



STATE OF ILLINOIS
COMPTROLLER
JUDY BAAR TOPINKA

Fiscal Year Ended June 30, 2010

COMPREHENSIVE ANNUAL FINANCIAL REPORT

STATE OF ILLINOIS

Comprehensive Annual Financial Report

~ 2010 ~

For Fiscal Year Ended June 30, 2010

Comptroller Judy Baar Topinka



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Introductory Section

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STATE OF ILLINOIS
COMPTROLLER

JUDY BAAR TOPINKA

June 30, 2011

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, 2010. The CAFR is the State's official annual report which provides the readers with the financial position of the State as of June 30, 2010, and results of operations during the fiscal year. The report is intended to provide the State's taxpayers, managers, investors, creditors, lawmakers, and other users with information in accordance with generally accepted accounting principles (GAAP). Responsibility for the accuracy of the data as well as the completeness and fairness of presentation of this report rests with my Office and other State agency management.

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

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

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

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

Internal Controls

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

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

Independent Audit

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

The State provides a full range of services including: the construction and maintenance of highways and infrastructure, education, social and health services, public safety, conservation of natural resources, economic development, and recreation facilities and development. The State of Illinois is also financially accountable for three separate entities which have been included as a

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

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

The State of Illinois has a two-month "lapse period." During this time, July 1 to August 31, State agencies can expend funds appropriated in the prior fiscal year if encumbered by June 30. For all fund types, goods or services received prior to June 30 are recorded as liabilities and expenditures or expenses, whichever is appropriate. For governmental fund types, lapse period expenditures for goods encumbered as of June 30 and received prior to August 31 are reported with other encumbrances as reservations of June 30 fund balances and not as liabilities or expenditures. Public Act 96-958 extended the lapse period to December 31 for fiscal year 2010 to allow the State time to pay fiscal year 2010 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, 2010, decreased from June 30, 2009. The fund balance in the State's General Fund decreased by \$1.817 billion on a GAAP basis (from a deficit of \$7.422 billion, as restated, to a deficit of \$9.239 billion). On the *budgetary basis*, there was a \$6.094 billion fund deficit at June 30, 2010, compared to a \$3.673 billion fund deficit at June 30, 2009, resulting in a \$2.421 billion increase in the budgetary deficit.

FACTORS AFFECTING FINANCIAL CONDITION

Economy

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

According to the U.S. Bureau of Labor Statistics, Illinois averaged 5.597 million nonfarm payroll jobs and an unemployment rate of 10.9% in fiscal year 2010.

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

Subsequent to year end, the legislature voted to raise the individual income tax rates from 3% to 5% and the corporate income tax rate from 4.8% to 7%. The increase is effective for calendar year 2011. For individual income taxes, the 5% rate would remain in place until 2015, when it would drop to 3.75% and then fall to 3.25% in 2025. The 7% corporate rate would remain in place until 2015 as well, when it would 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 \$3.781 billion of ARRA monies in fiscal year 2010 into funds in the State Treasury. \$1.607 billion 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, \$3.581 billion was received by the Unemployment Compensation Trust Fund, a fund held outside of the State Treasury. ARRA is expected to continue to be a significant source of receipts by the State through fiscal year 2011.

Short-term Borrowing

In fiscal year 2010, the State took several actions to help alleviate the ongoing financial problems. \$275.704 million was transferred from the Budget Stabilization Fund to the General Revenue Account. Also, in August 2009 the State issued short-term notes totaling \$1.250 billion and deposited the proceeds into the General Revenue Account in order to attempt to alleviate cash flow deficits. The August 2009 issue was repaid prior to June 30, 2010. For financial reporting purposes, both the Budget Stabilization Fund and the General Revenue Account are subaccounts of the General Fund.

Pensions

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

In January of 2010, \$3.466 billion of general obligation bonds were issued to make the required 2010 pension contributions to the State’s retirement systems. In addition, another \$3.700 billion of general obligation bonds were issued in February 2011 to make the required 2011 pension contributions.

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 2010 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 2010 with \$1.521 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 2010 marked the eighth 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, 2010, there was no balance in the Budget Stabilization Fund, as all amounts 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 and 2010, general obligation pension bonds were issued in the amounts of \$10.0 billion and \$3.5 billion, respectively. Subsequent to year end, an additional \$3.7 billion were issued for pension contributions.

