,849)	-	(1,700,404)	(1,700,404)	-
Total other sources (uses) of financial resources	(3,646,081)	(3,646,081)	-	(1,700,404)	(1,700,404)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(1,697,214)	1,175,877	2,873,091	(121,404)	6,754	128,158
Budgetary fund balances (deficits), July 1, 2010	(6,141,784)	(6,141,784)	-	77,231	77,231	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$(7,838,998)	\$(4,965,907)	\$2,873,091	\$(44,173)	\$83,985	\$128,158

Education Assistance			Common School			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 749,000	\$ 954,554	\$ 205,554	\$ 91,000	\$ 116,469	\$ 25,469	\$ 10,256,000	\$ 13,077,293	\$ 2,821,293
			57,000	61,447	4,447	6,290,000	6,833,036	543,036
			119,000	119,137	137	1,144,000	1,147,150	3,150
						5,950,000	5,324,757	(625,243)
-	455	455	121,000	119,866	(1,134)	1,994,000	1,866,553	(127,447)
749,000	955,009	206,009	388,000	416,919	28,919	25,634,000	28,248,789	2,614,789
						13,377,400	12,994,894	(382,506)
924,978	923,787	(1,191)	4,177,086	4,176,687	(399)	9,479,234	9,358,069	(121,165)
6	6	-				872,684	812,993	(59,691)
						190,370	172,647	(17,723)
						79,035	78,203	(832)
						1,971,149	1,938,821	(32,328)
						101,331	92,598	(8,733)
924,984	923,793	(1,191)	4,177,086	4,176,687	(399)	26,071,203	25,448,225	(622,978)
(175,984)	31,216	207,200	(3,789,086)	(3,759,768)	29,318	(437,203)	2,800,564	3,237,767
						1,300,000	1,300,000	-
385,383	385,383	-	3,747,812	3,747,812	-	7,427,963	7,427,963	-
(352)	(352)	-	(232)	(232)	-	(9,941,837)	(9,941,837)	-
385,031	385,031	-	3,747,580	3,747,580	-	(1,213,874)	(1,213,874)	-
209,047	416,247	207,200	(41,506)	(12,188)	29,318	(1,651,077)	1,586,690	3,237,767
(62,441)	(62,441)	-	32,895	32,895	-	(6,094,099)	(6,094,099)	-
\$ 146,606	\$ 353,806	\$ 207,200	\$ (8,611)	\$ 20,707	\$ 29,318	\$ (7,745,176)	\$ (4,507,409)	\$ 3,237,767

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, 2011 (Expressed in Thousands)

	Road			Motor Fuel Tax - State		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Motor fuel taxes				\$ 1,301,700	\$ 1,243,055	\$ (58,645)
Federal government	\$ 1,645,700	\$ 1,731,920	\$ 86,220	-	89	89
Other	1,026,500	962,439	(64,061)	-	3,254	3,254
Less:						
Refunds	2,343	2,296	(47)	21,016	17,818	(3,198)
Total revenues	2,669,857	2,692,063	22,206	1,280,684	1,228,580	(52,104)
EXPENDITURES:						
Current:						
Health and social services	159,963	159,963	-			
General government	1,000	964	(36)	86,950	45,090	(41,860)
Employment and economic development	1,900	1,900	-			
Transportation	2,289,742	2,199,994	(89,748)	12,716	10,818	(1,898)
Capital outlays	14,331	12,528	(1,803)	28	5	(23)
Total expenditures	2,466,936	2,375,349	(91,587)	99,694	55,913	(43,781)
Excess (deficiency) of revenues over (under) expenditures	202,921	316,714	113,793	1,180,990	1,172,667	(8,323)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	312,394	312,394	-	19	19	-
Operating transfers-out	(447,574)	(447,574)	-	(1,174,774)	(1,174,774)	-
Total other sources (uses) of financial resources	(135,180)	(135,180)	-	(1,174,755)	(1,174,755)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	67,741	181,534	113,793	6,235	(2,088)	(8,323)
Budgetary fund balances (deficits), July 1, 2010	489,427	489,427	-	105,395	105,395	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ 557,168	\$ 670,961	\$ 113,793	\$ 111,630	\$ 103,307	\$ (8,323)

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)
\$ -	\$ 29	\$ 29				\$ -	\$ 2	\$ 2
-	29	29				-	2	2
34,088	34,088	-	\$ 215,300	\$ 202,559	\$ (12,741)	302,025	284,082	(17,943)
34,088	34,088	-	215,300	202,559	(12,741)	302,025	284,082	(17,943)
(34,088)	(34,059)	29	(215,300)	(202,559)	12,741	(302,025)	(284,080)	17,945
42,000	42,000	-	203,343	203,343	-	285,179	285,179	-
(14,083)	(14,083)	-						
27,917	27,917	-	203,343	203,343	-	285,179	285,179	-
(6,171)	(6,142)	29	(11,957)	784	12,741	(16,846)	1,099	17,945
12,935	12,935	-	(15,974)	(15,974)	-	(22,402)	(22,402)	-
\$ 6,764	\$ 6,793	\$ 29	\$ (27,931)	\$ (15,190)	\$ 12,741	\$ (39,248)	\$ (21,303)	\$ 17,945

(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, 2011 (Expressed in Thousands)

(continued)

	Motor Fuel Tax - Township			State Construction Account		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Motor fuel taxes						
Federal government						
Other				\$ 503,258	\$ 461,730	\$ (41,528)
Less:						
Refunds						
Total revenues				<u>503,258</u>	<u>461,730</u>	<u>(41,528)</u>
EXPENDITURES:						
Current:						
Health and social services						
General government						
Employment and economic development						
Transportation	\$ 97,675	\$ 91,935	\$ (5,740)	622,470	622,333	(137)
Capital outlays						
Total expenditures	<u>97,675</u>	<u>91,935</u>	<u>(5,740)</u>	<u>622,470</u>	<u>622,333</u>	<u>(137)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(97,675)</u>	<u>(91,935)</u>	<u>5,740</u>	<u>(119,212)</u>	<u>(160,603)</u>	<u>(41,391)</u>
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	92,291	92,291	-	210,186	210,186	-
Operating transfers-out				(40)	(40)	-
Total other sources (uses) of financial resources	<u>92,291</u>	<u>92,291</u>	<u>-</u>	<u>210,146</u>	<u>210,146</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of nonbudgeted accounts	<u>(5,384)</u>	<u>356</u>	<u>5,740</u>	<u>90,934</u>	<u>49,543</u>	<u>(41,391)</u>
Budgetary fund balances (deficits), July 1, 2010	(7,249)	(7,249)	-	123,607	123,607	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	<u>\$ (12,633)</u>	<u>\$ (6,893)</u>	<u>\$ 5,740</u>	<u>\$ 214,541</u>	<u>\$ 173,150</u>	<u>\$ (41,391)</u>

Total		
Final Budget	Actual	Variance Over (Under)
\$ 1,301,700	\$ 1,243,055	\$ (58,645)
1,645,700	1,732,009	86,309
1,529,758	1,427,454	(102,304)
23,359	20,114	(3,245)
4,453,799	4,382,404	(71,395)
159,963	159,963	-
87,950	46,054	(41,896)
1,900	1,900	-
3,574,016	3,445,809	(128,207)
14,359	12,533	(1,826)
3,838,188	3,666,259	(171,929)
615,611	716,145	100,534
1,145,412	1,145,412	-
(1,636,471)	(1,636,471)	-
(491,059)	(491,059)	-
124,552	225,086	100,534
685,739	685,739	-
\$ 810,291	\$ 910,825	\$ 100,534

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, 2011 (Expressed in Thousands)

	Elected Officials			Code Departments		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes				\$ 2,836,237	\$ 2,836,237	\$ -
Sales taxes				822,685	748,102	(74,583)
Motor fuel taxes						
Public utility taxes				289,875	297,151	7,276
Federal government	\$ 460,435	\$ 323,161	\$ (137,274)	4,276,861	5,264,409	987,548
Other	326,397	290,424	(35,973)	5,565,463	5,365,938	(199,525)
Less:						
Refunds				1,563,970	1,553,632	(10,338)
Total revenues	786,832	613,585	(173,247)	12,227,151	12,958,205	731,054
EXPENDITURES:						
Current:						
Health and social services	775,982	620,450	(155,532)	12,170,500	9,165,466	(3,005,034)
Education	63,000	63,000	-			
General government	9,621	7,474	(2,147)	3,286,478	3,216,460	(70,018)
Employment and economic development				770,491	437,780	(332,711)
Transportation				588,205	566,187	(22,018)
Public protection and justice				59,000	10,037	(48,963)
Environment and business regulation				140,882	125,921	(14,961)
Capital outlays	31	6	(25)	30,445	19,614	(10,831)
Total expenditures	848,634	690,930	(157,704)	17,046,001	13,541,465	(3,504,536)
Excess (deficiency) of revenues over (under) expenditures	(61,802)	(77,345)	(15,543)	(4,818,850)	(583,260)	4,235,590
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues	4,933,572	4,933,572	-			
Operating transfers-in	964,359	964,359	-	3,082,269	3,082,269	-
Operating transfers-out	(5,468,575)	(5,468,575)	-	(2,237,464)	(2,237,464)	-
Total other sources (uses) of financial resources	429,356	429,356	-	844,805	844,805	-
Budgetary funds-nonbudgeted accounts				(54,125)	(54,125)	-
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	367,554	352,011	(15,543)	(4,028,170)	207,420	4,235,590
Budgetary fund balances (deficits), July 1, 2010	37,128	37,128	-	395,801	395,801	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ 404,682	\$ 389,139	\$ (15,543)	\$(3,632,369)	\$ 603,221	\$ 4,235,590

Agencies, Boards & Commissions			Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 2,549	\$ 9,783	7,234	\$ 2,838,786	\$ 2,846,020	\$ 7,234
\$ 72,357	\$ 71,164	\$ (1,193)	19,692	24,491	4,799	842,377	772,593	(69,784)
153,120	156,067	2,947	4	15	11	72,361	71,179	(1,182)
72,100	268,203	196,103	29,709	30,686	977	472,704	483,904	11,200
335,424	356,659	21,235	141,505	111,206	(30,299)	4,950,901	5,966,979	1,016,078
			804,438	770,929	(33,509)	7,031,722	6,783,950	(247,772)
27	6	(21)	4,020	2,830	(1,190)	1,568,017	1,556,468	(11,549)
632,974	852,087	219,113	993,877	944,280	(49,597)	14,640,834	15,368,157	727,323
1,346	1,200	(146)	251,939	130,710	(121,229)	13,199,767	9,917,826	(3,281,941)
3,170	2,808	(362)	121,017	77,931	(43,086)	187,187	143,739	(43,448)
40,439	15,742	(24,697)	359,157	198,974	(160,183)	3,695,695	3,438,650	(257,045)
			203,063	101,573	(101,490)	973,554	539,353	(434,201)
			24,318	10,323	(13,995)	612,523	576,510	(36,013)
24,060	22,181	(1,879)	176,540	84,950	(91,590)	259,600	117,168	(142,432)
720,763	697,300	(23,463)	385,149	273,200	(111,949)	1,246,794	1,096,421	(150,373)
491	120	(371)	15,872	12,947	(2,925)	46,839	32,687	(14,152)
790,269	739,351	(50,918)	1,537,055	890,608	(646,447)	20,221,959	15,862,354	(4,359,605)
(157,295)	112,736	270,031	(543,178)	53,672	596,850	(5,581,125)	(494,197)	5,086,928
						4,933,572	4,933,572	-
118,787	118,787	-	241,080	241,080	-	4,406,495	4,406,495	-
(283,040)	(283,040)	-	(295,399)	(295,399)	-	(8,284,478)	(8,284,478)	-
(164,253)	(164,253)	-	(54,319)	(54,319)	-	1,055,589	1,055,589	-
			(102)	(102)	-	(54,227)	(54,227)	-
(321,548)	(51,517)	270,031	(597,599)	(749)	596,850	(4,579,763)	507,165	5,086,928
436,618	436,618	-	572,490	572,490	-	1,442,037	1,442,037	-
\$ 115,070	\$ 385,101	\$ 270,031	\$ (25,109)	\$ 571,741	\$ 596,850	\$(3,137,726)	\$ 1,949,202	\$ 5,086,928

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, 2011 (Expressed in Thousands)

	Comptroller			Treasurer		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government				\$ 460,435	\$ 323,161	\$ (137,274)
Other				326,397	290,424	(35,973)
Total revenues				786,832	613,585	(173,247)
EXPENDITURES:						
Current:						
Health and social services				775,982	620,450	(155,532)
Education				63,000	63,000	-
General government				9,621	7,474	(2,147)
Capital outlays				31	6	(25)
Total expenditures				848,634	690,930	(157,704)
Excess (deficiency) of revenues over (under) expenditures				(61,802)	(77,345)	(15,543)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues	\$ 3,683,572	\$ 3,683,572	\$ -	1,250,000	1,250,000	-
Operating transfers-in	810,704	810,704	-	153,655	153,655	-
Operating transfers-out	(4,218,572)	(4,218,572)	-	(1,250,003)	(1,250,003)	-
Total other sources (uses) of financial resources	275,704	275,704	-	153,652	153,652	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	275,704	275,704	-	91,850	76,307	(15,543)
Budgetary fund balances (deficits), July 1, 2010				37,128	37,128	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ 275,704	\$ 275,704	\$ -	\$ 128,978	\$ 113,435	\$ (15,543)

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 460,435	\$ 323,161	\$ (137,274)	
326,397	290,424	(35,973)	
786,832	613,585	(173,247)	

775,982	620,450	(155,532)
63,000	63,000	-
9,621	7,474	(2,147)
31	6	(25)
848,634	690,930	(157,704)

(61,802)	(77,345)	(15,543)
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4,933,572	4,933,572	-
964,359	964,359	-
(5,468,575)	(5,468,575)	-
429,356	429,356	-

367,554	352,011	(15,543)
37,128	37,128	-
\$ 404,682	\$ 389,139	\$ (15,543)

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, 2011 (Expressed in Thousands)

	Pension Contribution			Budget Stabilization		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues	\$ 3,683,572	\$ 3,683,572	\$ -	\$ 810,704	\$ 810,704	\$ -
Operating transfers-in				\$ (535,000)	\$ (535,000)	\$ -
Operating transfers-out	(3,683,572)	(3,683,572)	-			
Total other sources (uses) of financial resources	-	-	-	275,704	275,704	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources						
	-	-	-	275,704	275,704	-
Budgetary fund balances (deficits), July 1, 2010						
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ -	\$ -	\$ -	\$ 275,704	\$ 275,704	\$ -

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 3,683,572	\$ 3,683,572	\$	-
810,704	810,704		-
(4,218,572)	(4,218,572)		-
275,704	275,704		-
275,704	275,704		-
\$ 275,704	\$ 275,704	\$	-

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 Funds - State Treasurer

For the Year Ended June 30, 2011 (Expressed in Thousands)

	State Pensions			Tobacco Settlement Recovery		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government				\$ 460,435	\$ 323,161	\$ (137,274)
Other				326,397	290,424	(35,973)
Total revenues				786,832	613,585	(173,247)
EXPENDITURES:						
Current:						
Health and social services				775,982	620,450	(155,532)
Education	\$ 63,000	\$ 63,000	\$ -			
General government	8,535	6,580	(1,955)	1,086	894	(192)
Capital outlays	31	6	(25)			
Total expenditures	71,566	69,586	(1,980)	777,068	621,344	(155,724)
Excess (deficiency) of revenues over (under) expenditures	(71,566)	(69,586)	1,980	9,764	(7,759)	(17,523)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues				1,250,000	1,250,000	-
Operating transfers-in	153,653	153,653	-	2	2	-
Operating transfers-out				(1,250,003)	(1,250,003)	-
Total other sources (uses) of financial resources	153,653	153,653	-	(1)	(1)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	82,087	84,067	1,980	9,763	(7,760)	(17,523)
Budgetary fund balances (deficits), July 1, 2010	29,535	29,535	-	7,593	7,593	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ 111,622	\$ 113,602	\$ 1,980	\$ 17,356	\$ (167)	\$ (17,523)

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 460,435	\$ 323,161	\$ (137,274)	
326,397	290,424	(35,973)	
786,832	613,585	(173,247)	

775,982	620,450	(155,532)
63,000	63,000	-
9,621	7,474	(2,147)
31	6	(25)
848,634	690,930	(157,704)

(61,802)	(77,345)	(15,543)
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1,250,000	1,250,000	-
153,655	153,655	-
(1,250,003)	(1,250,003)	-
153,652	153,652	-

91,850	76,307	(15,543)
37,128	37,128	-
\$ 128,978	\$ 113,435	\$ (15,543)

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, 2011 (Expressed in Thousands)

	Commerce and Economic Opportunity			Natural Resources		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes						
Sales taxes						
Public utility taxes	\$ 87,158	\$ 94,434	\$ 7,276			
Federal government	236,430	214,920	(21,510)	\$ 12,788	\$ 16,871	\$ 4,083
Other	2,881	3,221	340	54,677	59,355	4,678
Less:						
Refunds				1,150	301	(849)
Total revenues	326,469	312,575	(13,894)	66,315	75,925	9,610
EXPENDITURES:						
Current:						
Health and social services						
General government	1	1	-	78	78	-
Employment and economic development	582,499	315,574	(266,925)			
Transportation						
Public protection and justice						
Environment and business regulation				92,005	83,949	(8,056)
Capital outlays	111	1	(110)	1,161	1,079	(82)
Total expenditures	582,611	315,576	(267,035)	93,244	85,106	(8,138)
Excess (deficiency) of revenues over (under) expenditures	(256,142)	(3,001)	253,141	(26,929)	(9,181)	17,748
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	78,056	78,056	-			
Operating transfers-out	(72,018)	(72,018)	-	(40,105)	(40,105)	-
Total other sources (uses) of financial resources	6,038	6,038	-	(40,105)	(40,105)	-
Budgetary funds-nonbudgeted accounts						
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(250,104)	3,037	253,141	(67,034)	(49,286)	17,748
Budgetary fund balances (deficits), July 1, 2010	73,799	73,799	-	78,494	78,494	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (176,305)	\$ 76,836	\$ 253,141	\$ 11,460	\$ 29,208	\$ 17,748

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)
			\$ 101,400	\$ 84,592	\$ (16,808)	\$ 3,443,472	\$ 4,519,883	\$ 1,076,411
\$ 28,896	\$ 25,730	\$ (3,166)	29,604	29,294	(310)	3,659,747	3,523,185	(136,562)
3	-	(3)	100	2	(98)	9,750	444	(9,306)
28,893	25,730	(3,163)	130,904	113,884	(17,020)	7,093,469	8,042,624	949,155
			153,353	102,446	(50,907)	11,597,387	8,695,374	(2,902,013)
208	196	(12)	101	79	(22)	28,720	24,900	(3,820)
48,877	41,972	(6,905)						
153	8	(145)				622	180	(442)
49,238	42,176	(7,062)	153,454	102,525	(50,929)	11,626,729	8,720,454	(2,906,275)
(20,345)	(16,446)	3,899	(22,550)	11,359	33,909	(4,533,260)	(677,830)	3,855,430
24,833	24,833	-	4	4	-	951,836	951,836	-
(13,699)	(13,699)	-	(347)	(347)	-	(192,215)	(192,215)	-
11,134	11,134	-	(343)	(343)	-	759,621	759,621	-
(9,211)	(5,312)	3,899	(22,893)	11,016	33,909	(3,773,639)	81,791	3,855,430
21,895	21,895	-	41,849	41,849	-	(39,710)	(39,710)	-
\$ 12,684	\$ 16,583	\$ 3,899	\$ 18,956	\$ 52,865	\$ 33,909	\$(3,813,349)	\$ 42,081	\$ 3,855,430

(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, 2011 (Expressed in Thousands)

(continued)

	Revenue			Transportation		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes	\$ 2,836,237	\$ 2,836,237	\$ -			
Sales taxes	822,685	748,102	(74,583)			
Public utility taxes	202,717	202,717	-			
Federal government	17,310	17,310	-	\$ 50,000	\$ 74,677	\$ 24,677
Other	1,770,024	1,703,420	(66,604)			
Less:						
Refunds	1,552,967	1,552,885	(82)			
Total revenues	4,096,006	3,954,901	(141,105)	50,000	74,677	24,677
EXPENDITURES:						
Current:						
Health and social services	960	739	(221)			
General government	3,255,870	3,189,973	(65,897)			
Employment and economic development	187,992	122,206	(65,786)			
Transportation				588,205	566,187	(22,018)
Public protection and justice						
Environment and business regulation						
Capital outlays	398	69	(329)			
Total expenditures	3,445,220	3,312,987	(132,233)	588,205	566,187	(22,018)
Excess (deficiency) of revenues over (under) expenditures	650,786	641,914	(8,872)	(538,205)	(491,510)	46,695
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	1,432,629	1,432,629	-	577,830	577,830	-
Operating transfers-out	(1,905,651)	(1,905,651)	-	(11,849)	(11,849)	-
Total other sources (uses) of financial resources	(473,022)	(473,022)	-	565,981	565,981	-
Budgetary funds-nonbudgeted accounts	(54,125)	(54,125)	-			
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	123,639	114,767	(8,872)	27,776	74,471	46,695
Budgetary fund balances (deficits), July 1, 2010	170,626	170,626	-	52,703	52,703	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ 294,265	\$ 285,393	\$ (8,872)	\$ 80,479	\$ 127,174	\$ 46,695