As of June 30, 2010, the five State-funded retirement systems were at a 45.4% funded ratio using a five year “smoothing” valuation of assets with \$75.741 billion in unfunded liability.

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

Other Postemployment Obligations

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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



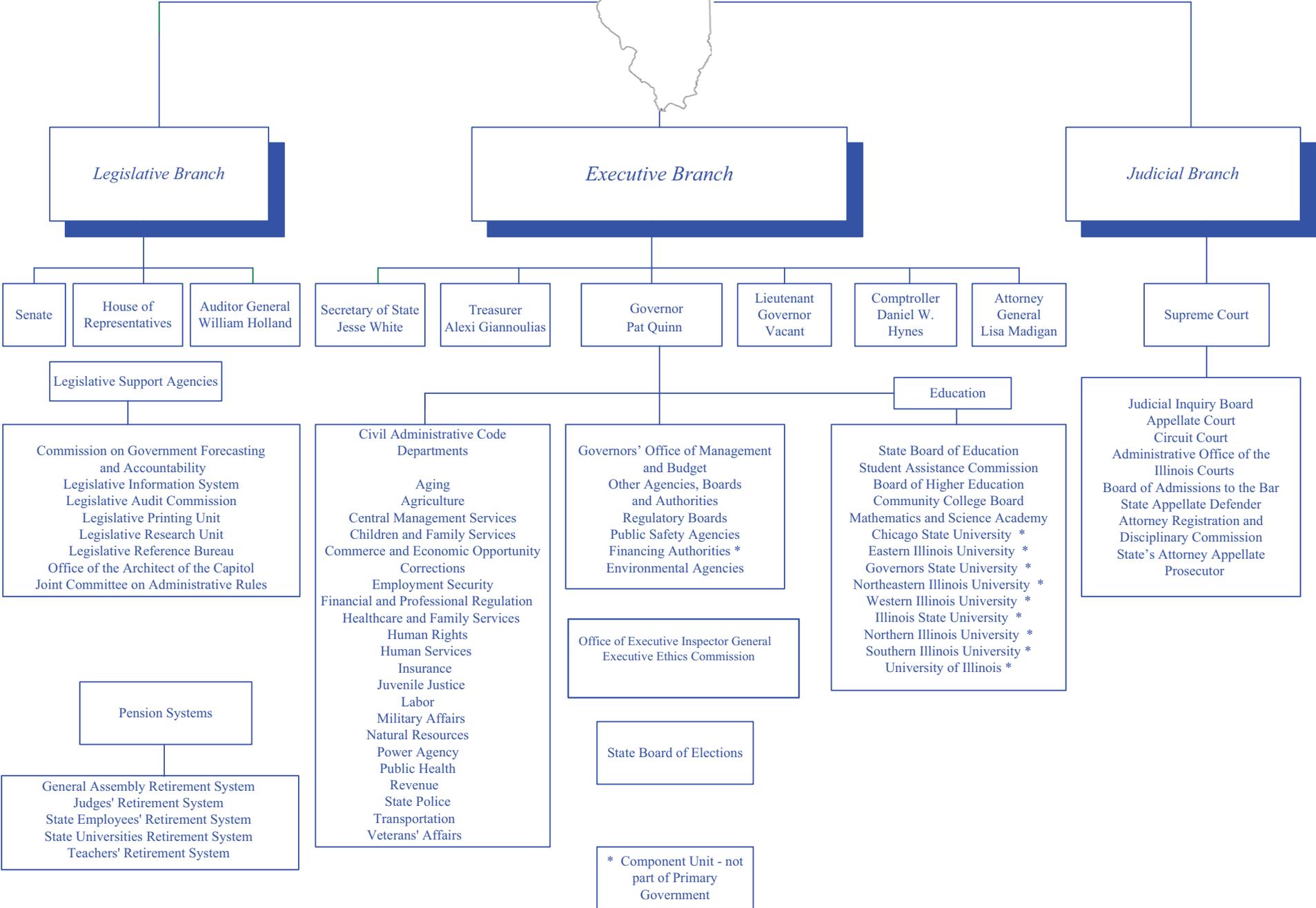
President

Executive Director

State of Illinois

Organizational Chart

June 30, 2010



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Financial Section

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SPRINGFIELD OFFICE:
ILES PARK PLAZA
740 EAST ASH • 62703-3154
PHONE: 217/782-6046
FAX: 217/785-8222 • TTY: 888/261-2887



CHICAGO OFFICE:
MICHAEL A. BILANDIC BLDG. • SUITE 5-900
160 NORTH LASALLE • 60601-3103
PHONE: 312/814-4000
FAX: 312/814-4006

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, 2010, which collectively comprise the State of Illinois' basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State of Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain university related organizations, which represent 8%, 18%, 5%, 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, 2010, 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, 2009 for prior year reporting errors.