Other Code Departments			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 2,836,237	\$ 2,836,237	\$ -
			822,685	748,102	(74,583)
			289,875	297,151	7,276
\$ 415,461	\$ 336,156	\$ (79,305)	4,276,861	5,264,409	987,548
19,634	21,733	2,099	5,565,463	5,365,938	(199,525)
			1,563,970	1,553,632	(10,338)
435,095	357,889	(77,206)	12,227,151	12,958,205	731,054
418,800	366,907	(51,893)	12,170,500	9,165,466	(3,005,034)
1,500	1,233	(267)	3,286,478	3,216,460	(70,018)
			770,491	437,780	(332,711)
			588,205	566,187	(22,018)
59,000	10,037	(48,963)	59,000	10,037	(48,963)
			140,882	125,921	(14,961)
28,000	18,277	(9,723)	30,445	19,614	(10,831)
507,300	396,454	(110,846)	17,046,001	13,541,465	(3,504,536)
(72,205)	(38,565)	33,640	(4,818,850)	(583,260)	4,235,590
17,081	17,081	-	3,082,269	3,082,269	-
(1,580)	(1,580)	-	(2,237,464)	(2,237,464)	-
15,501	15,501	-	844,805	844,805	-
			(54,125)	(54,125)	-
(56,704)	(23,064)	33,640	(4,028,170)	207,420	4,235,590
(3,855)	(3,855)	-	395,801	395,801	-
\$ (60,559)	\$ (26,919)	\$ 33,640	\$(3,632,369)	\$ 603,221	\$ 4,235,590

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, 2011 (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)
REVENUES:						
Public utility taxes				\$ 87,158	\$ 94,434	\$ 7,276
Federal government						
Other				2,842	3,079	237
Total revenues				90,000	97,513	7,513
EXPENDITURES:						
Current:						
General government				1	1	-
Employment and economic development				110,686	75,618	(35,068)
Capital outlays						
Total expenditures				110,687	75,619	(35,068)
Excess (deficiency) of revenues over (under) expenditures				(20,687)	21,894	42,581
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	\$ 37,923	\$ 37,923	\$ -			
Operating transfers-out	(51,750)	(51,750)	-	(11)	(11)	-
Total other sources (uses) of financial resources	(13,827)	(13,827)	-	(11)	(11)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(13,827)	(13,827)	-	(20,698)	21,883	42,581
Budgetary fund balances (deficits), July 1, 2010	30,699	30,699	-	51,934	51,934	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ 16,872	\$ 16,872	\$ -	\$ 31,236	\$ 73,817	\$ 42,581

Tourism Promotion			Federal Workforce Training			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 236,430	\$ 214,920	\$ (21,510)	\$ 87,158	\$ 94,434	\$ 7,276
			39	142	103	236,430	214,920	(21,510)
			236,469	215,062	(21,407)	326,469	312,575	(13,894)
						1	1	-
\$ 36,813	\$ 22,240	\$ (14,573)	435,000	217,716	(217,284)	582,499	315,574	(266,925)
111	1	(110)				111	1	(110)
36,924	22,241	(14,683)	435,000	217,716	(217,284)	582,611	315,576	(267,035)
(36,924)	(22,241)	14,683	(198,531)	(2,654)	195,877	(256,142)	(3,001)	253,141
40,133	40,133	-				78,056	78,056	-
(15,104)	(15,104)	-	(5,153)	(5,153)	-	(72,018)	(72,018)	-
25,029	25,029	-	(5,153)	(5,153)	-	6,038	6,038	-
(11,895)	2,788	14,683	(203,684)	(7,807)	195,877	(250,104)	3,037	253,141
17,751	17,751	-	(26,585)	(26,585)	-	73,799	73,799	-
\$ 5,856	\$ 20,539	\$ 14,683	\$ (230,269)	\$ (34,392)	\$ 195,877	\$ (176,305)	\$ 76,836	\$ 253,141

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, 2011 (Expressed in Thousands)

	Wildlife and Fish			Open Space Lands Acquisition and Development		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 12,788	\$ 16,871	\$ 4,083			
Other	42,296	46,058	3,762	\$ 12,381	\$ 13,297	\$ 916
Less:						
Refunds	1,150	301	(849)			
Total revenues	53,934	62,628	8,694	12,381	13,297	916
EXPENDITURES:						
Current:						
General government	78	78	-			
Environment and business regulation	69,073	61,520	(7,553)	22,932	22,429	(503)
Capital outlays	1,161	1,079	(82)			
Total expenditures	70,312	62,677	(7,635)	22,932	22,429	(503)
Excess (deficiency) of revenues over (under) expenditures	(16,378)	(49)	16,329	(10,551)	(9,132)	1,419
OTHER (USES) OF FINANCIAL RESOURCES:						
Operating transfers-out	(1,507)	(1,507)	-	(38,598)	(38,598)	-
Total other (uses) of financial resources	(1,507)	(1,507)	-	(38,598)	(38,598)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(17,885)	(1,556)	16,329	(49,149)	(47,730)	1,419
Budgetary fund balances (deficits), July 1, 2010	16,799	16,799	-	61,695	61,695	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (1,086)	\$ 15,243	\$ 16,329	\$ 12,546	\$ 13,965	\$ 1,419

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 12,788	\$ 16,871	\$ 4,083	
54,677	59,355	4,678	
1,150	301	(849)	
66,315	75,925	9,610	
78	78	-	
92,005	83,949	(8,056)	
1,161	1,079	(82)	
93,244	85,106	(8,138)	
(26,929)	(9,181)	17,748	
(40,105)	(40,105)	-	
(40,105)	(40,105)	-	
(67,034)	(49,286)	17,748	
78,494	78,494	-	
\$ 11,460	\$ 29,208	\$ 17,748	

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, 2011 (Expressed in Thousands)

	Professions Indirect Cost			Bank and Trust Company		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Other	\$ -	\$ 25	\$ 25	\$ 28,896	\$ 25,705	\$ (3,191)
Less:						
Refunds				3	-	(3)
Total revenues	-	25	25	28,893	25,705	(3,188)
EXPENDITURES:						
Current:						
General government	6	6	-	202	190	(12)
Environment and business regulation	32,139	26,252	(5,887)	16,738	15,720	(1,018)
Capital outlays	153	8	(145)			
Total expenditures	32,298	26,266	(6,032)	16,940	15,910	(1,030)
Excess (deficiency) of revenues over (under) expenditures	(32,298)	(26,241)	6,057	11,953	9,795	(2,158)
OTHER (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	24,768	24,768	-	65	65	-
Operating transfers-out	(143)	(143)	-	(13,556)	(13,556)	-
Total other (uses) of financial resources	24,625	24,625	-	(13,491)	(13,491)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(7,673)	(1,616)	6,057	(1,538)	(3,696)	(2,158)
Budgetary fund balances (deficits), July 1, 2010	1,920	1,920	-	19,975	19,975	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (5,753)	\$ 304	\$ 6,057	\$ 18,437	\$ 16,279	\$ (2,158)

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 28,896	\$ 25,730	\$ (3,166)	
3	-	(3)	
28,893	25,730	(3,163)	

208	196	(12)
48,877	41,972	(6,905)
153	8	(145)
49,238	42,176	(7,062)

(20,345)	(16,446)	3,899
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24,833	24,833	-
(13,699)	(13,699)	-
11,134	11,134	-

(9,211)	(5,312)	3,899
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21,895	21,895	-
\$ 12,684	\$ 16,583	\$ 3,899

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, 2011 (Expressed in Thousands)

	Mental Health			Community Mental Health Medicaid Trust		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 9,000	\$ 6,411	\$ (2,589)	\$ 92,400	\$ 78,181	\$ (14,219)
Other	29,493	29,148	(345)	111	146	35
Less:						
Refunds	100	2	(98)			
Total revenues	38,393	35,557	(2,836)	92,511	78,327	(14,184)
EXPENDITURES:						
Current:						
Health and social services	37,663	27,766	(9,897)	115,690	74,680	(41,010)
General government				101	79	(22)
Total expenditures	37,663	27,766	(9,897)	115,791	74,759	(41,032)
Excess (deficiency) of revenues over (under) expenditures	730	7,791	7,061	(23,280)	3,568	26,848
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	1	1	-	3	3	-
Operating transfers-out	(339)	(339)	-	(8)	(8)	-
Total other sources (uses) of financial resources	(338)	(338)	-	(5)	(5)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	392	7,453	7,061	(23,285)	3,563	26,848
Budgetary fund balances (deficits), July 1, 2010	10,141	10,141	-	31,708	31,708	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ 10,533	\$ 17,594	\$ 7,061	\$ 8,423	\$ 35,271	\$ 26,848

			Total		
	Final Budget		Actual		Variance Over (Under)
\$	101,400	\$	84,592	\$	(16,808)
	29,604		29,294		(310)
	100		2		(98)
	130,904		113,884		(17,020)
	153,353		102,446		(50,907)
	101		79		(22)
	153,454		102,525		(50,929)
	(22,550)		11,359		33,909
	4		4		-
	(347)		(347)		-
	(343)		(343)		-
	(22,893)		11,016		33,909
	41,849		41,849		-
\$	18,956	\$	52,865	\$	33,909

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, 2011 (Expressed in Thousands)

	University of Illinois Hospital Services			County Provider Trust		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 152,819	\$ 185,988	\$ 33,169	\$ 696,573	\$ 702,907	\$ 6,334
Other	45,000	45,000	-	637,421	655,509	18,088
Less:						
Refunds				1,000	-	(1,000)
Total revenues	197,819	230,988	33,169	1,332,994	1,358,416	25,422
EXPENDITURES:						
Current:						
Health and social services	375,000	264,163	(110,837)	1,981,619	1,333,610	(648,009)
General government						
Capital outlays						
Total expenditures	375,000	264,163	(110,837)	1,981,619	1,333,610	(648,009)
Excess (deficiency) of revenues over (under) expenditures	(177,181)	(33,175)	144,006	(648,625)	24,806	673,431
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	45,000	45,000	-			
Operating transfers-out						
Total other sources (uses) of financial resources	45,000	45,000	-			
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(132,181)	11,825	144,006	(648,625)	24,806	673,431
Budgetary fund balances (deficits), July 1, 2010	17,395	17,395	-	(28,644)	(28,644)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (114,786)	\$ 29,220	\$ 144,006	\$ (677,269)	\$ (3,838)	\$ 673,431

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)
\$ 25,553	\$ 21,482	\$ (4,071)	\$ 408,781	\$ 396,522	\$ (12,259)	\$ 1,095,880	\$ 1,202,513	\$ 106,633
19,831	18,910	(921)	214,320	225,973	11,653	897,644	909,196	11,552
1,000	-	(1,000)	2,750	66	(2,684)	5,000	378	(4,622)
44,384	40,392	(3,992)	620,351	622,429	2,078	1,988,524	2,111,331	122,807
50,135	39,149	(10,986)	859,742	573,503	(286,239)	1,925,000	1,925,000	-
50,135	39,149	(10,986)	859,742	573,503	(286,239)	1,925,000	1,925,000	-
(5,751)	1,243	6,994	(239,391)	48,926	288,317	63,524	186,331	122,807
1	1	-	30,025	30,025	-			
(4)	(4)	-				(190,000)	(190,000)	-
(3)	(3)	-	30,025	30,025	-	(190,000)	(190,000)	-
(5,754)	1,240	6,994	(209,366)	78,951	288,317	(126,476)	(3,669)	122,807
5,320	5,320	-	(40,295)	(40,295)	-	134,030	134,030	-
\$ (434)	\$ 6,560	\$ 6,994	\$ (249,661)	\$ 38,656	\$ 288,317	\$ 7,554	\$ 130,361	\$ 122,807

(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, 2011 (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)
REVENUES:						
Federal government	\$ 141,071	\$ 180,715	\$ 39,644	\$ -	\$ 26,215	\$ 26,215
Other				388	156	(232)
Less:						
Refunds						
Total revenues	141,071	180,715	39,644	388	26,371	25,983
EXPENDITURES:						
Current:						
Health and social services	200,000	191,554	(8,446)	69,398	55,342	(14,056)
General government						
Capital outlays						
Total expenditures	200,000	191,554	(8,446)	69,398	55,342	(14,056)
Excess (deficiency) of revenues over (under) expenditures	(58,929)	(10,839)	48,090	(69,010)	(28,971)	40,039
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in				20,000	20,000	-
Operating transfers-out				(3)	(3)	-
Total other sources (uses) of financial resources				19,997	19,997	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(58,929)	(10,839)	48,090	(49,013)	(8,974)	40,039
Budgetary fund balances (deficits), July 1, 2010	(42,028)	(42,028)	-	19,171	19,171	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (100,957)	\$ (52,867)	\$ 48,090	\$ (29,842)	\$ 10,197	\$ 40,039

Medical Interagency Program			Drug Rebate Fund			Child Support Administrative		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ -	\$ 204	\$ 204	\$ 287,147	\$ 311,488	\$ 24,341	\$ 137,878	\$ 101,002	\$ (36,876)
35,184	34,888	(296)	286	402	116	32,374	43,909	11,535
35,184	35,092	(92)	287,433	311,890	24,457	170,252	144,911	(25,341)
40,000	35,801	(4,199)	600,000	599,859	(141)	203,291	169,688	(33,603)
						331	301	(30)
						622	180	(442)
40,000	35,801	(4,199)	600,000	599,859	(141)	204,244	170,169	(34,075)
(4,816)	(709)	4,107	(312,567)	(287,969)	24,598	(33,992)	(25,258)	8,734
			387,970	387,970	-	35,000	35,000	-
						(2,208)	(2,208)	-
			387,970	387,970	-	32,792	32,792	-
(4,816)	(709)	4,107	75,403	100,001	24,598	(1,200)	7,534	8,734
3,093	3,093	-	35,185	35,185	-	(2,946)	(2,946)	-
\$ (1,723)	\$ 2,384	\$ 4,107	\$ 110,588	\$ 135,186	\$ 24,598	\$ (4,146)	\$ 4,588	\$ 8,734

(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, 2011 (Expressed in Thousands)

(continued)

	Healthcare Provider Relief			Health Insurance Reserve		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 459,000	\$ 1,352,600	\$ 893,600	\$ 38,770	\$ 38,247	\$ (523)
Other	4,580	482	(4,098)	1,772,719	1,588,760	(183,959)
Less:						
Refunds						
Total revenues	463,580	1,353,082	889,502	1,811,489	1,627,007	(184,482)
EXPENDITURES:						
Current:						
Health and social services	3,188,300	1,647,596	(1,540,704)	2,104,902	1,860,109	(244,793)
General government				28,389	24,599	(3,790)
Capital outlays						
Total expenditures	3,188,300	1,647,596	(1,540,704)	2,133,291	1,884,708	(248,583)
Excess (deficiency) of revenues over (under) expenditures	(2,724,720)	(294,514)	2,430,206	(321,802)	(257,701)	64,101
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	433,840	433,840	-			
Operating transfers-out						
Total other sources (uses) of financial resources	433,840	433,840	-			
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(2,290,880)	139,326	2,430,206	(321,802)	(257,701)	64,101
Budgetary fund balances (deficits), July 1, 2010	(117,256)	(117,256)	-	(22,735)	(22,735)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$(2,408,136)	\$ 22,070	\$ 2,430,206	\$ (344,537)	\$ (280,436)	\$ 64,101

Total		
Final Budget	Actual	Variance Over (Under)
\$ 3,443,472	\$ 4,519,883	\$ 1,076,411
3,659,747	3,523,185	(136,562)
9,750	444	(9,306)
7,093,469	8,042,624	949,155
11,597,387	8,695,374	(2,902,013)
28,720	24,900	(3,820)
622	180	(442)
11,626,729	8,720,454	(2,906,275)
(4,533,260)	(677,830)	3,855,430
951,836	951,836	-
(192,215)	(192,215)	-
759,621	759,621	-
(3,773,639)	81,791	3,855,430
(39,710)	(39,710)	-
\$(3,813,349)	\$ 42,081	\$ 3,855,430

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, 2011 (Expressed in Thousands)

	State Gaming			State and Local Sales Tax Reform		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes						
Sales taxes				\$ 241,000	\$ 265,538	\$ 24,538
Public utility taxes						
Federal government						
Other	\$ 504,813	\$ 457,953	\$ (46,860)			
Less:						
Refunds	50	-	(50)			
Total revenues	504,763	457,953	(46,810)	241,000	265,538	24,538
EXPENDITURES:						
Current:						
Health and social services	960	739	(221)			
General government	137,022	110,912	(26,110)	51,600	51,600	-
Employment and economic development						
Capital outlays	295	4	(291)			
Total expenditures	138,277	111,655	(26,622)	51,600	51,600	-
Excess (deficiency) of revenues over (under) expenditures	366,486	346,298	(20,188)	189,400	213,938	24,538
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in						
Operating transfers-out	(324,154)	(324,154)	-	(209,348)	(209,348)	-
Total other sources (uses) of financial resources	(324,154)	(324,154)	-	(209,348)	(209,348)	-
Budgetary funds-nonbudgeted accounts						
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources and budgetary funds-non-budgeted accounts	42,332	22,144	(20,188)	(19,948)	4,590	24,538
Budgetary fund balances (deficits), July 1, 2010	(4,137)	(4,137)	-	36,367	36,367	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ 38,195	\$ 18,007	\$ (20,188)	\$ 16,419	\$ 40,957	\$ 24,538

RTA Occupation and Use Tax Replacement			Illinois Sports Facilities			Income Tax Refund		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
						\$ 1,709,892	\$ 1,709,892	\$ -
						17,310	17,310	-
			\$ 37,513	\$ 43,725	\$ 6,212			
						1,552,869	1,552,869	-
			37,513	43,725	6,212	174,333	174,333	-
\$ 26,000	\$ 26,000	\$ -	42,000	42,000	-	-	(2,261)	(2,261)
26,000	26,000	-	42,000	42,000	-	-	(2,261)	(2,261)
(26,000)	(26,000)	-	(4,487)	1,725	6,212	174,333	176,594	2,261
26,169	26,169	-				8,139	8,139	-
(1)	(1)	-	(3,200)	(3,200)	-	(184,432)	(184,432)	-
26,168	26,168	-	(3,200)	(3,200)	-	(176,293)	(176,293)	-
168	168	-	(7,687)	(1,475)	6,212	(1,960)	301	2,261
(3,757)	(3,757)	-	2,724	2,724	-	2,154	2,154	-
\$ (3,589)	\$ (3,589)	\$ -	\$ (4,963)	\$ 1,249	\$ 6,212	\$ 194	\$ 2,455	\$ 2,261

(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, 2011 (Expressed in Thousands)

(continued)

	McCormick Place Expansion Project			Local Government Distributive		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes						
Sales taxes	\$ 179,056	\$ 80,206	\$ (98,850)			
Public utility taxes						
Federal government						
Other						
Less:						
Refunds						
Total revenues	179,056	80,206	(98,850)			
EXPENDITURES:						
Current:						
Health and social services						
General government				\$ 1,153,941	\$ 1,153,876	\$ (65)
Employment and economic development	145,992	80,206	(65,786)			
Capital outlays						
Total expenditures	145,992	80,206	(65,786)	1,153,941	1,153,876	(65)
Excess (deficiency) of revenues over (under) expenditures	33,064	-	(33,064)	(1,153,941)	(1,153,876)	65
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in				1,156,783	1,156,783	-
Operating transfers-out	(9,091)	(9,091)	-	(48)	(48)	-
Total other sources (uses) of financial resources	(9,091)	(9,091)	-	1,156,735	1,156,735	-
Budgetary funds-nonbudgeted accounts						
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources and budgetary funds-non-budgeted accounts	23,973	(9,091)	(33,064)	2,794	2,859	65
Budgetary fund balances (deficits), July 1, 2010	9,092	9,092	-	(19,774)	(19,774)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ 33,065	\$ 1	\$ (33,064)	\$ (16,980)	\$ (16,915)	\$ 65

State Lottery			Personal Property Tax Replacement			Build Illinois		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 1,126,345	\$ 1,126,345	\$ -	\$ 402,629	\$ 402,358	\$ (271)
			202,717	202,717	-			
\$ 1,125,672	\$ 1,099,716	\$ (25,956)	419	419	-	101,607	101,607	-
48	16	(32)						
1,125,624	1,099,700	(25,924)	1,329,481	1,329,481	-	504,236	503,965	(271)
457,894	422,436	(35,458)	1,429,413	1,427,410	(2,003)			
85	65	(20)	18	-	(18)			
457,979	422,501	(35,478)	1,429,431	1,427,410	(2,021)			
667,645	677,199	9,554	(99,950)	(97,929)	2,021	504,236	503,965	(271)
4,817	4,817	-	197,255	197,255	-	39,466	39,466	-
(631,890)	(631,890)	-	(56)	(56)	-	(543,431)	(543,431)	-
(627,073)	(627,073)	-	197,199	197,199	-	(503,965)	(503,965)	-
(54,125)	(54,125)	-						
(13,553)	(3,999)	9,554	97,249	99,270	2,021	271	-	(271)
(12,960)	(12,960)	-	160,918	160,918	-	(1)	(1)	-
\$ (26,513)	\$ (16,959)	\$ 9,554	\$ 258,167	\$ 260,188	\$ 2,021	\$ 270	\$ (1)	\$ (271)

(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, 2011 (Expressed in Thousands)

(continued)

	Total		
	Final Budget	Actual	Variance Over (Under)
REVENUES:			
Income taxes	\$ 2,836,237	\$ 2,836,237	\$ -
Sales taxes	822,685	748,102	(74,583)
Public utility taxes	202,717	202,717	-
Federal government	17,310	17,310	-
Other	1,770,024	1,703,420	(66,604)
Less:			
Refunds	1,552,967	1,552,885	(82)
Total revenues	4,096,006	3,954,901	(141,105)
EXPENDITURES:			
Current:			
Health and social services	960	739	(221)
General government	3,255,870	3,189,973	(65,897)
Employment and economic development	187,992	122,206	(65,786)
Capital outlays	398	69	(329)
Total expenditures	3,445,220	3,312,987	(132,233)
Excess (deficiency) of revenues over (under) expenditures	650,786	641,914	(8,872)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:			
Operating transfers-in	1,432,629	1,432,629	-
Operating transfers-out	(1,905,651)	(1,905,651)	-
Total other sources (uses) of financial resources	(473,022)	(473,022)	-
Budgetary funds-nonbudgeted accounts	(54,125)	(54,125)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources and budgetary funds-non-budgeted accounts	123,639	114,767	(8,872)
Budgetary fund balances (deficits), July 1, 2010	170,626	170,626	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ 294,265	\$ 285,393	\$ (8,872)

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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, 2011 (Expressed in Thousands)

	Federal High Speed Rail Trust			Public Transportation		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 50,000	\$ 74,677	\$ 24,677			
Total revenues	50,000	74,677	24,677			
EXPENDITURES:						
Current:						
General government				\$ 415,700	\$ 415,089	\$ (611)
Total expenditures				415,700	415,089	(611)
Excess (deficiency) of revenues over (under) expenditures	50,000	74,677	24,677	(415,700)	(415,089)	611
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in				406,870	406,870	-
Operating transfers-out				396	396	-
Total other sources (uses) of financial resources				407,266	407,266	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	50,000	74,677	24,677	(8,434)	(7,823)	611
Budgetary fund balances (deficits), July 1, 2010				(2,078)	(2,078)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ 50,000	\$ 74,677	\$ 24,677	\$ (10,512)	\$ (9,901)	\$ 611

Downstate Public Transportation			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 50,000	\$ 74,677	\$ 24,677
			50,000	74,677	24,677
\$ 172,505	\$ 151,098	\$ (21,407)	588,205	566,187	(22,018)
172,505	151,098	(21,407)	588,205	566,187	(22,018)
(172,505)	(151,098)	21,407	(538,205)	(491,510)	46,695
170,960	170,960	-	577,830	577,830	-
(12,245)	(12,245)	-	(11,849)	(11,849)	-
158,715	158,715	-	565,981	565,981	-
(13,790)	7,617	21,407	27,776	74,471	46,695
54,781	54,781	-	52,703	52,703	-
\$ 40,991	\$ 62,398	\$ 21,407	\$ 80,479	\$ 127,174	\$ 46,695

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, 2011 (Expressed in Thousands)

	Children and Family Services DCFS Children's Services			Corrections Corrections Reimbursement		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 397,627	\$ 321,874	\$ (75,753)	\$ 17,834	\$ 14,282	\$ (3,552)
Other	2,686	5,138	2,452	16,948	16,595	(353)
Total revenues	400,313	327,012	(73,301)	34,782	30,877	(3,905)
EXPENDITURES:						
Current:						
Health and social services	418,800	366,907	(51,893)			
General government	1,500	1,233	(267)			
Public protection and justice				59,000	10,037	(48,963)
Capital outlays				28,000	18,277	(9,723)
Total expenditures	420,300	368,140	(52,160)	87,000	28,314	(58,686)
Excess (deficiency) of revenues over (under) expenditures	(19,987)	(41,128)	(21,141)	(52,218)	2,563	54,781
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	17,081	17,081	-			
Operating transfers-out	(1,031)	(1,031)	-	(549)	(549)	-
Total other sources (uses) of financial resources	16,050	16,050	-	(549)	(549)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(3,937)	(25,078)	(21,141)	(52,767)	2,014	54,781
Budgetary fund balances (deficits), July 1, 2010	(2,283)	(2,283)	-	(1,572)	(1,572)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (6,220)	\$ (27,361)	\$ (21,141)	\$ (54,339)	\$ 442	\$ 54,781

Total		
Final Budget	Actual	Variance Over (Under)
\$ 415,461	\$ 336,156	\$ (79,305)
19,634	21,733	2,099
435,095	357,889	(77,206)

418,800	366,907	(51,893)
1,500	1,233	(267)
59,000	10,037	(48,963)
28,000	18,277	(9,723)
507,300	396,454	(110,846)

(72,205)	(38,565)	33,640
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17,081	17,081	-
(1,580)	(1,580)	-
15,501	15,501	-

(56,704)	(23,064)	33,640
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(3,855)	(3,855)	-
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\$ (60,559)	\$ (26,919)	\$ 33,640
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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 - Agencies, Boards and Commissions

For the Year Ended June 30, 2011 (Expressed in Thousands)

	Environmental Protection Agency			Other Agencies, Boards, and Commissions		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Motor fuel taxes	\$ 72,357	\$ 71,164	\$ (1,193)			
Public utility taxes				\$ 153,120	\$ 156,067	\$ 2,947
Federal government	72,100	268,203	196,103			
Other	196,292	203,913	7,621	139,132	152,746	13,614
Less:						
Refunds	20	-	(20)	7	6	(1)
Total revenues	340,729	543,280	202,551	292,245	308,807	16,562
EXPENDITURES:						
Current:						
Health and social services				1,346	1,200	(146)
Education				3,170	2,808	(362)
General government	5,149	4,157	(992)	35,290	11,585	(23,705)
Public protection and justice	3,702	3,425	(277)	20,358	18,756	(1,602)
Environment and business regulation	632,081	618,292	(13,789)	88,682	79,008	(9,674)
Capital outlays	345	54	(291)	146	66	(80)
Total expenditures	641,277	625,928	(15,349)	148,992	113,423	(35,569)
Excess (deficiency) of revenues over (under) expenditures	(300,548)	(82,648)	217,900	143,253	195,384	52,131
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	30,010	30,010	-	88,777	88,777	-
Operating transfers-out	(33,047)	(33,047)	-	(249,993)	(249,993)	-
Total other sources (uses) of financial resources	(3,037)	(3,037)	-	(161,216)	(161,216)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(303,585)	(85,685)	217,900	(17,963)	34,168	52,131
Budgetary fund balances (deficits), July 1, 2010	411,616	411,616	-	25,002	25,002	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ 108,031	\$ 325,931	\$ 217,900	\$ 7,039	\$ 59,170	\$ 52,131

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 72,357	\$ 71,164	\$ (1,193)	
153,120	156,067	2,947	
72,100	268,203	196,103	
335,424	356,659	21,235	
27	6	(21)	
632,974	852,087	219,113	
1,346	1,200	(146)	
3,170	2,808	(362)	
40,439	15,742	(24,697)	
24,060	22,181	(1,879)	
720,763	697,300	(23,463)	
491	120	(371)	
790,269	739,351	(50,918)	
(157,295)	112,736	270,031	
118,787	118,787	-	
(283,040)	(283,040)	-	
(164,253)	(164,253)	-	
(321,548)	(51,517)	270,031	
436,618	436,618	-	
\$ 115,070	\$ 385,101	\$ 270,031	

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, 2011 (Expressed in Thousands)

	Underground Storage Tank			Water Revolving Fund		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Motor fuel taxes	\$ 72,357	\$ 71,164	\$ (1,193)			
Federal government				\$ 72,100	\$ 268,203	\$ 196,103
Other	65	64	(1)	196,200	203,808	7,608
Less:						
Refunds	20	-	(20)			
Total revenues	72,402	71,228	(1,174)	268,300	472,011	203,711
EXPENDITURES:						
Current:						
General government	1,475	1,375	(100)	1	1	-
Public Protection and justice	3,702	3,425	(277)			
Environment and business regulation	59,680	49,874	(9,806)	549,652	546,977	(2,675)
Capital outlays	145	14	(131)			
Total expenditures	65,002	54,688	(10,314)	549,653	546,978	(2,675)
Excess (deficiency) of revenues over (under) expenditures	7,400	16,540	9,140	(281,353)	(74,967)	206,386
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	6	6	-			
Operating transfers-out	(14,046)	(14,046)	-			
Total other sources (uses) of financial resources	(14,040)	(14,040)	-			
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(6,640)	2,500	9,140	(281,353)	(74,967)	206,386
Budgetary fund balances (deficits), July 1, 2010	1,908	1,908	-	395,017	395,017	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (4,732)	\$ 4,408	\$ 9,140	\$ 113,664	\$ 320,050	\$ 206,386

Vehicle Inspection			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 72,357	\$ 71,164	\$ (1,193)
			72,100	268,203	196,103
\$ 27	\$ 41	\$ 14	196,292	203,913	7,621
			20	-	(20)
27	41	14	340,729	543,280	202,551
3,673	2,781	(892)	5,149	4,157	(992)
			3,702	3,425	(277)
22,749	21,441	(1,308)	632,081	618,292	(13,789)
200	40	(160)	345	54	(291)
26,622	24,262	(2,360)	641,277	625,928	(15,349)
(26,595)	(24,221)	2,374	(300,548)	(82,648)	217,900
30,004	30,004	-	30,010	30,010	-
(19,001)	(19,001)	-	(33,047)	(33,047)	-
11,003	11,003	-	(3,037)	(3,037)	-
(15,592)	(13,218)	2,374	(303,585)	(85,685)	217,900
14,691	14,691	-	411,616	411,616	-
\$ (901)	\$ 1,473	\$ 2,374	\$ 108,031	\$ 325,931	\$ 217,900

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, 2011 (Expressed in Thousands)

	Housing Development Authority Illinois Affordable Housing Trust			Illinois Commerce Commission Wireless Service Emergency		
	Final		Variance	Final		Variance
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES:						
Public utility taxes				\$ 59,536	\$ 56,538	\$ (2,998)
Other	\$ 37,156	\$ 38,785	\$ 1,629			
Less:						
Refunds						
Total revenues	37,156	38,785	1,629	59,536	56,538	(2,998)
EXPENDITURES:						
Current:						
Health and social services	223	120	(103)			
Education						
General government	34,500	10,818	(23,682)			
Public protection and justice						
Environment and business regulation				64,000	57,993	(6,007)
Capital outlays						
Total expenditures	34,723	10,938	(23,785)	64,000	57,993	(6,007)
Excess (deficiency) of revenues over (under) expenditures	2,433	27,847	25,414	(4,464)	(1,455)	3,009
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in				1,693	1,693	-
Operating transfers-out	(26,576)	(26,576)	-			
Total other sources (uses) of financial resources	(26,576)	(26,576)	-	1,693	1,693	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(24,143)	1,271	25,414	(2,771)	238	3,009
Budgetary fund balances (deficits), July 1, 2010	10,060	10,060	-	(942)	(942)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (14,083)	\$ 11,331	\$ 25,414	\$ (3,713)	\$ (704)	\$ 3,009

Illinois Workers' Compensation Commission Workers' Compensation Commission Operations			State Board of Education School Infrastructure			State Fire Marshal Fire Prevention			
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	
\$ 18,565	\$ 26,551	\$ 7,986	\$ 93,584 56,416	\$ 99,529 60,000	\$ 5,945 3,584	\$ 26,995	\$ 27,410	\$ 415	
						7	6	(1)	
18,565	26,551	7,986	150,000	159,529	9,529	26,988	27,404	416	
							1,123	1,080	(43)
			724	362	(362)	2,446	2,446	-	
2	2	-	613	594	(19)	175	171	(4)	
						20,358	18,756	(1,602)	
24,682	21,015	(3,667)							
90	48	(42)				56	18	(38)	
24,774	21,065	(3,709)	1,337	956	(381)	24,158	22,471	(1,687)	
(6,209)	5,486	11,695	148,663	158,573	9,910	2,830	4,933	2,103	
18,807	18,807	-	68,276	68,276	-	1	1	-	
(19,459)	(19,459)	-	(203,691)	(203,691)	-	(267)	(267)	-	
(652)	(652)	-	(135,415)	(135,415)	-	(266)	(266)	-	
(6,861)	4,834	11,695	13,248	23,158	9,910	2,564	4,667	2,103	
(687)	(687)	-	960	960	-	15,611	15,611	-	
\$ (7,548)	\$ 4,147	\$ 11,695	\$ 14,208	\$ 24,118	\$ 9,910	\$ 18,175	\$ 20,278	\$ 2,103	

(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, 2011 (Expressed in Thousands)

(continued)

	Total		
	Final Budget	Actual	Variance Over (Under)
REVENUES:			
Public utility taxes	\$ 153,120	\$ 156,067	\$ 2,947
Other	139,132	152,746	13,614
Less:			
Refunds	7	6	(1)
Total revenues	292,245	308,807	16,562
EXPENDITURES:			
Current:			
Health and social services	1,346	1,200	(146)
Education	3,170	2,808	(362)
General government	35,290	11,585	(23,705)
Public protection and justice	20,358	18,756	(1,602)
Environment and business regulation	88,682	79,008	(9,674)
Capital outlays	146	66	(80)
Total expenditures	148,992	113,423	(35,569)
Excess (deficiency) of revenues over (under) expenditures	143,253	195,384	52,131
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:			
Operating transfers-in	88,777	88,777	-
Operating transfers-out	(249,993)	(249,993)	-
Total other sources (uses) of financial resources	(161,216)	(161,216)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(17,963)	34,168	52,131
Budgetary fund balances (deficits), July 1, 2010	25,002	25,002	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ 7,039	\$ 59,170	\$ 52,131

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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, 2011 (Expressed in Thousands)

	Commerce and Economic Opportunity			Transportation		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Other	\$ -	\$ 6	\$ 6			
Total revenues	-	6	6			
EXPENDITURES:						
Current:						
Health and social services	77	77	-			
Education	9,650	9,650	-			
General government	425	250	(175)			
Employment and economic development	184,835	174,561	(10,274)			
Transportation				\$ 1,495,447	\$ 1,387,320	\$ (108,127)
Environment and business regulation	31,369	31,369	-			
Capital outlays	40,090	40,090	-			
Total expenditures	266,446	255,997	(10,449)	1,495,447	1,387,320	(108,127)
Excess (deficiency) of revenues over (under) expenditures	(266,446)	(255,991)	10,455	(1,495,447)	(1,387,320)	108,127
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues				1,153,779	1,153,779	-
Total other sources (uses) of financial resources				1,153,779	1,153,779	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(266,446)	(255,991)	10,455	(341,668)	(233,541)	108,127
Budgetary fund balances (deficits), July 1, 2010	326,969	326,969	-	1,222,183	1,222,183	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ 60,523	\$ 70,978	\$ 10,455	\$ 880,515	\$ 988,642	\$ 108,127

Capital Development Board			Environmental Protection Agency			Other		
Final Budget	Actual	Variance Over (Under)	Anti-Pollution			Final Budget	Actual	Variance Over (Under)
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 31,843	\$ 31,828	\$ (15)						
141,869	141,612	(257)						
25,268	25,268	-				\$ 34,715	\$ 715	\$ (34,000)
3,752	3,752	-	\$ 30,694	\$ 30,694	\$ -			
400,482	91,931	(308,551)						
603,214	294,391	(308,823)	30,694	30,694	-	34,715	715	(34,000)
(603,214)	(294,391)	308,823	(30,694)	(30,694)	-	(34,715)	(715)	34,000
			37,731	37,731	-			
			37,731	37,731	-			
(603,214)	(294,391)	308,823	7,037	7,037	-	(34,715)	(715)	34,000
674,518	674,518	-	1,482	1,482	-	744	744	-
\$ 71,304	\$ 380,127	\$ 308,823	\$ 8,519	\$ 8,519	\$ -	\$ (33,971)	\$ 29	\$ 34,000

(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) Bond Financed Funds

For the Year Ended June 30, 2011 (Expressed in Thousands)

(continued)

	Total		
	Final Budget	Actual	Variance Over (Under)
REVENUES:			
Other	\$ -	\$ 6	\$ 6
Total revenues	<u>-</u>	<u>6</u>	<u>6</u>
EXPENDITURES:			
Current:			
Health and social services	77	77	-
Education	41,493	41,478	(15)
General government	142,294	141,862	(432)
Employment and economic development	244,818	200,544	(44,274)
Transportation	1,495,447	1,387,320	(108,127)
Environment and business regulation	65,815	65,815	-
Capital outlays	440,572	132,021	(308,551)
Total expenditures	<u>2,430,516</u>	<u>1,969,117</u>	<u>(461,399)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,430,516)</u>	<u>(1,969,111)</u>	<u>461,405</u>
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:			
Proceeds from general and special obligation bond issues	1,191,510	1,191,510	-
Total other sources (uses) of financial resources	<u>1,191,510</u>	<u>1,191,510</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	<u>(1,239,006)</u>	<u>(777,601)</u>	<u>461,405</u>
Budgetary fund balances (deficits), July 1, 2010	<u>2,225,896</u>	<u>2,225,896</u>	<u>-</u>
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	<u>\$ 986,890</u>	<u>\$ 1,448,295</u>	<u>\$ 461,405</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) Bond Financed Funds - Department of Transportation

For the Year Ended June 30, 2011 (Expressed in Thousands)

	Transportation Series A			Transportation Series B		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
EXPENDITURES:						
Current:						
Transportation	\$ 616,942	\$ 616,885	\$ (57)	\$ 328,051	\$ 219,981	\$ (108,070)
Total expenditures	616,942	616,885	(57)	328,051	219,981	(108,070)
Excess (deficiency) of revenues over (under) expenditures	(616,942)	(616,885)	57	(328,051)	(219,981)	108,070
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues	644,408	644,408	-	238,079	238,079	-
Total other sources (uses) of financial resources	644,408	644,408	-	238,079	238,079	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	27,466	27,523	57	(89,972)	18,098	108,070
Budgetary fund balances (deficits), July 1, 2010	641,102	641,102	-	207,219	207,219	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ 668,568	\$ 668,625	\$ 57	\$ 117,247	\$ 225,317	\$ 108,070

Transportation Bond Series D			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 550,454	\$ 550,454	\$ -	\$ 1,495,447	\$ 1,387,320	\$ (108,127)
550,454	550,454	-	1,495,447	1,387,320	(108,127)
(550,454)	(550,454)	-	(1,495,447)	(1,387,320)	108,127
271,292	271,292	-	1,153,779	1,153,779	-
271,292	271,292	-	1,153,779	1,153,779	-
(279,162)	(279,162)	-	(341,668)	(233,541)	108,127
373,862	373,862	-	1,222,183	1,222,183	-
\$ 94,700	\$ 94,700	\$ -	\$ 880,515	\$ 988,642	\$ 108,127

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 - Capital Development Board

For the Year Ended June 30, 2011 (Expressed in Thousands)

	Capital Development			School Construction		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
EXPENDITURES:						
Current:						
Education	\$ 31,843	\$ 31,828	\$ (15)			
General government	12,827	12,570	(257)	\$ 129,042	\$ 129,042	\$ -
Employment and economic development	25,268	25,268	-			
Environment and business regulation	3,752	3,752	-			
Capital outlays	400,482	91,931	(308,551)			
Total expenditures	474,172	165,349	(308,823)	129,042	129,042	-
Excess (deficiency) of revenues over (under) expenditures	(474,172)	(165,349)	308,823	(129,042)	(129,042)	-
Budgetary fund balances (deficits), July 1, 2010	274,002	274,002	-	400,516	400,516	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (200,170)	\$ 108,653	\$ 308,823	\$ 271,474	\$ 271,474	\$ -