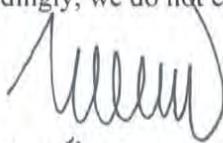
As discussed in Note 1, the State adopted the provisions of Governmental Accounting Standards Board (GASB) Statement 53, *Accounting and Financial Reporting for Derivative Instruments*, for the year ended June 30, 2010.

The deficit for net assets of governmental activities in fiscal year 2010 continued to increase by \$8,399,121,000 from \$29,461,762,000 at June 30, 2009 to \$37,860,883,000 at June 30, 2010. 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. Also as discussed in Note 22 to the basic financial statements: 1) the State issued additional debt subsequent to June 30, 2010; and 2) initiated a cash flow borrowing and general funds liquidity program involving transfers from various public funds.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 30, 2011 on our consideration of the State of Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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



WILLIAM G. HOLLAND
Auditor General
State of Illinois



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

Springfield, Illinois
June 30, 2011

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, 2010. Please read it in conjunction with the transmittal letter and with the State's financial statements which follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

Both statements report three activities:

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

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

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

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

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

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

The fund financial statements begin on page 22 and provide more detail than the government-wide financial statements, concentrating on information about the major individual funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the State uses to keep track of specific sources of funding and spending for a particular purpose. In addition to the major funds, individual fund data for the nonmajor funds is presented beginning on page 149. The State's funds are divided into three categories – governmental, proprietary, and fiduciary – with each using a different accounting method.

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

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

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

Additional Required Supplementary Information

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

Other Supplementary Information

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

FINANCIAL ANALYSIS OF THE STATE

The State's combined net assets decreased \$10.014 billion or 37.2% during the current fiscal year. The net assets of the State's governmental activities decreased \$8.399 billion or 28.5% and the net assets of the State's business-type activities decreased \$1.615 billion or 62.7%. 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, 2010 and 2009:

Net Assets as of June 30 (in millions of dollars)						
	Governmental		Business-type		Total Primary	
	Activities		Activities		Government	
	2010	2009	2010	2009	2010	2009
Assets:						
Current and other non-current assets	\$ 15,564	\$ 11,861	\$ 6,567	\$ 5,855	\$ 22,131	\$ 17,716
Capital assets	19,447	18,763	4	4	19,451	18,767
Deferred outflows of derivative instruments	117	-	-	-	117	-
Total assets and deferred outflow of resources	<u>35,128</u>	<u>30,624</u>	<u>6,571</u>	<u>5,859</u>	<u>41,699</u>	<u>36,483</u>
Liabilities:						
Other liabilities	17,930	13,713	3,251	1,017	21,181	14,730
Long-term liabilities	<u>55,059</u>	<u>46,373</u>	<u>2,361</u>	<u>2,268</u>	<u>57,420</u>	<u>48,641</u>
Total liabilities	<u>72,989</u>	<u>60,086</u>	<u>5,612</u>	<u>3,285</u>	<u>78,601</u>	<u>63,371</u>
Net assets:						
Invested in capital assets, net of related debt	14,771	14,230	4	4	14,775	14,234
Restricted	1,256	998	2,183	2,732	3,439	3,730
Unrestricted	<u>(53,888)</u>	<u>(44,690)</u>	<u>(1,228)</u>	<u>(162)</u>	<u>(55,116)</u>	<u>(44,852)</u>
Total net assets	<u>\$ (37,861)</u>	<u>\$ (29,462)</u>	<u>\$ 959</u>	<u>\$ 2,574</u>	<u>\$ (36,902)</u>	<u>\$ (26,888)</u>

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

The State's largest asset is its capital assets (\$19.451 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 (\$22.263 billion) and bonds payable obligation (\$28.748 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 \$5.216 billion from \$36.483 billion at June 30, 2009, to \$41.699 billion at June 30, 2010, due mainly to \$1.735 billion more in cash held at the State Treasurer and \$2.009 billion more in securities lending collateral balances. The State's increase in liabilities of \$15.230 billion from \$63.371 billion at June 30, 2009, to \$78.601 billion at June 30, 2010, resulted mainly from the issuance of \$7.669 billion in general obligation bonds and \$985 million in special obligation bonds, as well as increases in the State's net pension obligation of \$1.289 billion and net other postemployment benefit obligation of \$1.405 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)**