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 31,843	\$ 31,828	\$ (15)	
141,869	141,612	(257)	
25,268	25,268	-	
3,752	3,752	-	
400,482	91,931	(308,551)	
603,214	294,391	(308,823)	
(603,214)	(294,391)	308,823	
674,518	674,518	-	
\$ 71,304	\$ 380,127	\$ 308,823	

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, 2011 (Expressed in Thousands)

	General Obligation Bond, Retirement, and Interest			Capital Projects		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Sales tax				\$ 52,000	\$ 52,000	\$ -
Federal government	\$ -	\$ 61,810	\$ 61,810			
Other	-	47,674	47,674	406,611	406,452	(159)
Total revenues	-	109,484	109,484	458,611	458,452	(159)
EXPENDITURES:						
Debt service:						
Principal	2,954,355	2,954,355	-			
Interest	1,327,718	1,327,718	-			
Total expenditures	4,282,073	4,282,073	-			
Excess (deficiency) of revenues over (under) expenditures	(4,282,073)	(4,172,589)	109,484	458,611	458,452	(159)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues	3	3	-			
Operating transfers-in	4,513,591	4,513,591	-			
Operating transfers-out				(591,654)	(591,654)	-
Total other sources (uses) of financial resources	4,513,594	4,513,594	-	(591,654)	(591,654)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	231,521	341,005	109,484	(133,043)	(133,202)	(159)
Budgetary fund balances (deficits), July 1, 2010	885,266	885,266	-	19,499	19,499	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ 1,116,787	\$ 1,226,271	\$ 109,484	\$ (113,544)	\$ (113,703)	\$ (159)

Build Illinois Bond, Retirement, and Interest			Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
						\$ 52,000	\$ 52,000	\$ -
\$ 123	\$ 27	\$ (96)	\$ 3	\$ 3,815	\$ 3,812	-	61,810	61,810
123	27	(96)	3	3,815	3,812	406,737	457,968	51,231
						458,737	571,778	113,041
320,000	299,288	(20,712)	14,500	14,014	(486)	3,288,855	3,267,657	(21,198)
						1,327,718	1,327,718	-
320,000	299,288	(20,712)	14,500	14,014	(486)	4,616,573	4,595,375	(21,198)
(319,877)	(299,261)	20,616	(14,497)	(10,199)	4,298	(4,157,836)	(4,023,597)	134,239
						3	3	-
300,445	300,445	-	14,078	14,078	-	4,828,114	4,828,114	-
						(591,654)	(591,654)	-
300,445	300,445	-	14,078	14,078	-	4,236,463	4,236,463	-
(19,432)	1,184	20,616	(419)	3,879	4,298	78,627	212,866	134,239
3,052	3,052	-	11,914	11,914	-	919,731	919,731	-
\$ (16,380)	\$ 4,236	\$ 20,616	\$ 11,495	\$ 15,793	\$ 4,298	\$ 998,358	\$ 1,132,597	\$ 134,239

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, 2011 (Expressed in Thousands)

	Code Departments			Agencies, Boards & Commissions		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 1,881,575	\$ 2,020,264	\$ 138,689	\$ 3,345,829	\$ 2,735,792	\$ (610,037)
Other	102,348	130,849	28,501	543	376	(167)
Less:						
Refunds	1,950	29	(1,921)			
Total revenues	1,981,973	2,151,084	169,111	3,346,372	2,736,168	(610,204)
EXPENDITURES:						
Current:						
Health and social services	1,789,251	1,279,348	(509,903)			
Education				4,122,981	2,320,699	(1,802,282)
General government	1,581	1,466	(115)	37	37	-
Employment and economic development	1,838,754	769,474	(1,069,280)			
Transportation	117,078	117,078	-			
Public protection and justice				543,400	160,700	(382,700)
Environment and business regulation				162,984	85,712	(77,272)
Capital outlays	8,047	285	(7,762)	1,250	445	(805)
Total expenditures	3,754,711	2,167,651	(1,587,060)	4,830,652	2,567,593	(2,263,059)
Excess (deficiency) of revenues over (under) expenditures	(1,772,738)	(16,567)	1,756,171	(1,484,280)	168,575	1,652,855
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	20,210	20,210	-			
Operating transfers-out	(21,023)	(21,023)	-	(17,659)	(17,659)	-
Total other sources (uses) of financial resources	(813)	(813)	-	(17,659)	(17,659)	-
Budgetary funds-nonbudgeted accounts	(8,515)	(8,515)	-	(288,750)	(288,750)	-
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(1,782,066)	(25,895)	1,756,171	(1,790,689)	(137,834)	1,652,855
Budgetary fund balances (deficits), July 1, 2010, as previously reported	(146,187)	(146,187)	-	(267,511)	(267,511)	-
Reclassifications between budgetary/nonbudgetary funds-net						
Budgetary fund balances (deficits), July 1, 2010, as reclassified	(146,187)	(146,187)	-	(267,511)	(267,511)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$(1,928,253)	\$ (172,082)	\$ 1,756,171	\$(2,058,200)	\$ (405,345)	\$ 1,652,855

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)
\$ 111,965	\$ 130,442	\$ 18,477	\$ 319,977	\$ 214,370	\$ (105,607)	\$ 5,659,346	\$ 5,100,868	\$ (558,478)
137,367	161,400	24,033	14,804	16,449	1,645	255,062	309,074	54,012
			390	-	(390)	2,340	29	(2,311)
249,332	291,842	42,510	334,391	230,819	(103,572)	5,912,068	5,409,913	(502,155)
			262,778	101,311	(161,467)	2,052,029	1,380,659	(671,370)
362,438	262,543	(99,895)	26,512	14,906	(11,606)	4,511,931	2,598,148	(1,913,783)
			123,752	14,131	(109,621)	125,370	15,634	(109,736)
			140,782	31,049	(109,733)	1,979,536	800,523	(1,179,013)
						117,078	117,078	-
			78,575	46,487	(32,088)	621,975	207,187	(414,788)
			108,139	31,146	(76,993)	271,123	116,858	(154,265)
540	26	(514)	866	256	(610)	10,703	1,012	(9,691)
362,978	262,569	(100,409)	741,404	239,286	(502,118)	9,689,745	5,237,099	(4,452,646)
(113,646)	29,273	142,919	(407,013)	(8,467)	398,546	(3,777,677)	172,814	3,950,491
			27,949	27,949	-	48,159	48,159	-
(1)	(1)	-	(857)	(857)	-	(39,540)	(39,540)	-
(1)	(1)	-	27,092	27,092	-	8,619	8,619	-
			(8,718)	(8,718)	-	(305,983)	(305,983)	-
(113,647)	29,272	142,919	(388,639)	9,907	398,546	(4,075,041)	(124,550)	3,950,491
24,475	24,475	-	19,237	19,237	-	(369,986)	(369,986)	-
			73	73	-	73	73	-
24,475	24,475	-	19,310	19,310	-	(369,913)	(369,913)	-
\$ (89,172)	\$ 53,747	\$ 142,919	\$ (369,329)	\$ 29,217	\$ 398,546	\$ (4,444,954)	\$ (494,463)	\$ 3,950,491

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, 2011 (Expressed in Thousands)

	Commerce and Economic Opportunity			Human Services		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 564,645	\$ 490,755	\$ (73,890)	\$ 760,779	\$ 991,958	\$ 231,179
Other	-	32,386	32,386	81,000	77,324	(3,676)
Less:						
Refunds	1,370	28	(1,342)	205	-	(205)
Total revenues	563,275	523,113	(40,162)	841,574	1,069,282	227,708
EXPENDITURES:						
Current:						
Health and social services				1,471,967	1,090,351	(381,616)
General government	82	82	-	194	154	(40)
Employment and economic development	1,514,526	514,719	(999,807)			
Transportation						
Capital outlays	183	1	(182)	3,366	141	(3,225)
Total expenditures	1,514,791	514,802	(999,989)	1,475,527	1,090,646	(384,881)
Excess (deficiency) of revenues over (under) expenditures	(951,516)	8,311	959,827	(633,953)	(21,364)	612,589
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in				20,210	20,210	-
Operating transfers-out	(2,054)	(2,054)	-	(18,899)	(18,899)	-
Total other sources (uses) of financial resources	(2,054)	(2,054)	-	1,311	1,311	-
Budgetary funds-nonbudgeted accounts				(8,515)	(8,515)	-
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(953,570)	6,257	959,827	(641,157)	(28,568)	612,589
Budgetary fund balances (deficits), July 1, 2010	(43,931)	(43,931)	-	(48,807)	(48,807)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (997,501)	\$ (37,674)	\$ 959,827	\$ (689,964)	\$ (77,375)	\$ 612,589

Transportation			Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 143,150	\$ 108,793	\$ (34,357)	\$ 413,001	\$ 428,758	\$ 15,757	\$ 1,881,575	\$ 2,020,264	\$ 138,689
7,000	6,203	(797)	14,348	14,936	588	102,348	130,849	28,501
			375	1	(374)	1,950	29	(1,921)
150,150	114,996	(35,154)	426,974	443,693	16,719	1,981,973	2,151,084	169,111
			317,284	188,997	(128,287)	1,789,251	1,279,348	(509,903)
			1,305	1,230	(75)	1,581	1,466	(115)
			324,228	254,755	(69,473)	1,838,754	769,474	(1,069,280)
117,078	117,078	-				117,078	117,078	-
			4,498	143	(4,355)	8,047	285	(7,762)
117,078	117,078	-	647,315	445,125	(202,190)	3,754,711	2,167,651	(1,587,060)
33,072	(2,082)	(35,154)	(220,341)	(1,432)	218,909	(1,772,738)	(16,567)	1,756,171
						20,210	20,210	-
			(70)	(70)	-	(21,023)	(21,023)	-
			(70)	(70)	-	(813)	(813)	-
						(8,515)	(8,515)	-
33,072	(2,082)	(35,154)	(220,411)	(1,502)	218,909	(1,782,066)	(25,895)	1,756,171
2,970	2,970	-	(56,419)	(56,419)	-	(146,187)	(146,187)	-
\$ 36,042	\$ 888	\$ (35,154)	\$ (276,830)	\$ (57,921)	\$ 218,909	\$ (1,928,253)	\$ (172,082)	\$ 1,756,171

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, 2011 (Expressed in Thousands)

	Energy Administration			DCEO Energy Projects		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 105,000	\$ 134,384	\$ 29,384	\$ 1,000	\$ 283	\$ (717)
Other				-	32,386	32,386
Less:						
Refunds	300	-	(300)			
Total revenues	104,700	134,384	29,684	1,000	32,669	31,669
EXPENDITURES:						
Current:						
General government						
Employment and economic development	277,663	133,612	(144,051)	70,000	31,282	(38,718)
Capital outlays	19	-	(19)			
Total expenditures	277,682	133,612	(144,070)	70,000	31,282	(38,718)
Excess (deficiency) of revenues over (under) expenditures	(172,982)	772	173,754	(69,000)	1,387	70,387
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-out	(12)	(12)	-			
Total other sources (uses) of financial resources	(12)	(12)	-			
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(172,994)	760	173,754	(69,000)	1,387	70,387
Budgetary fund balances (deficits), July 1, 2010	(10,578)	(10,578)	-	(16,325)	(16,325)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (183,572)	\$ (9,818)	\$ 173,754	\$ (85,325)	\$ (14,938)	\$ 70,387

Federal Energy			Low Income Home Energy Block Grant			Community Services Block Grant		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 56,918	\$ 61,077	\$ 4,159	\$ 220,000	\$ 189,297	\$ (30,703)	\$ 51,427	\$ 49,854	\$ (1,573)
			600	11	(589)	170	17	(153)
56,918	61,077	4,159	219,400	189,286	(30,114)	51,257	49,837	(1,420)
			82	82	-	124,394	49,887	(74,507)
303,000	56,188	(246,812)	308,686	187,379	(121,307)	5	-	(5)
			145	-	(145)	124,399	49,887	(74,512)
303,000	56,188	(246,812)	308,913	187,461	(121,452)			
(246,082)	4,889	250,971	(89,513)	1,825	91,338	(73,142)	(50)	73,092
(155)	(155)	-	(1,034)	(1,034)	-	(668)	(668)	-
(155)	(155)	-	(1,034)	(1,034)	-	(668)	(668)	-
(246,237)	4,734	250,971	(90,547)	791	91,338	(73,810)	(718)	73,092
(7,633)	(7,633)	-	(2,952)	(2,952)	-	(2,915)	(2,915)	-
\$ (253,870)	\$ (2,899)	\$ 250,971	\$ (93,499)	\$ (2,161)	\$ 91,338	\$ (76,725)	\$ (3,633)	\$ 73,092

(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 Commerce and Economic Opportunity

For the Year Ended June 30, 2011 (Expressed in Thousands)

(continued)

	Community Development/ Small Cities Block Grant			Total		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 130,300	\$ 55,860	\$ (74,440)	\$ 564,645	\$ 490,755	\$ (73,890)
Other					32,386	32,386
Less:						
Refunds	300	-	(300)	1,370	28	(1,342)
Total revenues	130,000	55,860	(74,140)	563,275	523,113	(40,162)
EXPENDITURES:						
Current:						
General government				82	82	-
Employment and economic development	430,783	56,371	(374,412)	1,514,526	514,719	(999,807)
Capital outlays	14	1	(13)	183	1	(182)
Total expenditures	430,797	56,372	(374,425)	1,514,791	514,802	(999,989)
Excess (deficiency) of revenues over (under) expenditures	(300,797)	(512)	300,285	(951,516)	8,311	959,827
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-out	(185)	(185)	-	(2,054)	(2,054)	-
Total other sources (uses) of financial resources	(185)	(185)	-	(2,054)	(2,054)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(300,982)	(697)	300,285	(953,570)	6,257	959,827
Budgetary fund balances (deficits), July 1, 2010	(3,528)	(3,528)	-	(43,931)	(43,931)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (304,510)	\$ (4,225)	\$ 300,285	\$ (997,501)	\$ (37,674)	\$ 959,827

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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 - Department of Human Services

For the Year Ended June 30, 2011 (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)
REVENUES:						
Federal government	\$ 73,311	\$ 70,353	\$ (2,958)	\$ 130,027	\$ 106,279	\$ (23,748)
Other	-	1	1	2,705	3,480	775
Less:						
Refunds				5	-	(5)
Total revenues	73,311	70,354	(2,957)	132,727	109,759	(22,968)
EXPENDITURES:						
Current:						
Health and social services	79,579	67,289	(12,290)	186,804	117,644	(69,160)
General government	2	2	-	158	118	(40)
Capital outlays	14	-	(14)	1,751	53	(1,698)
Total expenditures	79,595	67,291	(12,304)	188,713	117,815	(70,898)
Excess (deficiency) of revenues over (under) expenditures	(6,284)	3,063	9,347	(55,986)	(8,056)	47,930
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in						
Operating transfers-out						
Total other sources (uses) of financial resources						
Budgetary funds-nonbudgeted accounts						
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(6,284)	3,063	9,347	(55,986)	(8,056)	47,930
Budgetary fund balances (deficits), July 1, 2010	(11,397)	(11,397)	-	(1,534)	(1,534)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (17,681)	\$ (8,334)	\$ 9,347	\$ (57,520)	\$ (9,590)	\$ 47,930

Community Developmental Disabilities Services Medicaid Trust			Employment & Training			DHS Special Purpose Trust		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 40,800 90	\$ 49,875 92	\$ 9,075 2	\$ 6,422	\$ 235,662	\$ 229,240	\$ 192,728 53	\$ 227,663 175	\$ 34,935 122
40,890	49,967	9,077	6,422	235,662	229,240	192,781	227,838	35,057
35,000	28,643	(6,357)	398,955	264,946	(134,009)	330,888 28	236,924 28	(93,964) -
35,000	28,643	(6,357)	398,955	264,946	(134,009)	330,916	236,952	(93,964)
5,890	21,324	15,434	(392,533)	(29,284)	363,249	(138,135)	(9,114)	129,021
						20,210	20,210	-
(18,899)	(18,899)	-				20,210	20,210	-
(18,899)	(18,899)	-				(8,515)	(8,515)	-
(13,009)	2,425	15,434	(392,533)	(29,284)	363,249	(126,440)	2,581	129,021
6,053	6,053	-	(19,078)	(19,078)	-	(6,035)	(6,035)	-
\$ (6,956)	\$ 8,478	\$ 15,434	\$ (411,611)	\$ (48,362)	\$ 363,249	\$ (132,475)	\$ (3,454)	\$ 129,021

(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, 2011 (Expressed in Thousands)

(continued)

	Old Age Survivors Insurance			USDA Women, Infants and Children		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 82,900	\$ 78,277	\$ (4,623)	\$ 234,591	\$ 223,849	\$ (10,742)
Other	1	-	(1)	78,151	73,576	(4,575)
Less:						
Refunds				200	-	(200)
Total revenues	82,901	78,277	(4,624)	312,542	297,425	(15,117)
EXPENDITURES:						
Current:						
Health and social services	90,926	76,849	(14,077)	349,815	298,056	(51,759)
General government	1	1	-	5	5	-
Capital outlays	1,601	88	(1,513)			
Total expenditures	92,528	76,938	(15,590)	349,820	298,061	(51,759)
Excess (deficiency) of revenues over (under) expenditures	(9,627)	1,339	10,966	(37,278)	(636)	36,642
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in						
Operating transfers-out						
Total other sources (uses) of financial resources						
Budgetary funds-nonbudgeted accounts						
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(9,627)	1,339	10,966	(37,278)	(636)	36,642
Budgetary fund balances (deficits), July 1, 2010	(2,581)	(2,581)	-	(14,235)	(14,235)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (12,208)	\$ (1,242)	\$ 10,966	\$ (51,513)	\$ (14,871)	\$ 36,642

Total		
Final Budget	Actual	Variance Over (Under)
\$ 760,779	\$ 991,958	\$ 231,179
81,000	77,324	(3,676)
205	-	(205)
<u>841,574</u>	<u>1,069,282</u>	<u>227,708</u>

1,471,967	1,090,351	(381,616)
194	154	(40)
3,366	141	(3,225)
<u>1,475,527</u>	<u>1,090,646</u>	<u>(384,881)</u>

(633,953)	(21,364)	612,589
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20,210	20,210	-
(18,899)	(18,899)	-
1,311	1,311	-
<u>(8,515)</u>	<u>(8,515)</u>	<u>-</u>

(641,157)	(28,568)	612,589
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(48,807)	(48,807)	-
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<u>\$ (689,964)</u>	<u>\$ (77,375)</u>	<u>\$ 612,589</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) Federal Trust Funds - Department of Transportation

For the Year Ended June 30, 2011 (Expressed in Thousands)

	Federal/Local Airport			Federal Mass Transit Trust		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 123,000	\$ 82,759	\$ (40,241)	\$ 20,150	\$ 26,034	\$ 5,884
Other	7,000	6,203	(797)			
Total revenues	130,000	88,962	(41,038)	20,150	26,034	5,884
EXPENDITURES:						
Current:						
Transportation	91,044	91,044	-	26,034	26,034	-
Total expenditures	91,044	91,044	-	26,034	26,034	-
Excess (deficiency) of revenues over (under) expenditures	38,956	(2,082)	(41,038)	(5,884)	-	5,884
Budgetary fund balances (deficits), July 1, 2010	2,970	2,970	-			
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ 41,926	\$ 888	\$ (41,038)	\$ (5,884)	\$ -	\$ 5,884

Total		
Final Budget	Actual	Variance Over (Under)
\$ 143,150	\$ 108,793	\$ (34,357)
7,000	6,203	(797)
150,150	114,996	(35,154)

117,078	117,078	-
117,078	117,078	-

33,072	(2,082)	(35,154)
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2,970	2,970	-
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\$ 36,042	\$ 888	\$ (35,154)
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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, 2011 (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)
REVENUES:						
Federal government	\$ 57,001	\$ 59,397	\$ 2,396	\$ 204,000	\$ 235,618	\$ 31,618
Other				13,033	12,778	(255)
Less:						
Refunds				300	1	(299)
Total revenues	57,001	59,397	2,396	216,733	248,395	31,662
EXPENDITURES:						
Current:						
Health and social services	80,161	65,010	(15,151)			
General government				405	330	(75)
Employment and economic development				324,228	254,755	(69,473)
Capital outlays	1	-	(1)	3,197	91	(3,106)
Total expenditures	80,162	65,010	(15,152)	327,830	255,176	(72,654)
Excess (deficiency) of revenues over (under) expenditures	(23,161)	(5,613)	17,548	(111,097)	(6,781)	104,316
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-out				(70)	(70)	-
Total other sources (uses) of financial resources				(70)	(70)	-
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(23,161)	(5,613)	17,548	(111,167)	(6,851)	104,316
Budgetary fund balances (deficits), July 1, 2010	(10,937)	(10,937)	-	(25,610)	(25,610)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (34,098)	\$ (16,550)	\$ 17,548	\$ (136,777)	\$ (32,461)	\$ 104,316

Public Health					
Public Health Services			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 152,000	\$ 133,743	\$ (18,257)	\$ 413,001	\$ 428,758	\$ 15,757
1,315	2,158	843	14,348	14,936	588
75	-	(75)	375	1	(374)
153,240	135,901	(17,339)	426,974	443,693	16,719
237,123	123,987	(113,136)	317,284	188,997	(128,287)
900	900	-	1,305	1,230	(75)
			324,228	254,755	(69,473)
1,300	52	(1,248)	4,498	143	(4,355)
239,323	124,939	(114,384)	647,315	445,125	(202,190)
(86,083)	10,962	97,045	(220,341)	(1,432)	218,909
			(70)	(70)	-
			(70)	(70)	-
(86,083)	10,962	97,045	(220,411)	(1,502)	218,909
(19,872)	(19,872)	-	(56,419)	(56,419)	-
\$ (105,955)	\$ (8,910)	\$ 97,045	\$ (276,830)	\$ (57,921)	\$ 218,909

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, 2011 (Expressed in Thousands)

	State Board of Education			Illinois Emergency Management Agency		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 2,923,112	\$ 2,504,759	\$ (418,353)	\$ 320,667	\$ 154,119	\$ (166,548)
Other	50	26	(24)			
Total revenues	2,923,162	2,504,785	(418,377)	320,667	154,119	(166,548)
EXPENDITURES:						
Current:						
Education	4,122,981	2,320,699	(1,802,282)			
General government	4	4	-			
Public protection and justice				436,000	116,849	(319,151)
Environment and business regulation				94,091	39,741	(54,350)
Capital outlays	605	201	(404)			
Total expenditures	4,123,590	2,320,904	(1,802,686)	530,091	156,590	(373,501)
Excess (deficiency) of revenues over (under) expenditures	(1,200,428)	183,881	1,384,309	(209,424)	(2,471)	206,953
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-out	(17,659)	(17,659)	-			
Total other sources (uses) of financial resources	(17,659)	(17,659)	-			
Budgetary funds-nonbudgeted accounts	(288,534)	(288,534)	-	(216)	(216)	-
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(1,506,621)	(122,312)	1,384,309	(209,640)	(2,687)	206,953
Budgetary fund balances (deficits), July 1, 2010	(313,167)	(313,167)	-	(16,506)	(16,506)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$(1,819,788)	\$ (435,479)	\$ 1,384,309	\$ (226,146)	\$ (19,193)	\$ 206,953

	Other			Total		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$	102,050	\$ 76,914	\$ (25,136)	\$ 3,345,829	\$ 2,735,792	\$ (610,037)
	493	350	(143)	543	376	(167)
	102,543	77,264	(25,279)	3,346,372	2,736,168	(610,204)

				4,122,981	2,320,699	(1,802,282)
	33	33	-	37	37	-
	107,400	43,851	(63,549)	543,400	160,700	(382,700)
	68,893	45,971	(22,922)	162,984	85,712	(77,272)
	645	244	(401)	1,250	445	(805)
	176,971	90,099	(86,872)	4,830,652	2,567,593	(2,263,059)
	(74,428)	(12,835)	61,593	(1,484,280)	168,575	1,652,855

				(17,659)	(17,659)	-
				(17,659)	(17,659)	-
				(288,750)	(288,750)	-

	(74,428)	(12,835)	61,593	(1,790,689)	(137,834)	1,652,855
	62,162	62,162	-	(267,511)	(267,511)	-
\$	(12,266)	\$ 49,327	\$ 61,593	\$(2,058,200)	\$ (405,345)	\$ 1,652,855

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, 2011 (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)
REVENUES:						
Federal government	\$ 595,924	\$ 633,722	\$ 37,798	\$ 2,327,188	\$ 1,585,978	\$ (741,210)
Other	50	23	(27)	-	3	3
Total revenues	595,974	633,745	37,771	2,327,188	1,585,981	(741,207)
EXPENDITURES:						
Current:						
Education	738,872	616,526	(122,346)	3,384,109	1,704,173	(1,679,936)
General government				4	4	-
Capital outlays	150	124	(26)	455	77	(378)
Total expenditures	739,022	616,650	(122,372)	3,384,568	1,704,254	(1,680,314)
Excess (deficiency) of revenues over (under) expenditures	(143,048)	17,095	160,143	(1,057,380)	(118,273)	939,107
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-out				(17,659)	(17,659)	-
Total other sources (uses) of financial resources				(17,659)	(17,659)	-
Budgetary funds-nonbudgeted accounts	(574)	(574)	-	(2,901)	(2,901)	-
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(143,622)	16,521	160,143	(1,077,940)	(138,833)	939,107
Budgetary fund balances (deficits), July 1, 2010	(56,734)	(56,734)	-	(256,433)	(256,433)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (200,356)	\$ (40,213)	\$ 160,143	\$ (1,334,373)	\$ (395,266)	\$ 939,107

S.B.E. Department of Education Jobs Program			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ -	\$ 285,059	\$ 285,059	\$ 2,923,112	\$ 2,504,759	\$ (418,353)
			50	26	(24)
-	285,059	285,059	2,923,162	2,504,785	(418,377)
			4,122,981	2,320,699	(1,802,282)
			4	4	-
			605	201	(404)
			4,123,590	2,320,904	(1,802,686)
-	285,059	285,059	(1,200,428)	183,881	1,384,309
			(17,659)	(17,659)	-
			(17,659)	(17,659)	-
(285,059)	(285,059)	-	(288,534)	(288,534)	-
(285,059)	-	285,059	(1,506,621)	(122,312)	1,384,309
			(313,167)	(313,167)	-
\$ (285,059)	\$ -	\$ 285,059	\$ (1,819,788)	\$ (435,479)	\$ 1,384,309

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, 2011 (Expressed in Thousands)

	Federal Aid Disaster			Federal Civil Preparedness Administrative		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 63,386	\$ 32,628	\$ (30,758)	\$ 257,281	\$ 121,491	\$ (135,790)
Total revenues	63,386	32,628	(30,758)	257,281	121,491	(135,790)
EXPENDITURES:						
Current:						
Public protection and justice				436,000	116,849	(319,151)
Environment and business regulation	92,000	39,399	(52,601)	2,091	342	(1,749)
Total expenditures	92,000	39,399	(52,601)	438,091	117,191	(320,900)
Excess (deficiency) of revenues over (under) expenditures	(28,614)	(6,771)	21,843	(180,810)	4,300	185,110
Budgetary funds-nonbudgeted accounts				(216)	(216)	-
Excess (deficiency) of revenues over (under) expenditures and budgetary funds-nonbudgeted accounts	(28,614)	(6,771)	21,843	(181,026)	4,084	185,110
Budgetary fund balances (deficits), July 1, 2010	(1,263)	(1,263)	-	(15,243)	(15,243)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (29,877)	\$ (8,034)	\$ 21,843	\$ (196,269)	\$ (11,159)	\$ 185,110

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 320,667	\$ 154,119	\$ (166,548)	
320,667	154,119	(166,548)	
436,000	116,849	(319,151)	
94,091	39,741	(54,350)	
530,091	156,590	(373,501)	
(209,424)	(2,471)	206,953	
(216)	(216)	-	
(209,640)	(2,687)	206,953	
(16,506)	(16,506)	-	
\$ (226,146)	\$ (19,193)	\$ 206,953	

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, 2011 (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)
REVENUES:						
Federal government	\$ 69,600	\$ 39,974	\$ (29,626)	\$ 32,450	\$ 36,940	\$ 4,490
Other	2	25	23	491	325	(166)
Total revenues	69,602	39,999	(29,603)	32,941	37,265	4,324
EXPENDITURES:						
Current:						
General government	8	8	-	25	25	-
Public protection and justice				107,400	43,851	(63,549)
Environment and business regulation	68,893	45,971	(22,922)			
Capital outlays	645	244	(401)			
Total expenditures	69,546	46,223	(23,323)	107,425	43,876	(63,549)
Excess (deficiency) of revenues over (under) expenditures	56	(6,224)	(6,280)	(74,484)	(6,611)	67,873
Budgetary fund balances (deficits), July 1, 2010	6,643	6,643	-	55,519	55,519	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ 6,699	\$ 419	\$ (6,280)	\$ (18,965)	\$ 48,908	\$ 67,873

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 102,050	\$ 76,914	\$ (25,136)	
493	350	(143)	
102,543	77,264	(25,279)	

33	33	-
107,400	43,851	(63,549)
68,893	45,971	(22,922)
645	244	(401)
176,971	90,099	(86,872)

(74,428)	(12,835)	61,593
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62,162	62,162	-
\$ (12,266)	\$ 49,327	\$ 61,593

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, 2011 (Expressed in Thousands)

	Federal Student Loan			Student Loan Operation		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 111,965	\$ 130,442	\$ 18,477			
Other	101,324	100,544	(780)	\$ 36,043	\$ 60,856	\$ 24,813
Total revenues	213,289	230,986	17,697	36,043	60,856	24,813
EXPENDITURES:						
Current:						
Education	290,000	231,685	(58,315)	72,438	30,858	(41,580)
Capital outlays				540	26	(514)
Total expenditures	290,000	231,685	(58,315)	72,978	30,884	(42,094)
Excess (deficiency) of revenues over (under) expenditures	(76,711)	(699)	76,012	(36,935)	29,972	66,907
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-out				(1)	(1)	-
Total other sources (uses) of financial resources				(1)	(1)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(76,711)	(699)	76,012	(36,936)	29,971	66,907
Budgetary fund balances (deficits), July 1, 2010	19,558	19,558	-	4,917	4,917	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (57,153)	\$ 18,859	\$ 76,012	\$ (32,019)	\$ 34,888	\$ 66,907

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 111,965	\$ 130,442	\$ 18,477	
137,367	161,400	24,033	
249,332	291,842	42,510	

362,438	262,543	(99,895)
540	26	(514)
362,978	262,569	(100,409)

(113,646)	29,273	142,919
(1)	(1)	-
(1)	(1)	-

(113,647)	29,272	142,919
24,475	24,475	-
\$ (89,172)	\$ 53,747	\$ 142,919

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, 2011 (Expressed in Thousands)

	Central Management Services			Corrections Working Capital		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 754	\$ 3,851	\$ 3,097			
Other	570,842	508,853	(61,989)	\$ 49,497	\$ 46,789	\$ (2,708)
Less:						
Refunds	8,594	3,305	(5,289)	7	1	(6)
Total revenues	563,002	509,399	(53,603)	49,490	46,788	(2,702)
EXPENDITURES:						
Current:						
General government	816,932	589,733	(227,199)	52	52	-
Transportation						
Public protection and justice				47,448	43,792	(3,656)
Capital outlays	2,429	901	(1,528)	1,060	436	(624)
Total expenditures	819,361	590,634	(228,727)	48,560	44,280	(4,280)
Excess (deficiency) of revenues over (under) expenditures	(256,359)	(81,235)	175,124	930	2,508	1,578
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	134,298	134,298	-	146	146	-
Operating transfers-out	(15,309)	(15,309)	-	(1,194)	(1,194)	-
Total other sources (uses) of financial resources	118,989	118,989	-	(1,048)	(1,048)	-
Budgetary funds-nonbudgeted accounts	(5,899)	(5,899)	-			
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(143,269)	31,855	175,124	(118)	1,460	1,578
Budgetary fund balances (deficits), July 1, 2010	(73,381)	(73,381)	-	(1,588)	(1,588)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (216,650)	\$ (41,526)	\$ 175,124	\$ (1,706)	\$ (128)	\$ 1,578

Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ -	\$ 75	\$ 75	\$ 754	\$ 3,926	\$ 3,172
2,843	5,796	2,953	623,182	561,438	(61,744)
			8,601	3,306	(5,295)
2,843	5,871	3,028	615,335	562,058	(53,277)
18,849	10,027	(8,822)	835,833	599,812	(236,021)
1,000	547	(453)	1,000	547	(453)
			47,448	43,792	(3,656)
			3,489	1,337	(2,152)
19,849	10,574	(9,275)	887,770	645,488	(242,282)
(17,006)	(4,703)	12,303	(272,435)	(83,430)	189,005
12,597	12,597	-	147,041	147,041	-
(283)	(283)	-	(16,786)	(16,786)	-
12,314	12,314	-	130,255	130,255	-
			(5,899)	(5,899)	-
(4,692)	7,611	12,303	(148,079)	40,926	189,005
4,470	4,470	-	(70,499)	(70,499)	-
\$ (222)	\$ 12,081	\$ 12,303	\$ (218,578)	\$ (29,573)	\$ 189,005

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, 2011 (Expressed in Thousands)

	State Garage			Statistical Services		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 43,588	\$ 40,335	\$ (3,253)	\$ 140,661	\$ 135,413	\$ (5,248)
Other						
Less:						
Refunds	1	-	(1)	5,300	1,738	(3,562)
Total revenues	<u>43,587</u>	<u>40,335</u>	<u>(3,252)</u>	<u>135,361</u>	<u>133,675</u>	<u>(1,686)</u>
EXPENDITURES:						
Current:						
General government	56,858	36,432	(20,426)	176,429	131,357	(45,072)
Capital outlays	1,863	807	(1,056)	188	-	(188)
Total expenditures	<u>58,721</u>	<u>37,239</u>	<u>(21,482)</u>	<u>176,617</u>	<u>131,357</u>	<u>(45,260)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,134)</u>	<u>3,096</u>	<u>18,230</u>	<u>(41,256)</u>	<u>2,318</u>	<u>43,574</u>
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	2	2	-	5	5	-
Operating transfers-out	(1,256)	(1,256)	-	(9,771)	(9,771)	-
Total other sources (uses) of financial resources	<u>(1,254)</u>	<u>(1,254)</u>	<u>-</u>	<u>(9,766)</u>	<u>(9,766)</u>	<u>-</u>
Budgetary funds-nonbudgeted accounts						
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	<u>(16,388)</u>	<u>1,842</u>	<u>18,230</u>	<u>(51,022)</u>	<u>(7,448)</u>	<u>43,574</u>
Budgetary fund balances (deficits), July 1, 2010	(5,227)	(5,227)	-	(5,440)	(5,440)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	<u>\$ (21,615)</u>	<u>\$ (3,385)</u>	<u>\$ 18,230</u>	<u>\$ (56,462)</u>	<u>\$ (12,888)</u>	<u>\$ 43,574</u>

Communications Revolving			Facilities Management			Workers' Compensation		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 754	\$ 3,851	\$ 3,097						
116,610	113,372	(3,238)	\$ 269,804	\$ 217,289	\$ (52,515)	\$ 179	\$ 2,444	\$ 2,265
3,293	1,567	(1,726)						
114,071	115,656	1,585	269,804	217,289	(52,515)	179	2,444	2,265
151,880	102,203	(49,677)	303,841	191,927	(111,914)	127,924	127,814	(110)
299	37	(262)	79	57	(22)			
152,179	102,240	(49,939)	303,920	191,984	(111,936)	127,924	127,814	(110)
(38,108)	13,416	51,524	(34,116)	25,305	59,421	(127,745)	(125,370)	2,375
5,005	5,005	-	8	8	-	129,278	129,278	-
(930)	(930)	-	(3,352)	(3,352)	-			
4,075	4,075	-	(3,344)	(3,344)	-	129,278	129,278	-
(5,899)	(5,899)	-						
(39,932)	11,592	51,524	(37,460)	21,961	59,421	1,533	3,908	2,375
2,727	2,727	-	(57,042)	(57,042)	-	(8,399)	(8,399)	-
\$ (37,205)	\$ 14,319	\$ 51,524	\$ (94,502)	\$ (35,081)	\$ 59,421	\$ (6,866)	\$ (4,491)	\$ 2,375

(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, 2011 (Expressed in Thousands)

(continued)

	Final Budget	Total Actual	Variance Over (Under)
REVENUES:			
Federal government	\$ 754	\$ 3,851	\$ 3,097
Other	570,842	508,853	(61,989)
Less:			
Refunds	8,594	3,305	(5,289)
Total revenues	<u>563,002</u>	<u>509,399</u>	<u>(53,603)</u>
EXPENDITURES:			
Current:			
General government	816,932	589,733	(227,199)
Capital outlays	2,429	901	(1,528)
Total expenditures	<u>819,361</u>	<u>590,634</u>	<u>(228,727)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(256,359)</u>	<u>(81,235)</u>	<u>175,124</u>
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:			
Operating transfers-in	134,298	134,298	-
Operating transfers-out	(15,309)	(15,309)	-
Total other sources (uses) of financial resources	<u>118,989</u>	<u>118,989</u>	<u>-</u>
Budgetary funds-nonbudgeted accounts	<u>(5,899)</u>	<u>(5,899)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	<u>(143,269)</u>	<u>31,855</u>	<u>175,124</u>
Budgetary fund balances (deficits), July 1, 2010	<u>(73,381)</u>	<u>(73,381)</u>	<u>-</u>
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	<u>\$ (216,650)</u>	<u>\$ (41,526)</u>	<u>\$ 175,124</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, 2011 (Expressed in Thousands)

	Elected Officials Treasurer's Settlement			Code Departments		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Sales taxes				\$ 793,353	\$ 793,353	\$ -
Motor fuel taxes				32,544	32,544	-
Public utility taxes				262,852	262,852	-
Federal government				55,994	109,043	53,049
Other	\$ -	\$ 31,600	\$ 31,600	566,184	1,262,635	696,451
Less:						
Refunds				312	172	(140)
Total revenues	-	31,600	31,600	1,710,615	2,460,255	749,640
EXPENDITURES:						
Current:						
Health and social services				210,600	167,101	(43,499)
Education						
General government				99,073	87,633	(11,440)
Employment and economic development						
Public protection and justice						
Environment and business regulation						
Capital outlays				2,000	-	(2,000)
Total expenditures				311,673	254,734	(56,939)
Excess (deficiency) of revenues over (under) expenditures	-	31,600	31,600	1,398,942	2,205,521	806,579
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	12,400	12,400	-			
Operating transfers-out	(13,184)	(13,184)	-	(407,093)	(407,093)	-
Total other sources (uses) of financial resources	(784)	(784)	-	(407,093)	(407,093)	-
Budgetary funds-nonbudgeted accounts				(1,770,375)	(1,770,375)	-
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(784)	30,816	31,600	(778,526)	28,053	806,579
Budgetary fund balances (deficits), July 1, 2010, as previously reported				116,490	116,490	-
Reclassifications between budgetary/nonbudgetary funds-net						
Budgetary fund balances (deficits), July 1, 2010, as reclassified				116,490	116,490	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (784)	\$ 30,816	\$ 31,600	\$ (662,036)	\$ 144,543	\$ 806,579

Other Agencies, Boards and Commissions State Employees Retirement System			Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
						\$ 793,353	\$ 793,353	\$ -
						32,544	32,544	-
						262,852	262,852	-
			\$ 36,614	\$ 32,694	\$ (3,920)	92,608	141,737	49,129
\$ 1,566,943	\$ 1,566,943	\$ -	24,904	42,175	17,271	2,158,031	2,903,353	745,322
						312	172	(140)
1,566,943	1,566,943	-	61,518	74,869	13,351	3,339,076	4,133,667	794,591
			30,683	14,322	(16,361)	241,283	181,423	(59,860)
			18,459	3,976	(14,483)	18,459	3,976	(14,483)
300,000	23,672	(276,328)	26,282	24,194	(2,088)	425,355	135,499	(289,856)
			575	154	(421)	575	154	(421)
			2,350	1,696	(654)	2,350	1,696	(654)
			11,182	4,468	(6,714)	11,182	4,468	(6,714)
						2,000	-	(2,000)
300,000	23,672	(276,328)	89,531	48,810	(40,721)	701,204	327,216	(373,988)
1,266,943	1,543,271	276,328	(28,013)	26,059	54,072	2,637,872	3,806,451	1,168,579
689,122	689,122	-	1,500	1,500	-	703,022	703,022	-
(89)	(89)	-	(27,536)	(27,536)	-	(447,902)	(447,902)	-
689,033	689,033	-	(26,036)	(26,036)	-	255,120	255,120	-
(2,226,223)	(2,226,223)	-	(7,284)	(7,284)	-	(4,003,882)	(4,003,882)	-
(270,247)	6,081	276,328	(61,333)	(7,261)	54,072	(1,110,890)	57,689	1,168,579
46,897	46,897	-	707,015	707,015	-	870,402	870,402	-
			(631,319)	(631,319)	-	(631,319)	(631,319)	-
46,897	46,897	-	75,696	75,696	-	239,083	239,083	-
\$ (223,350)	\$ 52,978	\$ 276,328	\$ 14,363	\$ 68,435	\$ 54,072	\$ (871,807)	\$ 296,772	\$ 1,168,579

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, 2011 (Expressed in Thousands)