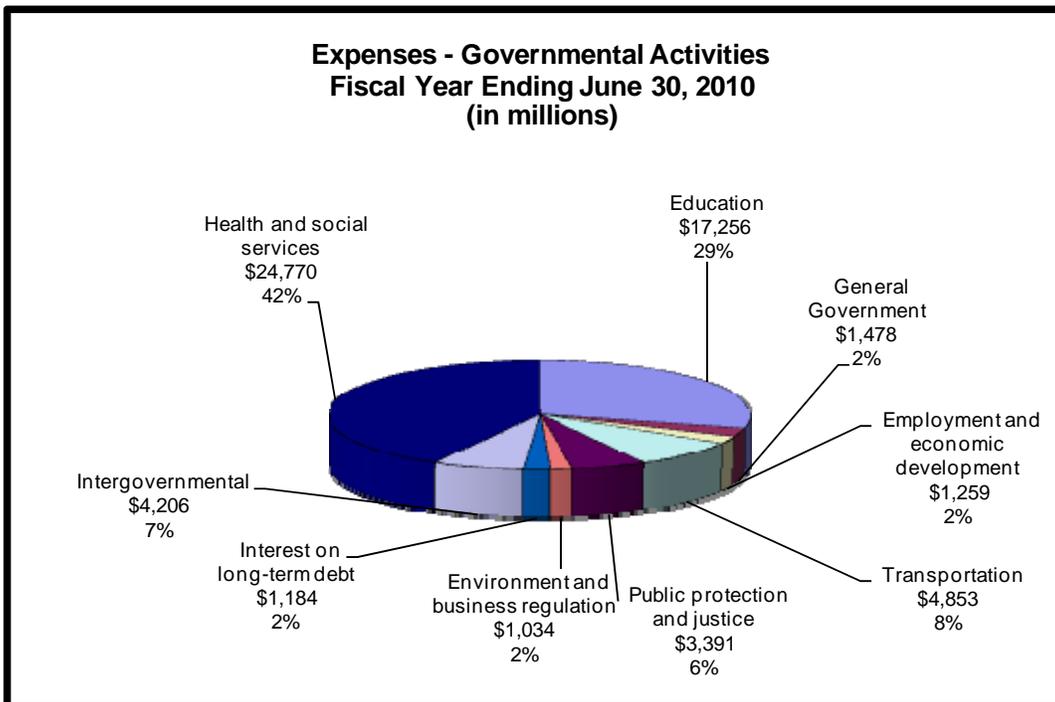
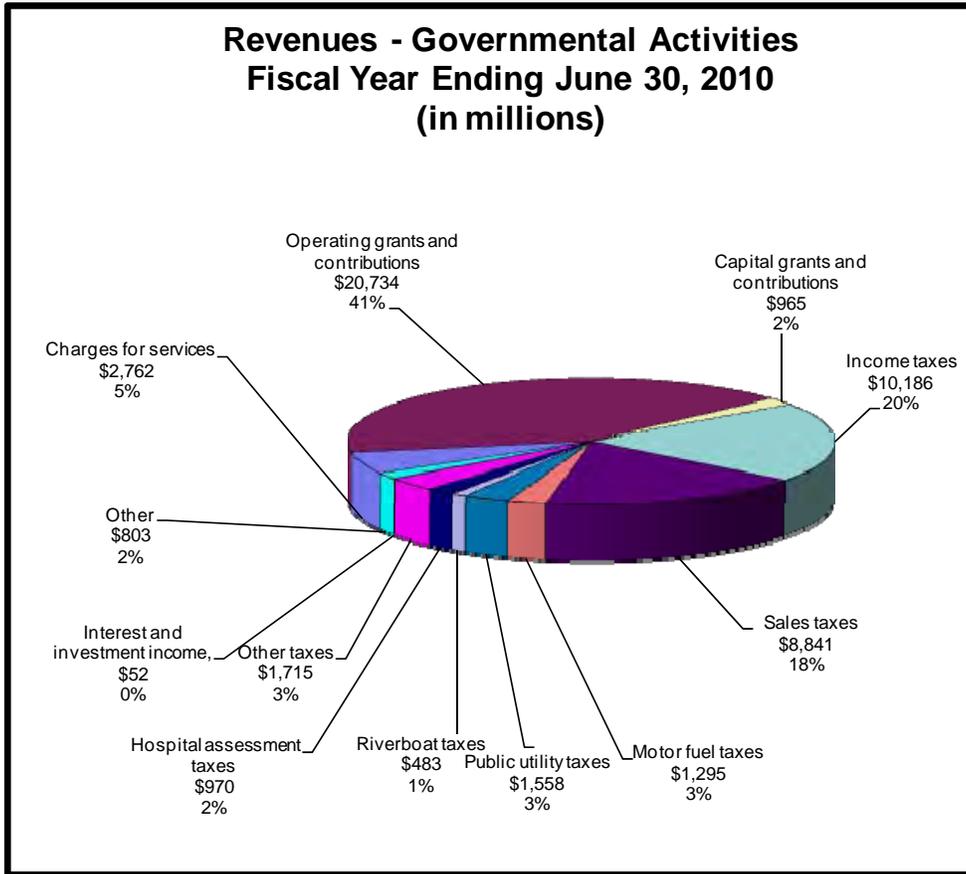
	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	2010	2009	2010	2009	2010	2009	2009 to 2010
Revenues							
Program revenues							
Charges for services	\$ 2,762	\$ 2,771	\$ 4,378	\$ 3,776	\$ 7,140	\$ 6,547	9.1%
Operating grants and contributions	20,734	18,041	5,087	1,867	25,821	19,908	29.7%
Capital grants and contributions	965	1,496	-	-	965	1,496	(35.5%)
General revenues							
Income taxes	10,186	11,845	-	-	10,186	11,845	(14.0%)
Sales taxes	8,841	9,157	-	-	8,841	9,157	(3.5%)
Motor fuel taxes	1,295	1,349	-	-	1,295	1,349	(4.0%)
Public utility taxes	1,558	1,678	-	-	1,558	1,678	(7.2%)
Riverboat taxes	483	533	-	-	483	533	(9.4%)
Hospital assessment taxes	970	978	-	-	970	978	(0.8%)
Other taxes	1,715	2,182	-	-	1,715	2,182	(21.4%)
Interest and investment earnings	52	140	5	76	57	216	(73.6%)
Other revenue	803	1,011	-	-	803	1,011	(20.6%)
Total revenues	50,364	51,181	9,470	5,719	59,834	56,900	5.2%
Expenses							
Health and social services	24,770	23,533	-	-	24,770	23,533	5.3%
Education	17,256	16,337	-	-	17,256	16,337	5.6%
General government	1,478	1,957	-	-	1,478	1,957	(24.5%)
Employment and economic development	1,259	862	-	-	1,259	862	46.1%
Transportation	4,853	4,275	-	-	4,853	4,275	13.5%
Public protection and justice	3,391	3,246	-	-	3,391	3,246	4.5%
Environment and business regulation	1,034	804	-	-	1,034	804	28.6%
Unemployment compensation fund	-	-	8,260	5,086	8,260	5,086	62.4%
Water revolving fund	-	-	114	18	114	18	533.3%
Prepaid tuition programs	-	-	87	75	87	75	16.0%
Designated account purchase program fund	-	-	57	63	57	63	(9.5%)
Lottery	-	-	1,544	1,444	1,544	1,444	6.9%
Federal student loans	-	-	215	200	215	200	7.5%
Other business-type activities	-	-	140	122	140	122	14.8%
Intergovernmental	4,206	4,631	-	-	4,206	4,631	(9.2%)
Interest	1,184	1,124	-	-	1,184	1,124	5.3%
Total expenses	59,431	56,769	10,417	7,008	69,848	63,777	9.5%
Excess (deficiency) before transfers	(9,067)	(5,588)	(947)	(1,289)	(10,014)	(6,877)	(45.6%)
Transfers	668	673	(668)	(673)	-	-	0.0%
(Decrease) in net assets	(8,399)	(4,915)	(1,615)	(1,962)	(10,014)	(6,877)	(45.6%)
Net assets - beginning, as restated	(29,462)	(24,547)	2,574	4,536	(26,888)	(20,011)	(34.4%)
Net assets - ending	<u>\$ (37,861)</u>	<u>\$ (29,462)</u>	<u>\$ 959</u>	<u>\$ 2,574</u>	<u>\$ (36,902)</u>	<u>\$ (26,888)</u>	<u>(37.2%)</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 decreased \$817 million (1.6%) during fiscal year 2010 with the largest revenue decrease consisting of \$1.659 billion in income taxes. This decrease was offset by significant increase in operating grants and contributions of \$2.693 billion.