	Central Management Services			Human Services		
	Final		Variance	Early Intervention Services Revolving		
	Budget	Actual	Over (Under)	Final	Actual	Variance
						Over (Under)
REVENUES:						
Sales taxes						
Motor fuel taxes						
Public utility taxes						
Federal government	\$ 13	\$ 18	\$ 5	\$ 55,981	\$ 61,847	\$ 5,866
Other	255,148	257,021	1,873	81,895	70,145	(11,750)
Less:						
Refunds				300	172	(128)
Total revenues	255,161	257,039	1,878	137,576	131,820	(5,756)
EXPENDITURES:						
Current:						
Health and social services				170,112	137,986	(32,126)
General government	96,950	85,991	(10,959)			
Capital outlays						
Total expenditures	96,950	85,991	(10,959)	170,112	137,986	(32,126)
Excess (deficiency) of revenues over (under) expenditures	158,211	171,048	12,837	(32,536)	(6,166)	26,370
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-out	(108)	(108)	-	(43)	(43)	-
Total other sources (uses) of financial resources	(108)	(108)	-	(43)	(43)	-
Budgetary funds-nonbudgeted accounts	(171,192)	(171,192)	-			
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(13,089)	(252)	12,837	(32,579)	(6,209)	26,370
Budgetary fund balances (deficits), July 1, 2010	1,321	1,321	-	(10,855)	(10,855)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (11,768)	\$ 1,069	\$ 12,837	\$ (43,434)	\$ (17,064)	\$ 26,370

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)
			\$ 793,353	\$ 793,353	\$ -	\$ 793,353	\$ 793,353	\$ -
			32,544	32,544	-	32,544	32,544	-
			262,852	262,852	-	262,852	262,852	-
\$ -	\$ 47,178	\$ 47,178				55,994	109,043	53,049
228,703	935,031	706,328	438	438	-	566,184	1,262,635	696,451
			12	-	(12)	312	172	(140)
228,703	982,209	753,506	1,089,175	1,089,187	12	1,710,615	2,460,255	749,640
40,488	29,115	(11,373)				210,600	167,101	(43,499)
15	15	-	2,108	1,627	(481)	99,073	87,633	(11,440)
2,000	-	(2,000)				2,000	-	(2,000)
42,503	29,130	(13,373)	2,108	1,627	(481)	311,673	254,734	(56,939)
186,200	953,079	766,879	1,087,067	1,087,560	493	1,398,942	2,205,521	806,579
(406,942)	(406,942)	-				(407,093)	(407,093)	-
(406,942)	(406,942)	-				(407,093)	(407,093)	-
(519,875)	(519,875)	-	(1,079,308)	(1,079,308)	-	(1,770,375)	(1,770,375)	-
(740,617)	26,262	766,879	7,759	8,252	493	(778,526)	28,053	806,579
3,902	3,902	-	122,122	122,122	-	116,490	116,490	-
\$ (736,715)	\$ 30,164	\$ 766,879	\$ 129,881	\$ 130,374	\$ 493	\$ (662,036)	\$ 144,543	\$ 806,579

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, 2011 (Expressed in Thousands)

	Group Insurance Premium			State Employees Deferred Compensation Plan		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 13	\$ 18	\$ 5			
Other	81,833	83,706	1,873	\$ 173,315	\$ 173,315	\$ -
Total revenues	81,846	83,724	1,878	173,315	173,315	-
EXPENDITURES:						
Current:						
General government	95,740	84,997	(10,743)	1,210	994	(216)
Total expenditures	95,740	84,997	(10,743)	1,210	994	(216)
Excess (deficiency) of revenues over (under) expenditures	(13,894)	(1,273)	12,621	172,105	172,321	216
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-out	(29)	(29)	-	(79)	(79)	-
Total other sources (uses) of financial resources	(29)	(29)	-	(79)	(79)	-
Budgetary funds-nonbudgeted accounts				(171,192)	(171,192)	-
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds- nonbudgeted accounts	(13,923)	(1,302)	12,621	834	1,050	216
Budgetary fund balances (deficits), July 1, 2010	(2,660)	(2,660)	-	3,981	3,981	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ (16,583)	\$ (3,962)	\$ 12,621	\$ 4,815	\$ 5,031	\$ 216

Total		
Final Budget	Actual	Variance Over (Under)
\$ 13	\$ 18	\$ 5
255,148	257,021	1,873
255,161	257,039	1,878

96,950	85,991	(10,959)
96,950	85,991	(10,959)
158,211	171,048	12,837

(108)	(108)	-
(108)	(108)	-
(171,192)	(171,192)	-

(13,089)	(252)	12,837
1,321	1,321	-
\$ (11,768)	\$ 1,069	\$ 12,837

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, 2011 (Expressed in Thousands)

	Home Rule Municipal ROT			County Option Motor Fuel Tax		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Sales taxes	\$ 793,353	\$ 793,353	\$ -			
Motor fuel taxes				\$ 32,544	\$ 32,544	\$ -
Public utility taxes						
Other	415	415	-	23	23	-
Less:						
Refunds						
Total revenues	793,768	793,768	-	32,567	32,567	-
EXPENDITURES:						
Current:						
General government	1,073	1,019	(54)	1,035	608	(427)
Total expenditures	1,073	1,019	(54)	1,035	608	(427)
Excess (deficiency) of revenues over (under) expenditures	792,695	792,749	54	31,532	31,959	427
Budgetary funds-nonbudgeted accounts	(771,624)	(771,624)	-	(31,531)	(31,531)	-
Excess (deficiency) of revenues over (under) expenditures and budgetary funds-nonbudgeted accounts	21,071	21,125	54	1	428	427
Budgetary fund balances (deficits), July 1, 2010	87,268	87,268	-	5,319	5,319	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2011	\$ 108,339	\$ 108,393	\$ 54	\$ 5,320	\$ 5,747	\$ 427

Municipal Telecommunications			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 793,353	\$ 793,353	\$ -
			32,544	32,544	-
\$ 262,852	\$ 262,852	\$ -	262,852	262,852	-
			438	438	-
12	-	(12)	12	-	(12)
262,840	262,852	12	1,089,175	1,089,187	12
			2,108	1,627	(481)
			2,108	1,627	(481)
262,840	262,852	12	1,087,067	1,087,560	493
(276,153)	(276,153)	-	(1,079,308)	(1,079,308)	-
(13,313)	(13,301)	12	7,759	8,252	493
29,535	29,535	-	122,122	122,122	-
\$ 16,222	\$ 16,234	\$ 12	\$ 129,881	\$ 130,374	\$ 493

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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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Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

State of Illinois

Net Assets by Component

Last Ten Fiscal Year Ends

(Accrual Basis of Accounting, Amounts in Thousands)

	For the Fiscal Year				
	2011	2010	2009	2008	2007
Governmental Activities					
Invested in capital assets, net of related debt	\$ 14,696,923	\$ 14,770,681	\$ 14,148,546	\$ 13,688,917	\$ 13,370,326
Restricted	3,447,715	1,257,062	998,026	978,277	954,435
Unrestricted	<u>(61,962,288)</u>	<u>(53,562,848)</u>	<u>(44,608,334)</u>	<u>(39,213,817)</u>	<u>(35,169,568)</u>
Total governmental activities net assets	<u>(43,817,650)</u>	<u>(37,535,105)</u>	<u>(29,461,762)</u>	<u>(24,546,623)</u>	<u>(20,844,807)</u>
Business-type Activities					
Invested in capital assets, net of related debt	3,890	3,791	3,630	2,983	2,966
Restricted	2,362,947	2,182,492	2,732,443	4,533,482	4,534,492
Unrestricted	<u>(1,098,282)</u>	<u>(1,227,648)</u>	<u>(161,927)</u>	<u>(840)</u>	<u>(15,145)</u>
Total business-type activities net assets	<u>1,268,555</u>	<u>958,635</u>	<u>2,574,146</u>	<u>4,535,625</u>	<u>4,522,313</u>
Primary Government					
Invested in capital assets, net of related debt	14,700,813	14,774,472	14,152,176	13,691,900	13,373,292
Restricted	5,810,662	3,439,554	3,730,469	5,511,759	5,488,927
Unrestricted	<u>(63,060,570)</u>	<u>(54,790,496)</u>	<u>(44,770,261)</u>	<u>(39,214,657)</u>	<u>(35,184,713)</u>
Total primary government net assets	<u><u>\$(42,549,095)</u></u>	<u><u>\$(36,576,470)</u></u>	<u><u>\$(26,887,616)</u></u>	<u><u>\$(20,010,998)</u></u>	<u><u>\$(16,322,494)</u></u>

Note: Balances have been restated for prior period adjustments, corrections, and reclassifications when practical.

State of Illinois

Fund Balances, Governmental Funds

Last Ten Fiscal Year Ends

(Modified Accrual Basis of Accounting, Amounts in Thousands)

	For the Fiscal Year				
	2011	2010	2009	2008	2007
General fund (per GASB 54)					
Nonspendable	\$ 32,108				
Restricted	37,247				
Committed	1,132,322				
Assigned	-				
Unassigned	<u>(9,281,534)</u>				
General fund (prior to GASB 54)					
Reserved		\$ 44,002	\$ 40,803	\$ 67,135	\$ 53,544
Unreserved		<u>(8,861,844)</u>	<u>(7,463,137)</u>	<u>(4,102,555)</u>	<u>(4,224,670)</u>
Total general fund	<u>(8,079,857)</u>	<u>(8,817,842)</u>	<u>(7,422,334)</u>	<u>(4,035,420)</u>	<u>(4,171,126)</u>
All other governmental funds (per GASB 54)					
Nonspendable	\$ 78,447				
Restricted	3,192,381				
Committed	3,437,839				
Assigned	20,984				
Unassigned	<u>(1,698,486)</u>				
All other governmental funds (prior to GASB 54)					
Reserved		\$ 501,514	\$ 507,169	\$ 488,365	\$ 165,428
Unreserved, reported in:					
Special revenue funds		1,287,511	1,990,761	2,215,352	2,441,850
Debt service funds		1,061,585	837,423	850,615	834,197
Capital projects funds		2,036,453	15,991	46,248	143,539
Permanent funds		13,648	916	1,248	1,131
Total all other governmental funds	<u><u>\$ 5,031,165</u></u>	<u><u>\$ 4,900,711</u></u>	<u><u>\$ 3,352,260</u></u>	<u><u>\$ 3,601,828</u></u>	<u><u>\$ 3,586,145</u></u>

Notes: Due to the implementation of GASB Statement No. 54 in fiscal year 2011, fund balances as of June 30, 2011 have been reclassified as Nonspendable, Restricted, Committed, Assigned and Unassigned. For fiscal years prior to 2011, fund balances were classified as Reserved or Unreserved according to GASB Statement No. 34. 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.

Schedule 1

Ended June 30,				
2006	2005	2004	2003	2002
\$ 12,518,094	\$ 12,088,581	\$ 11,924,560	\$ 11,750,160	\$ 11,250,191
956,926	942,154	912,938	1,855,032	1,596,793
<u>(32,218,061)</u>	<u>(30,611,904)</u>	<u>(28,248,123)</u>	<u>(26,445,507)</u>	<u>(21,586,492)</u>
<u>(18,743,041)</u>	<u>(17,581,169)</u>	<u>(15,410,625)</u>	<u>(12,840,315)</u>	<u>(8,739,508)</u>
3,114	3,110	3,539	3,615	4,288
3,923,607	2,598,458	2,380,247	2,037,232	2,803,667
<u>(111,414)</u>	<u>170,619</u>	<u>(352,806)</u>	<u>137,542</u>	<u>195,504</u>
<u>3,815,307</u>	<u>2,772,187</u>	<u>2,030,980</u>	<u>2,178,389</u>	<u>3,003,459</u>
12,521,208	12,091,691	11,928,099	11,753,775	11,254,479
4,880,533	3,540,612	3,293,185	3,892,264	4,400,460
<u>(32,329,475)</u>	<u>(30,441,285)</u>	<u>(28,600,929)</u>	<u>(26,307,965)</u>	<u>(21,390,988)</u>
<u>\$ (14,927,734)</u>	<u>\$ (14,808,982)</u>	<u>\$ (13,379,645)</u>	<u>\$ (10,661,926)</u>	<u>\$ (5,736,049)</u>

Schedule 2

Ended June 30,				
2006	2005	2004	2003	2002
\$ 49,921	\$ 50,375	\$ 145,766	\$ 275,203	\$ 101,881
<u>(3,020,145)</u>	<u>(3,349,245)</u>	<u>(2,691,535)</u>	<u>(4,455,975)</u>	<u>(3,049,573)</u>
<u>(2,970,224)</u>	<u>(3,298,870)</u>	<u>(2,545,769)</u>	<u>(4,180,772)</u>	<u>(2,947,692)</u>
\$ 180,970	\$ 158,571	\$ 316,714	\$ 166,137	\$ 158,720
2,506,755	1,830,925	1,784,366	11,044,754	2,587,096
823,784	836,740	792,078	1,217,431	638,407
465,974	32,959	(21,857)	37,208	142,562
1,108	418	539	2,897	2,931
<u>\$ 3,978,591</u>	<u>\$ 2,859,613</u>	<u>\$ 2,871,840</u>	<u>\$ 12,468,427</u>	<u>\$ 3,529,716</u>

State of Illinois

Changes in Net Assets

Last Ten Fiscal Years

(Accrual Basis of Accounting, Amounts in Thousands)

	For the Fiscal Year				
	2011	2010	2009	2008	2007
Governmental Activities:					
Expenses					
Health and social services	\$ 24,991,723	\$ 24,444,776	\$ 23,532,863	\$ 21,687,952	\$ 21,417,224
Education	17,881,417	17,255,748	16,337,431	15,242,711	14,433,190
General government	1,800,902	1,478,124	1,956,817	1,935,074	1,668,454
Employment and economic development	1,583,885	1,258,762	861,955	874,861	988,866
Transportation	4,873,945	4,852,940	4,275,112	4,198,002	3,818,291
Public protection and justice	3,598,813	3,391,692	3,246,422	3,223,783	2,730,219
Environment and business regulation	1,059,232	1,033,959	803,815	926,138	835,328
Intergovernmental-revenue sharing	5,191,373	4,205,934	4,631,525	5,139,754	5,036,015
Interest	1,368,509	1,183,995	1,123,866	1,137,058	1,200,754
Total governmental activities expenses	62,349,799	59,105,930	56,769,806	54,365,333	52,128,341
Program revenues					
Charges for services:					
Health and social services	228,431	173,099	177,666	154,884	137,591
Education	4,886	5,222	4,446	4,529	14,650
General government	2,195,738	1,891,921	2,109,969	2,100,042	2,046,175
Employment and economic development	22,681	29,567	20,208	19,714	22,075
Transportation	45,553	117,720	53,885	78,574	44,292
Public protection and justice	121,456	107,568	57,543	97,923	89,335
Environment and business regulation	316,821	436,716	346,929	344,794	361,174
Operating grants and contributions	19,734,925	20,733,921	18,041,268	14,287,548	14,537,244
Capital grants and contributions	1,586,140	964,434	1,495,709	1,274,394	1,025,947
Total governmental activities program revenues	24,256,631	24,460,168	22,307,623	18,362,402	18,278,483
Total governmental activities net program expense	(38,093,168)	(34,645,762)	(34,462,183)	(36,002,931)	(33,849,858)
General revenues and other changes in net assets					
Taxes					
Income taxes	14,407,585	10,186,345	11,845,194	13,413,993	12,337,762
Sales taxes	9,619,503	8,840,841	9,157,404	10,147,458	9,846,437
Motor fuel taxes	1,302,295	1,295,473	1,349,275	1,405,713	1,443,544
Public utility taxes	1,572,930	1,558,036	1,678,023	1,691,688	1,605,502
Riverboat taxes	457,865	483,091	533,271	696,835	817,590
Hospital assessment taxes	942,557	969,933	978,248	804,168	1,538,512
Other taxes	1,800,980	1,715,169	2,181,647	2,134,966	1,973,612
Interest and investment income	62,254	52,233	139,553	325,057	358,191
Other revenues	1,019,165	803,293	1,006,261	1,013,148	1,173,423
Gain on capital assets traded-in	-	19	4,814	-	-
Transfers	625,489	667,986	673,354	668,089	653,519
Total general revenues and other changes in net assets	31,810,623	26,572,419	29,547,044	32,301,115	31,748,092
Total governmental activities change in net assets	(6,282,545)	(8,073,343)	(4,915,139)	(3,701,816)	(2,101,766)

Note: Balances have been restated for prior period adjustments, corrections, and reclassifications when practical.

Revenue from income taxes increased significantly during fiscal year 2011 as the State legislatures voted to raise the individual income tax rate from 3% to 5% and the corporate income tax rate from 4.8% to 7.0%.

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

Ended June 30,				
2006	2005	2004	2003	2002
\$ 18,591,748	\$ 19,553,743	\$ 17,746,164	\$ 16,495,962	\$ 15,773,221
13,544,450	13,623,467	13,514,779	12,962,131	12,309,072
1,502,362	492,374	535,511	846,163	610,701
1,091,298	968,262	1,217,263	1,342,665	1,275,772
3,484,409	3,615,977	3,530,420	3,807,907	3,794,674
2,560,566	2,851,184	2,573,918	2,498,208	2,563,888
733,128	899,723	778,161	867,002	823,035
4,565,480	4,197,679	3,696,687	3,473,281	3,728,891
1,222,382	1,218,077	1,149,157	672,707	547,583
<u>47,295,823</u>	<u>47,420,486</u>	<u>44,742,060</u>	<u>42,966,026</u>	<u>41,426,837</u>
119,559	110,330	102,745	96,670	130,104
4,381	6,685	10,630	2,306	2,306
1,968,930	1,986,302	1,855,274	1,614,665	1,601,352
22,933	20,351	19,992	24,983	17,851
30,483	28,829	21,632	20,685	20,945
92,988	87,934	79,504	81,633	111,918
365,324	377,194	390,085	232,659	249,159
13,498,279	13,897,415	13,060,543	11,824,638	10,851,169
1,040,220	866,924	862,165	719,759	805,023
<u>17,143,097</u>	<u>17,381,964</u>	<u>16,402,570</u>	<u>14,617,998</u>	<u>13,789,827</u>
<u>(30,152,726)</u>	<u>(30,038,522)</u>	<u>(28,339,490)</u>	<u>(28,348,028)</u>	<u>(27,637,010)</u>
11,224,605	10,391,204	9,059,096	8,509,857	8,612,430
9,603,316	9,150,521	8,941,852	8,227,295	8,299,981
1,426,605	1,425,794	1,402,081	1,325,748	1,353,947
1,523,795	1,521,187	1,510,606	1,605,144	1,508,633
813,489	664,569	642,370	670,478	580,208
75,515	707,619	76,077	83,276	68,507
1,986,155	2,112,874	1,933,620	1,827,859	1,695,624
271,291	144,455	90,573	124,407	225,460
1,404,974	1,108,333	1,547,298	1,344,446	755,939
-	-	-	-	-
661,109	641,422	568,802	528,711	548,791
<u>28,990,854</u>	<u>27,867,978</u>	<u>25,772,375</u>	<u>24,247,221</u>	<u>23,649,520</u>
<u>(1,161,872)</u>	<u>(2,170,544)</u>	<u>(2,567,115)</u>	<u>(4,100,807)</u>	<u>(3,987,490)</u>

(continued)

State of Illinois

Changes in Net Assets

Last Ten Fiscal Years

(Accrual Basis of Accounting, Amounts in Thousands)

(continued)

	For the Fiscal Year				
	2011	2010	2009	2008	2007
Business-Type Activities:					
Expenses					
Unemployment compensation trust	6,424,471	8,259,960	5,086,053	1,991,147	1,795,169
Water revolving	84,114	113,383	18,085	17,689	22,820
Prepaid tuition program	94,405	86,447	74,718	73,559	61,641
Designated account purchase program	58,376	57,250	62,622	101,174	303,817
Insurance programs	-	-	-	-	-
Lottery	1,601,387	1,544,196	1,443,717	1,411,951	1,370,559
Federal student loans	238,507	214,905	199,964	192,771	180,554
Other	169,082	140,331	122,312	148,273	212,217
Total business-type activities expenses	<u>8,670,342</u>	<u>10,416,472</u>	<u>7,007,471</u>	<u>3,936,564</u>	<u>3,946,777</u>
Program revenues					
Charges for services:					
Unemployment compensation trust	2,626,928	1,849,486	1,600,817	1,998,139	2,391,445
Water revolving	44,393	44,940	46,007	44,163	62,818
Prepaid tuition program	170,250	90,249	(153,932)	(75,740)	127,123
Designated account purchase program	45,434	55,073	50,809	74,913	192,214
Insurance programs	-	-	-	-	-
Lottery	2,269,675	2,196,315	2,082,039	2,062,048	2,003,739
Federal student loans	31,179	22,451	19,756	25,629	172,003
Other	214,655	119,132	130,858	136,975	166,230
Operating grants and contributions	4,196,904	5,086,516	1,866,986	246,854	178,263
Total business-type activities program revenues	<u>9,599,418</u>	<u>9,464,162</u>	<u>5,643,340</u>	<u>4,512,981</u>	<u>5,293,835</u>
Total business-type activities net program revenue (expense)	<u>929,076</u>	<u>(952,310)</u>	<u>(1,364,131)</u>	<u>576,417</u>	<u>1,347,058</u>
General revenues and other changes in net assets					
Interest and investment income	3,019	4,785	76,006	115,694	86,036
Other revenues	3,314	-	-	145	1,900
Special items	-	-	-	(10,855)	-
Transfers	(625,489)	(667,986)	(673,354)	(668,089)	(653,519)
Total business-type activities general revenues and other changes in net assets	<u>(619,156)</u>	<u>(663,201)</u>	<u>(597,348)</u>	<u>(563,105)</u>	<u>(565,583)</u>
Total business-type activities change in net assets	<u>309,920</u>	<u>(1,615,511)</u>	<u>(1,961,479)</u>	<u>13,312</u>	<u>781,475</u>
Total primary government change in net assets	<u>\$ (5,972,625)</u>	<u>\$ (9,688,854)</u>	<u>\$ (6,876,618)</u>	<u>\$ (3,688,504)</u>	<u>\$ (1,320,291)</u>

Note: Balances have been restated for prior period adjustments, corrections, and reclassifications when practical.

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

Ended June 30,				
2006	2005	2004	2003	2002
1,731,262	1,982,556	2,672,436	3,054,290	2,667,222
22,620	23,988	18,519	15,828	9,472
50,730	41,148	35,771	25,825	15,864
267,707	167,074	110,961	112,153	105,345
409,726	379,752	335,476	294,569	269,068
1,334,373	1,196,982	1,144,936	1,054,094	1,033,457
146,053	123,694	102,715	117,718	116,569
93,633	95,892	93,990	134,251	135,619
<u>4,056,104</u>	<u>4,011,086</u>	<u>4,514,804</u>	<u>4,808,728</u>	<u>4,352,616</u>
2,678,643	2,602,747	2,336,187	2,009,704	1,422,942
55,557	49,833	38,018	38,169	34,147
52,090	49,979	50,263	13,615	(6,410)
163,023	107,734	89,077	91,748	96,556
421,950	376,730	326,380	320,299	290,357
1,968,755	1,818,422	1,712,831	1,589,846	1,598,982
134,277	117,980	98,698	115,540	114,719
96,398	120,799	136,067	144,080	127,071
140,578	120,347	140,484	155,607	361,689
<u>5,711,271</u>	<u>5,364,571</u>	<u>4,928,005</u>	<u>4,478,608</u>	<u>4,040,053</u>
<u>1,655,167</u>	<u>1,353,485</u>	<u>413,201</u>	<u>(330,120)</u>	<u>(312,563)</u>
48,698	27,679	8,057	33,647	89,136
364	1,465	135	114	100
-	-	-	-	-
<u>(661,109)</u>	<u>(641,422)</u>	<u>(568,802)</u>	<u>(528,711)</u>	<u>(548,791)</u>
<u>(612,047)</u>	<u>(612,278)</u>	<u>(560,610)</u>	<u>(494,950)</u>	<u>(459,555)</u>
<u>1,043,120</u>	<u>741,207</u>	<u>(147,409)</u>	<u>(825,070)</u>	<u>(772,118)</u>
<u>\$ (118,752)</u>	<u>\$ (1,429,337)</u>	<u>\$ (2,714,524)</u>	<u>\$ (4,925,877)</u>	<u>\$ (4,759,608)</u>

State of Illinois

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting, Amounts in Thousands)

	For the Fiscal Year				
	2011	2010	2009	2008	2007
Revenues					
Income taxes	\$ 14,410,452	\$ 10,132,945	\$ 11,860,233	\$ 13,546,025	\$ 12,244,124
Sales taxes	9,627,310	8,820,201	9,156,235	10,142,098	9,864,637
Motor fuel taxes	1,299,397	1,302,000	1,350,032	1,410,656	1,436,518
Public utility taxes	1,578,941	1,564,966	1,667,389	1,695,635	1,615,402
Riverboat taxes	457,865	483,091	533,271	696,835	817,590
Hospital assessment taxes	944,635	970,164	975,086	1,538,237	804,797
Other taxes	1,815,470	1,923,107	1,902,400	2,100,913	1,973,752
Federal government	20,389,879	21,084,394	18,148,428	15,123,364	14,343,656
Licenses and fees	2,406,475	2,294,068	2,051,258	2,138,772	2,126,360
Interest and other investment income	51,462	52,094	136,596	318,787	349,817
Other revenues	2,175,221	1,975,536	2,317,811	2,186,591	2,401,881
Total revenues	55,157,107	50,602,566	50,098,739	50,897,913	47,978,534
Expenditures					
Health and social services	24,571,136	24,130,047	23,171,985	21,212,437	21,231,376
Education	15,681,944	15,525,027	14,319,907	13,281,734	12,357,592
General government	1,383,859	1,316,201	1,360,562	1,304,174	1,316,223
Employment and economic development	1,534,519	1,193,374	802,053	814,898	960,102
Transportation	3,617,622	3,698,028	3,200,491	3,029,674	2,800,738
Public protection and justice	3,043,677	3,003,370	2,817,374	2,723,434	2,488,988
Environment and business regulation	945,980	944,869	802,942	797,785	770,455
Debt service:					
Principal	1,975,685	925,276	928,339	937,114	864,533
Interest	1,353,275	1,073,432	1,102,787	1,100,439	1,116,514
Capital outlay	2,024,842	1,882,840	1,456,465	1,238,397	1,607,162
Intergovernmental	5,191,373	4,205,934	4,631,525	5,139,754	5,036,015
Total expenditures	61,323,912	57,898,398	54,594,430	51,579,840	50,549,698
Deficiency of revenues (under) expenditures	(6,166,805)	(7,295,832)	(4,495,691)	(681,927)	(2,571,164)
Other Financing Sources (Uses)					
General and special obligation and revenue bonds issued	6,403,460	6,698,015	150,000	175,000	258,000
Premiums on general and special obligation and revenue bonds issued	6,607	42,840	2,290	6,724	12,085
Discounts on general obligation bonds issued	(90)	-	-	-	-
General and special obligation refunding bonds issued	-	1,956,380	-	-	329,000
Premiums on general and special obligation refunding bonds issued	-	157,131	-	-	14,014
Transfers-in	9,694,259	11,375,512	9,554,492	11,883,985	9,088,399
Transfers-out	(9,068,773)	(10,691,690)	(8,864,876)	(11,214,684)	(8,402,727)
Payment to refunded bond escrow agent	-	(2,090,772)	-	-	(341,849)
Capital lease financing	1,282	1,001	1,364	1,625	8,288
Proceeds from disposition of capital assets	-	-	-	-	-
Total other financing sources (uses)	7,036,745	7,448,417	843,270	852,650	965,210
Net change in fund balances	\$ 869,940	\$ 152,585	\$ (3,652,421)	\$ 170,723	\$ (1,605,954)
Debt service as a percentage of noncapital expenditures	5.61%	3.57%	3.82%	4.05%	4.05%

Note: Balances have been reclassified 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 from the previous 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.

Schedule 4

Ended June 30,				
2006	2005	2004	2003	2002
\$ 11,253,161	\$ 10,382,711	\$ 9,029,052	\$ 8,504,873	\$ 8,665,700
9,590,006	9,148,752	8,937,628	8,227,102	8,307,399
1,426,963	1,425,776	1,408,961	1,377,995	1,355,665
1,531,206	1,523,083	1,489,459	1,612,941	1,533,836
813,489	664,569	642,370	670,478	580,208
75,515	707,619	76,077	83,276	68,507
1,990,265	2,118,860	1,908,260	1,827,394	1,678,874
13,568,161	13,345,290	13,087,499	11,756,201	10,941,333
2,133,112	2,153,560	2,098,169	1,675,796	1,707,395
265,999	142,798	90,085	123,758	223,641
2,668,622	2,407,546	2,374,839	2,162,727	1,656,079
<u>45,316,499</u>	<u>44,020,564</u>	<u>41,142,399</u>	<u>38,022,541</u>	<u>36,718,637</u>
18,438,775	19,492,899	18,014,003	16,477,116	15,760,047
11,593,903	12,218,024	18,136,163	11,693,002	11,395,816
1,183,333	228,730	443,041	613,779	379,135
1,062,001	963,293	1,246,758	1,344,047	1,272,789
2,468,345	2,702,364	2,736,531	2,942,719	2,972,064
2,338,618	2,700,104	2,887,584	2,434,904	2,476,364
669,501	858,386	828,729	899,288	805,294
820,486	775,756	662,936	735,430	663,553
1,117,167	1,083,680	1,026,546	490,854	405,449
1,544,912	1,397,108	1,628,632	1,754,708	1,787,562
4,565,480	4,197,679	3,696,687	3,473,281	3,728,891
<u>45,802,521</u>	<u>46,618,023</u>	<u>51,307,610</u>	<u>42,859,128</u>	<u>41,646,964</u>
<u>(486,022)</u>	<u>(2,597,459)</u>	<u>(10,165,211)</u>	<u>(4,836,587)</u>	<u>(4,928,327)</u>
1,140,000	1,075,000	1,525,000	11,894,304	1,650,000
63,780	73,513	76,773	116,805	67,192
-	-	-	(2,869)	-
274,950	-	617,175	695,025	654,045
11,824	-	63,171	65,573	50,269
8,779,739	10,017,074	10,485,498	7,488,813	5,322,479
(8,073,119)	(9,331,080)	(9,889,388)	(6,960,102)	(4,783,418)
(285,778)	-	(678,668)	(757,330)	(697,084)
1,366	3,232	2,512	4,415	21,829
5,500	-	-	-	-
<u>1,918,262</u>	<u>1,837,739</u>	<u>2,202,073</u>	<u>12,544,634</u>	<u>2,285,312</u>
<u>\$ 1,432,240</u>	<u>\$ (759,720)</u>	<u>\$ (7,963,138)</u>	<u>\$ 7,708,047</u>	<u>\$ (2,643,015)</u>
<u>4.38%</u>	<u>4.11%</u>	<u>3.40%</u>	<u>2.98%</u>	<u>2.68%</u>

State of Illinois**Personal Income by Industry****Last Ten Calendar Years****(Amounts in Thousands)**

	For the Calendar Year				
	2010	2009	2008	2007	2006
Farm earnings	\$ 3,727,263	\$ 4,045,651	\$ 5,651,861	\$ 3,189,921	\$ 2,078,022
Agricultural/forestry, fishing, and other	297,987	330,820	323,161	353,138	344,059
Mining	920,664	839,799	1,558,099	2,380,656	2,765,061
Construction/utilities	22,380,738	23,739,796	27,552,635	27,690,823	28,794,477
Manufacturing	43,293,182	44,167,501	51,297,068	49,625,389	48,647,548
Transportation and public utilities	16,222,816	15,665,444	16,584,756	16,598,805	16,486,056
Wholesale trade	25,269,659	24,871,887	26,853,127	26,280,719	24,612,794
Retail trade	21,069,909	20,692,924	21,799,923	23,039,406	22,162,856
Finance, insurance, and real estate	41,898,052	41,551,342	43,715,895	44,827,372	44,379,687
Services	164,879,540	158,577,694	164,925,156	159,925,967	151,644,458
Federal, civilian	9,470,511	8,830,788	8,635,975	8,429,172	8,172,661
Military	3,651,560	3,587,796	3,342,994	3,107,053	2,911,719
State and local government	47,617,897	47,130,552	45,288,659	42,813,098	40,860,095
Other	139,439,165	131,379,152	136,937,940	124,325,490	110,633,528
Total personal income	\$ 540,138,943	\$ 525,411,146	\$ 554,467,249	\$ 532,587,009	\$ 504,493,021
Tax liability	\$ 8,131,062	\$ 7,812,307	\$ 8,402,169	\$ 8,762,122	\$ 8,388,536
Average effective rate	1.51%	1.49%	1.52%	1.65%	1.66%

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)**

	For the Fiscal Year				
	2011	2010	2009	2008	2007
General merchandise	\$ 12,406,368	\$ 12,014,343	\$ 17,198,339	\$ 20,795,910	\$ 20,309,083
Food	19,700,141	18,932,808	19,434,980	20,055,709	18,894,356
Drinking and eating places	18,408,341	16,857,284	17,362,456	17,839,212	17,116,672
Apparel	14,736,097	13,560,264	9,192,958	6,360,979	6,141,805
Furniture, household, and radio	8,833,159	8,249,837	8,797,308	10,466,904	10,280,540
Lumber, building, and hardware	8,332,430	8,040,005	8,678,872	12,620,346	12,626,543
Automotive and filling stations	33,575,575	29,714,908	30,055,943	37,943,597	32,772,319
Drugs and other retail	25,180,327	23,792,285	24,366,956	25,329,145	24,817,828
Agriculture and extractives	24,720,332	21,475,741	23,809,122	27,059,367	25,952,233
Manufacturing	4,294,155	3,980,846	4,445,506	4,990,610	5,068,327
Total	\$ 170,186,925	\$ 156,618,321	\$ 163,342,440	\$ 183,461,779	\$ 173,979,706

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

Ended December 31,				
2005	2004	2003	2002	2001
\$ 1,830,007	\$ 3,740,372	\$ 1,949,195	\$ 955,707	\$ 1,662,354
335,074	317,432	287,288	265,160	244,085
2,317,874	2,055,374	1,873,786	1,732,984	1,567,939
26,932,201	25,869,656	24,894,523	24,320,875	23,449,030
47,039,206	45,944,451	45,053,128	44,956,505	45,583,071
15,541,871	14,768,596	13,961,448	13,697,947	13,778,062
23,160,257	21,925,351	20,752,693	20,655,643	20,669,726
21,515,885	20,897,006	20,436,243	19,765,409	19,207,567
41,569,224	40,520,637	37,983,889	37,148,809	35,749,056
142,590,569	134,818,796	126,321,834	122,806,308	119,268,190
7,975,398	7,678,762	7,106,845	6,968,280	6,646,133
2,834,733	2,741,011	2,590,243	2,379,260	2,173,017
39,567,981	41,849,193	42,570,966	36,101,800	34,124,171
98,862,396	92,163,935	90,118,759	91,523,398	90,897,993
<u>\$ 472,072,676</u>	<u>\$ 455,290,572</u>	<u>\$ 435,900,840</u>	<u>\$ 423,278,085</u>	<u>\$ 415,020,394</u>
<u>\$ 7,729,649</u>	<u>\$ 7,394,901</u>	<u>\$ 6,797,980</u>	<u>\$ 6,500,463</u>	<u>\$ 6,773,749</u>
<u>1.64%</u>	<u>1.62%</u>	<u>1.56%</u>	<u>1.54%</u>	<u>1.63%</u>

Schedule 6

Ended June 30,				
2006	2005	2004	2003	2002
\$ 19,600,033	\$ 19,088,864	\$ 18,626,322	\$ 17,988,962	\$ 17,766,204
18,832,493	18,362,003	18,741,796	18,433,453	18,259,623
16,627,151	15,652,501	14,968,004	14,036,937	13,746,083
5,827,022	5,528,017	5,159,596	4,806,953	4,681,229
10,441,898	9,897,051	9,224,073	8,529,475	8,492,443
10,879,756	10,414,709	9,593,743	8,582,184	8,334,140
35,803,644	32,207,314	31,613,327	30,962,662	25,372,775
22,775,595	21,351,837	20,414,099	25,348,617	18,403,946
25,522,299	31,350,034	20,922,639	21,010,315	51,228,642
4,927,891	4,639,168	3,896,955	4,059,975	3,885,721
<u>\$ 171,237,782</u>	<u>\$ 168,491,498</u>	<u>\$ 153,160,554</u>	<u>\$ 153,759,533</u>	<u>\$ 170,170,806</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 2010 and 2001
(Amounts in Thousands)

For the Calendar Year Ended December 31, 2010

Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
\$500,001 and higher	39,449	0.71%	\$ 1,655,406	20.36%
\$100,001 - \$500,000	792,044	14.32%	3,061,042	37.65%
\$50,001 - \$100,000	1,302,826	23.55%	1,981,843	24.37%
\$25,001 - \$50,000	1,277,583	23.10%	972,386	11.96%
\$25,000 and less	2,119,700	38.32%	460,385	5.66%
Total	5,531,602	100.00%	\$ 8,131,062	100.00%

For the Calendar Year Ended December 31, 2001

Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
\$500,001 and higher	27,793	0.52%	\$ 1,127,809	16.65%
\$100,001 - \$500,000	508,963	9.50%	2,091,224	30.87%
\$50,001 - \$100,000	1,229,276	22.95%	1,984,917	29.30%
\$25,001 - \$50,000	1,353,872	25.27%	1,093,800	16.15%
\$25,000 and less	2,236,666	41.76%	475,999	7.03%
Total	5,356,570	100.00%	\$ 6,773,749	100.00%

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 \$2,000 for calendar year 2001 and \$2,000 for calendar year 2010. 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 2011 and 2002
(Amounts in Thousands)

	For the Fiscal Year Ended June 30, 2011			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
General merchandise	2,316	0.18%	\$ 905,376	7.71%
Food	7,617	0.60%	826,656	7.04%
Drinking and eating places	25,989	2.05%	1,536,470	13.09%
Apparel	8,119	0.64%	974,023	8.29%
Furniture, household, and radio	14,093	1.11%	705,713	6.01%
Lumber, building, and hardware	12,710	1.00%	687,693	5.86%
Automotive and filling stations	1,057,848	83.28%	2,398,215	20.42%
Drugs and other retail	59,007	4.65%	1,493,398	12.72%
Agriculture and extractives	69,161	5.44%	1,814,966	15.46%
Manufacturing	13,292	1.05%	398,841	3.40%
Total	1,270,152	100.00%	\$ 11,741,351	100.00%

	For the Fiscal Year Ended June 30, 2002			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
General merchandise	1,587	0.57%	\$ 1,139,129	12.10%
Food	9,601	3.47%	618,562	6.57%
Drinking and eating places	26,160	9.45%	1,020,093	10.84%
Apparel	6,867	2.48%	360,738	3.83%
Furniture, household, and radio	18,313	6.62%	634,814	6.74%
Lumber, building, and hardware	13,455	4.86%	619,414	6.58%
Automotive and filling stations	48,854	17.65%	2,099,724	22.31%
Drugs and other retail	63,990	23.13%	1,031,381	10.96%
Agriculture and extractives	74,647	26.98%	1,534,960	16.29%
Manufacturing	13,269	4.79%	355,704	3.78%
Total	276,743	100.00%	\$ 9,414,519	100.00%

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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>For the Fiscal 2007</u>
Governmental activities					
General obligation bonds	\$ 28,256,367	\$ 25,136,941	\$ 19,669,908	\$ 20,253,876	\$ 20,865,798
Special obligation bonds	2,394,597	2,591,591	2,204,110	2,365,323	2,467,733
Revenue bonds	1,509,846	-	-	-	-
Capital leases	6,632	6,477	8,736	9,727	10,735
Installment purchases	8,109	14,158	19,067	12,302	16,241
Certificates of participation	66,870	75,095	82,895	90,300	97,335
Total governmental activities	<u>32,242,421</u>	<u>27,824,262</u>	<u>21,984,716</u>	<u>22,731,528</u>	<u>23,457,842</u>
Business-type activities					
Revenue bonds	704,284	1,019,701	1,027,300	879,441	3,709,323
Notes payable	-	-	-	-	-
Capital leases	4	7	3	5	-
Installment purchases	-	-	-	-	-
Total business-type activities	<u>704,288</u>	<u>1,019,708</u>	<u>1,027,303</u>	<u>879,446</u>	<u>3,709,323</u>
Total primary government	<u>\$ 32,946,709</u>	<u>\$ 28,843,970</u>	<u>\$ 23,012,019</u>	<u>\$ 23,610,974</u>	<u>\$ 27,167,165</u>
Total primary government debt as a percentage of personal income	<u>6.10%</u>	<u>5.49%</u>	<u>4.15%</u>	<u>4.43%</u>	<u>5.39%</u>
Total amount of primary government debt per capita	<u>\$ 2.565</u>	<u>\$ 2.254</u>	<u>\$ 1.805</u>	<u>\$ 1.860</u>	<u>\$ 2.149</u>

Note: Details regarding the State's debt can be found in Note 8 of the financial statements.

Schedule 9

Year Ended June 30,

	2006	2005	2004	2003	2002
\$	21,257,664	\$ 20,909,291	\$ 20,554,896	\$ 19,779,249	\$ 8,300,408
	2,614,724	2,515,469	2,409,159	2,130,229	1,968,535
	-	-	-	-	-
	11,392	11,139	13,895	19,022	21,775
	10,574	16,123	10,217	19,859	29,166
	107,580	114,805	122,965	130,720	138,090
	<u>24,001,934</u>	<u>23,566,827</u>	<u>23,111,132</u>	<u>22,079,079</u>	<u>10,457,974</u>
	4,454,444	4,675,455	3,785,870	3,260,400	2,650,830
	-	-	685,469	100,294	100,294
	-	24	50	75	75
	-	-	4	29	38
	<u>4,454,444</u>	<u>4,675,479</u>	<u>4,471,393</u>	<u>3,360,798</u>	<u>2,751,237</u>
\$	<u>28,456,378</u>	<u>28,242,306</u>	<u>27,582,525</u>	<u>25,439,877</u>	<u>13,209,211</u>
	<u>6.03%</u>	<u>6.20%</u>	<u>6.33%</u>	<u>6.01%</u>	<u>3.18%</u>
\$	<u>2.257</u>	<u>2.243</u>	<u>2.197</u>	<u>2.031</u>	<u>1.058</u>

State of Illinois

Ratios of General Bonded Debt Outstanding and Debt Limitations

Last Ten Fiscal Years

(Amounts in Thousands)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>For the Fiscal 2007</u>
General bonded debt					
General obligation bonds	\$ 28,256,367	\$ 25,136,941	\$ 19,669,908	\$ 20,253,876	\$ 20,865,798
Special obligation bonds	2,394,597	2,591,591	2,204,110	2,365,323	2,467,733
	<u>\$ 30,650,964</u>	<u>27,728,532</u>	<u>21,874,018</u>	<u>22,619,199</u>	<u>23,333,531</u>
Less: Amounts restricted for debt service	1,366,885	1,071,220	848,302	861,152	846,063
Net total general bonded debt	<u>\$ 29,284,079</u>	<u>\$ 26,657,312</u>	<u>\$ 21,025,716</u>	<u>\$ 21,758,047</u>	<u>\$ 22,487,468</u>
Total general bonded debt as a percentage of personal income	<u>5.42%</u>	<u>5.07%</u>	<u>3.79%</u>	<u>4.09%</u>	<u>4.46%</u>
Total general bonded debt as a percentage of taxable sales	<u>17.21%</u>	<u>17.02%</u>	<u>12.87%</u>	<u>11.86%</u>	<u>12.93%</u>
Total amount of general obligation debt per capita	<u>\$ 2.280</u>	<u>\$ 2.083</u>	<u>\$ 1.649</u>	<u>\$ 1.714</u>	<u>\$ 1.779</u>
Authorized general bonded debt					
General obligation bonds	\$ 54,014,151	\$ 45,755,802	\$ 39,231,174	\$ 34,196,174	\$ 34,196,174
Special obligation bonds	4,815,509	4,815,509	4,005,509	4,005,509	4,005,509
Total authorized general bonded debt	<u>\$ 58,829,660</u>	<u>\$ 50,571,311</u>	<u>\$ 43,236,683</u>	<u>\$ 38,201,683</u>	<u>\$ 38,201,683</u>
Issued general bonded debt					
General obligation bonds	\$ 46,710,306	\$ 41,810,306	\$ 34,140,911	\$ 33,990,911	\$ 33,865,911
Special obligation bonds	4,085,153	4,085,153	3,555,233	3,437,968	3,387,968
Total issued general bonded debt	<u>\$ 50,795,459</u>	<u>\$ 45,895,459</u>	<u>\$ 37,696,144</u>	<u>\$ 37,428,879</u>	<u>\$ 37,253,879</u>
General bonded debt margin (Authorized but unissued debt)					
General obligation bonds	\$ 10,481,559	\$ 6,900,602	\$ 7,809,162	\$ 2,765,379	\$ 2,732,465
Special obligation bonds	852,891	852,891	570,096	567,541	617,541
Total general bonded debt margin	<u>\$ 11,334,450</u>	<u>\$ 7,753,493</u>	<u>\$ 8,379,258</u>	<u>\$ 3,332,920</u>	<u>\$ 3,350,006</u>
Issued bonded debt to authorized bonded debt ratio					
General obligation bonds	86.48%	91.38%	87.02%	99.40%	99.03%
Special obligation bonds	84.83%	84.83%	88.76%	85.83%	84.58%
Total issued bonded debt to authorized bonded debt ratio	86.34%	90.75%	87.19%	97.98%	97.52%

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,

2006	2005	2004	2003	2002
\$ 21,257,664	\$ 20,909,291	\$ 20,554,896	\$ 19,779,249	\$ 8,300,408
2,614,724	2,515,469	2,409,159	2,130,229	1,968,535
<u>23,872,388</u>	<u>23,424,760</u>	<u>22,964,055</u>	<u>21,909,478</u>	<u>10,268,943</u>
833,273	848,213	799,825	745,023	648,156
<u>\$ 23,039,115</u>	<u>\$ 22,576,547</u>	<u>\$ 22,164,230</u>	<u>\$ 21,164,455</u>	<u>\$ 9,620,787</u>
<u>4.88%</u>	<u>4.96%</u>	<u>5.08%</u>	<u>5.00%</u>	<u>2.32%</u>
<u>13.45%</u>	<u>13.40%</u>	<u>14.47%</u>	<u>13.76%</u>	<u>5.65%</u>
<u>\$ 1.827</u>	<u>\$ 1.793</u>	<u>\$ 1.765</u>	<u>\$ 1.690</u>	<u>\$ 0.770</u>
\$ 34,196,174	\$ 34,196,174	\$ 34,196,174	\$ 34,927,174	\$ 24,927,174
4,005,509	4,005,509	4,005,509	4,005,509	4,005,509
<u>\$ 38,201,683</u>	<u>\$ 38,201,683</u>	<u>\$ 38,201,683</u>	<u>\$ 38,932,683</u>	<u>\$ 28,932,683</u>
\$ 33,278,911	\$ 32,078,961	\$ 31,203,961	\$ 29,411,786	\$ 17,134,807
3,387,968	3,172,968	2,972,968	2,622,968	2,442,493
<u>\$ 36,666,879</u>	<u>\$ 35,251,929</u>	<u>\$ 34,176,929</u>	<u>\$ 32,034,754</u>	<u>\$ 19,577,300</u>
\$ 3,110,369	\$ 4,167,371	\$ 4,915,346	\$ 7,204,988	\$ 9,293,541
617,541	832,541	1,032,541	1,382,541	1,563,016
<u>\$ 3,727,910</u>	<u>\$ 4,999,912</u>	<u>\$ 5,947,887</u>	<u>\$ 8,587,529</u>	<u>\$ 10,856,557</u>
97.32%	93.81%	91.25%	84.21%	68.74%
84.58%	79.22%	74.22%	65.48%	60.98%
95.98%	92.28%	89.46%	82.28%	67.67%

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	
PRIMARY GOVERNMENT							
Build Illinois Bond Fund - Pledged revenue of portion of sales tax collections							
2011	\$ 509,368	\$ -	\$ 509,368	\$ 180,565	\$ 118,598	\$ 299,163	1.70
2010	473,452	-	473,452	157,180	117,552	274,732	1.72
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
Civic Center Bond Fund - Pledged revenue of portion of sales tax collections							
2011	\$ 19,000	\$ -	\$ 19,000	\$ 9,085	\$ 4,761	\$ 13,846	1.37
2010	19,000	-	19,000	8,595	5,253	13,848	1.37
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
Illinois Student Assistance Commission - Pledged revenue of loans receivable repayments							
2011	\$ 45,434	\$ 35,211	\$ 10,223	\$ 982,105	\$ 11,416	\$ 993,521	0.01
2010	55,073	32,859	22,214	96,100	10,516	106,616	0.21
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
Railsplitter Tobacco Settlement Authority - Pledged revenue of tobacco settlement funds (e)							
2011	\$ 402,666	\$ 248,429	\$ 154,237	\$ -	\$ 38,252	\$ 38,252	4.03

- (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 Railsplitter Tobacco Settlement Authority, a blended component unit of the State, issued \$1.510 billion of Tobacco Settlement Revenue Bonds in December 2010.

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	
MAJOR COMPONENT UNITS							
Illinois Housing Development Authority - Pledged revenue of loans receivable repayments							
2011	\$ 74,874	\$ 6,483	\$ 68,391	\$ 243,050	\$ 58,716	\$ 301,766	0.23
2010	83,711	5,861	77,850	231,650	66,863	298,513	0.26
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
Illinois State Toll Highway Authority - Pledged revenue of toll fees (f)							
2010	\$ 706,445	\$ 277,282	\$ 429,163	\$ 1,065	\$ 204,881	\$ 205,946	2.08
2009	785,593	283,106	502,487	97,150	174,821	271,971	1.85
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
Illinois State University - Pledged revenue of usage fees and rental income							
2011	\$ 83,258	\$ 67,583	\$ 15,675	\$ 6,280	\$ 3,839	\$ 10,119	1.55
2010	82,243	69,838	12,405	5,380	3,894	9,274	1.34
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
Northern Illinois University - Pledged revenue of usage fees and rental income							
2011	\$ 78,426	\$ 67,201	\$ 11,225	\$ 6,300	\$ 3,857	\$ 10,157	1.11
2010	77,446	58,863	18,583	6,175	3,977	10,152	1.83
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

(f) 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	
Southern Illinois University - Pledged revenue of usage fees, rental income, and medical fees							
2011	\$ 146,101	\$ 110,760	\$ 35,341	\$ 16,120	\$ 10,661	\$ 26,781	1.32
2010	141,220	105,452	35,768	13,190	10,693	23,883	1.50
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
University of Illinois - Pledged revenue of usage fees, rental income, and medical fees							
2011	\$ 1,013,468	\$ 937,189	\$ 76,279	\$ 35,425	\$ 45,781	\$ 81,206	0.94
2010	1,021,060	894,862	126,198	34,200	44,880	79,080	1.60
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

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State of Illinois**Demographic and Economic Statistics****Last Ten Calendar Years (expressed in thousands)**

	For the			
	2010	2009	2008	2007
Population				
State	12,843	12,797	12,747	12,696
Percentage change	0.36%	0.39%	0.40%	0.41%
National	309,350	306,772	304,094	301,231
Percentage change	0.84%	0.88%	0.95%	0.96%
Total Personal Income				
State	\$ 540,138,943	\$ 525,411,146	\$ 554,467,249	\$ 532,587,009
Percentage change	2.80%	-5.24%	4.11%	5.57%
National	\$ 12,357,113,000	\$ 11,916,808,000	\$ 12,451,599,000	\$ 11,900,562,000
Percentage change	3.69%	-4.29%	4.63%	5.72%
Per Capita Personal Income				
State	\$ 42,057	\$ 41,058	\$ 43,498	\$ 41,950
Percentage change	2.43%	-5.61%	3.69%	5.14%
National	\$ 39,945	\$ 38,846	\$ 40,947	\$ 39,506
Percentage change	2.83%	-5.13%	3.65%	4.72%
Labor Force				
State labor force	6,603	6,589	6,667	6,660
Employed	5,911	5,927	6,243	6,322
Unemployed	692	661	425	338
Unemployment rate	10.5%	10.0%	6.4%	5.1%

Source: U.S. Bureau of Economic Analysis and Department of Employment Security

Calendar Year Ended,

2006	2005	2004	2003	2002	2001
12,644	12,610	12,590	12,556	12,526	12,488
0.27%	0.16%	0.27%	0.24%	0.30%	0.40%
298,380	295,517	292,805	290,108	287,625	284,969
0.97%	0.93%	0.93%	0.86%	0.93%	0.99%
\$ 504,493,021	\$ 472,072,676	\$ 455,290,572	\$ 435,900,840	\$ 423,278,085	\$ 415,020,394
6.87%	3.69%	4.45%	2.98%	1.99%	2.24%
\$ 11,256,516,000	\$ 10,476,669,000	\$ 9,928,790,000	\$ 9,369,072,000	\$ 9,054,702,000	\$ 8,878,830,000
7.44%	5.52%	5.97%	3.47%	1.98%	3.79%
\$ 39.900	\$ 37.437	\$ 36.164	\$ 34.717	\$ 33.793	\$ 33.232
6.58%	3.52%	4.17%	2.73%	1.69%	1.82%
\$ 37.725	\$ 35.452	\$ 33.909	\$ 32.295	\$ 31.481	\$ 31.157
6.41%	4.55%	5.00%	2.59%	1.04%	2.77%
6,527	6,404	6,366	6,343	6,387	6,465
6,225	6,033	5,969	5,917	5,969	6,114
302	371	397	426	418	351
4.6%	5.8%	6.2%	6.7%	6.5%	5.4%

**Principal Employers
Fiscal Years 2011 and 2002**

Employer	2011	
	Employees	Percentage of Total State Employment
State of Illinois	68,146	1.15%
U.S. Government	55,100	0.93%
Wal-Mart	45,780	0.77%
Chicago School Board	39,945	0.68%
City of Chicago	36,889	0.62%
Jewel Food Stores	33,030	0.56%
U.S. Postal Service	30,500	0.52%
University of Illinois	28,573	0.48%
Sears	24,050	0.41%
Cook County	23,892	0.40%
Total	385,905	6.52%

Employer	2002	
	Employees	Percentage of Total State Employment
State of Illinois	87,421	1.43%
U.S. Government	49,100	0.80%
Chicago School Board	46,179	0.76%
U.S. Postal Service	43,500	0.71%
City of Chicago	41,948	0.69%
Abbott Laboratories	36,875	0.60%
Mclane Company	30,575	0.50%
Jewel Food Stores	30,570	0.50%
Sears	30,240	0.49%
Motorola	29,620	0.48%
Total	426,028	6.96%

Source: Department of Commerce and Economic Opportunity and various employer websites

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State of Illinois
Employees by Function
Last Ten Fiscal Years

	Employees				
	2011	2010	2009	2008	2007
Health and social services	21,519	21,258	21,912	22,701	22,784
Education	727	778	767	758	750
General government	11,905	11,534	12,205	12,366	12,515
Employment and economic development	3,119	3,303	3,287	3,074	3,213
Transportation	7,529	7,662	7,574	7,638	8,407
Public protection and justice	19,134	18,903	18,886	18,913	19,793
Environment and business regulation	4,213	4,304	4,398	4,694	4,850
Total	68,146	67,742	69,029	70,144	72,312

Schedule 14

as of June 30,				
2006	2005	2004	2003	2002
23,230	22,767	24,262	24,134	29,016
763	766	767	806	964
12,421	12,256	11,934	11,804	13,198
3,366	3,394	3,576	3,412	3,829
8,098	8,261	8,760	9,336	10,138
20,181	20,414	20,819	20,320	23,958
4,844	4,788	5,294	5,434	6,318
72,903	72,646	75,412	75,246	87,421

State of Illinois

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	For the Fiscal Year			
	2011	2010	2009	2008
Health and Social Services				
Child abuse and neglect				
Calls to abuse/neglect hotline	258,999	256,492	258,237	266,011
Children investigated	101,456	109,186	111,574	111,869
Medical programs				
Number of children enrolled in medical programs	1,663,260	1,628,782	1,553,227	1,457,829
Number of parents enrolled in medical programs	621,851	606,680	562,689	580,760
Child support				
Number of child support cases with orders	410,433	404,800	394,123	390,745
Family case management				
Number of pregnant women and infants enrolled in FCM	242,823	263,448	276,801	291,417
Persons with disabilities receiving in-home services to prevent institutionalization	38,682	39,165	39,412	38,093
Immunization rates of children under age two	83%	81%	78%	78%
General government				
Taxes				
Number of individual income tax returns processed	5,961,385	5,946,127	6,132,529	6,119,040
Percent of individual income tax returns filed electronically	71%	60%	56%	52%
Total number of payments processed through State Treasury	16,143,902	16,050,005	15,912,093	15,623,763
Education				
Elementary and secondary education				
Public school enrollment	2,087,762	2,112,132	2,112,132	2,113,435
Graduation rate	83.8%	87.8%	87.1%	86.5%
Dropout rate	2.7%	3.8%	3.5%	4.1%
Higher education				
Enrollment	924,749	914,763	867,090	821,026
Degrees conferred	Not available	195,549	184,272	181,370
Transportation				
Miles of pavement maintained/improved	931	2,620	2,528	933
Number of bridges maintained/improved	263	292	293	272
Employment and economic development				
Unemployment insurance *				
Number of claims	863,328	1,221,195	872,368	696,109
Average duration (weeks)	21.34	20.63	16.71	17.31
State Fair				
State Fair attendees	817,393	673,223	737,052	613,000
DuQuoin State Fair attendees	351,000	353,100	331,000	298,000
Tourism				
Historic site attendance (in thousands)	1,940	2,200	2,010	2,206
Public protection and justice				
Crime Rates				
Violent crime rates per 100,000 in population *	Not available	509	540	548
Property crime rates per 100,000 in population *	Not available	2,790	3,010	3,014
Total crime rates per 100,000 in population		<u>3,299</u>	<u>3,550</u>	<u>3,562</u>
Violent crime arrest rates per 100,000 in population *	Not available	176	188	191
Property crime arrest rates per 100,000 in population *	Not available	560	579	556
Total crime arrest rates per 100,000 in population		<u>736</u>	<u>767</u>	<u>747</u>
Forensic services				
Number of original crime scenes processed	2,529	2,594	3,081	3,138
Number of Deoxyribonucleic Acid (DNA) cases worked	5,225	5,284	4,590	3,390
Total number of forensic cases worked	104,043	111,669	115,044	112,644
Number of DNA offender samples worked	30,736	33,025	35,722	37,937
Environment and business regulation				
Professional Regulation				
Professional complaints received	10,634	11,159	13,800	10,912
Licenses placed on probation	431	603	530	455

* Statistics for unemployment insurance and crime rates are based on the previous ending calendar year.

Schedule 15

Ended or as of June 30,

2007	2006	2005	2004	2003	2002
258,563	257,481	249,764	277,295	293,292	304,804
111,746	110,225	111,830	104,236	97,413	98,181
1,369,050	1,216,983	1,159,593	1,094,077	1,022,058	960,000
545,502	498,195	463,506	388,636	Not available	Not available
420,004	398,888	335,568	328,211	331,003	366,353
292,302	285,459	282,840	280,969	277,322	267,402
36,858	35,916	32,549	34,156	31,970	30,016
83%	87%	86%	85%	80%	76%
5,963,636	5,712,563	5,798,585	5,757,659	5,782,567	5,831,078
46%	44%	42%	38%	33%	28%
15,512,005	15,092,629	14,896,011	15,157,741	15,979,883	14,078,664
2,118,692	2,111,706	2,062,912	2,060,008	2,084,490	2,071,391
85.9%	87.8%	87.4%	86.5%	86.0%	85.2%
3.5%	3.5%	4.0%	4.6%	6.0%	5.1%
814,189	805,764	801,548	799,216	781,190	752,753
167,066	163,153	160,806	155,216	149,865	139,154
908	820	919	1,155	1,561	1,555
274	255	206	219	319	333
670,402	702,725	766,032	855,658	875,777	825,811
17.34	18.23	18.92	19.01	19.01	15.37
703,000	672,615	671,334	725,000	1,264,750	1,130,000
330,000	298,286	315,731	270,346	500,854	447,955
2,221	2,498	2,772	2,680	2,665	2,656
562	569	562	573	625	653
3,127	3,171	3,282	3,382	3,519	3,586
3,689	3,740	3,844	3,955	4,144	4,239
201	212	205	206	211	215
547	599	622	653	699	745
748	811	827	859	910	960
3,457	4,816	4,519	4,198	4,289	4,846
2,830	3,464	3,397	2,812	2,253	2,703
119,045	116,192	116,882	110,863	107,947	109,648
46,647	106,374	65,009	24,244	3,508	2,862
9,498	9,024	9,195	9,781	11,085	9,165
344	419	488	590	603	436

State of Illinois

Capital Asset and Infrastructure Statistics by Function/Program

Last Ten Fiscal Years

	For the Fiscal Year				
	2011	2010	2009	2008	2007
Health and social services					
Mental health facilities	17	18	18	18	18
Veterans homes	4	4	4	4	4
Transportation					
Highway miles	16,018	16,057	16,075	16,090	16,398
Bridges	7,726	7,708	7,693	7,844	8,284
Public protection and justice					
Adult correctional facilities	27	27	28	28	28
Juvenile correctional facilities	8	10	8	8	8
Environment and business regulation					
State park acreage	473,500	470,649	469,244	373,857	371,793
Protected natural area acreage	96,255	93,662	89,399	89,764	89,731

Note: No capital asset indicators are available for the education, general government, and employment and economic development functions.

Schedule 16

Ended or as of June 30,				
2006	2005	2004	2003	2002
18	18	18	18	20
4	4	4	4	4
16,430	16,459	16,513	16,538	16,601
8,296	8,232	8,222	8,227	8,230
27	27	27	26	27
8	8	8	8	9
499,515	387,753	456,039	450,814	440,465
87,731	85,375	82,957	76,179	71,163