The State's governmental activities expenses increased \$2.662 billion (4.7%) during fiscal year 2010. The State's two largest expenses, health and social services expenses and education expenses, increased \$1.237 billion and \$919 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 decreased \$1.615 billion during the fiscal year 2010. This decrease was attributed mainly to a \$1.733 billion decrease in net assets of the Unemployment Compensation Trust Fund, which had an increase in unemployment benefit expenses of \$3.174 billion as well as an increase in federal revenue of \$3.041 billion for reimbursement of extended unemployment benefits provided.

FINANCIAL ANALYSIS OF THE STATE'S MAJOR GOVERNMENTAL FUNDS

General Fund

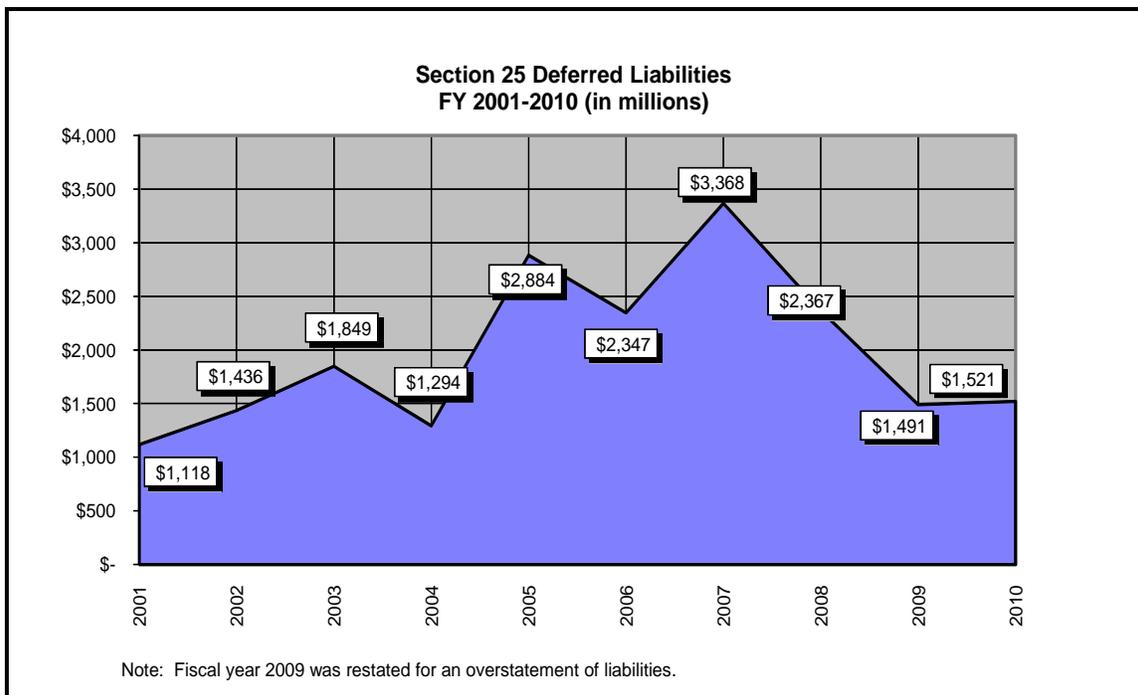
The General Fund accounts for resources obtained and used for those services traditionally provided by the State which are not required to be accounted for in another fund. Accordingly, the majority of the State's tax revenues and program support expenses are accounted for in the General Fund. For financial reporting purposes, the General Fund consists of several accounts of the State which are described on page 149. 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 2010 with a deficit for the ninth consecutive year. At June 30, 2010, the General Funds' budgetary fund balance was a deficit of \$6.094 billion compared to a \$3.673 billion deficit recorded at June 30, 2009. The original budget projected a \$6.485 billion deficit at the end of the fiscal year. The final budget projected a \$5.182 billion deficit. Most of the difference between the General Funds' original budget and the final budget is a result of \$1.250 billion in short-term borrowings which were not originally budgeted.

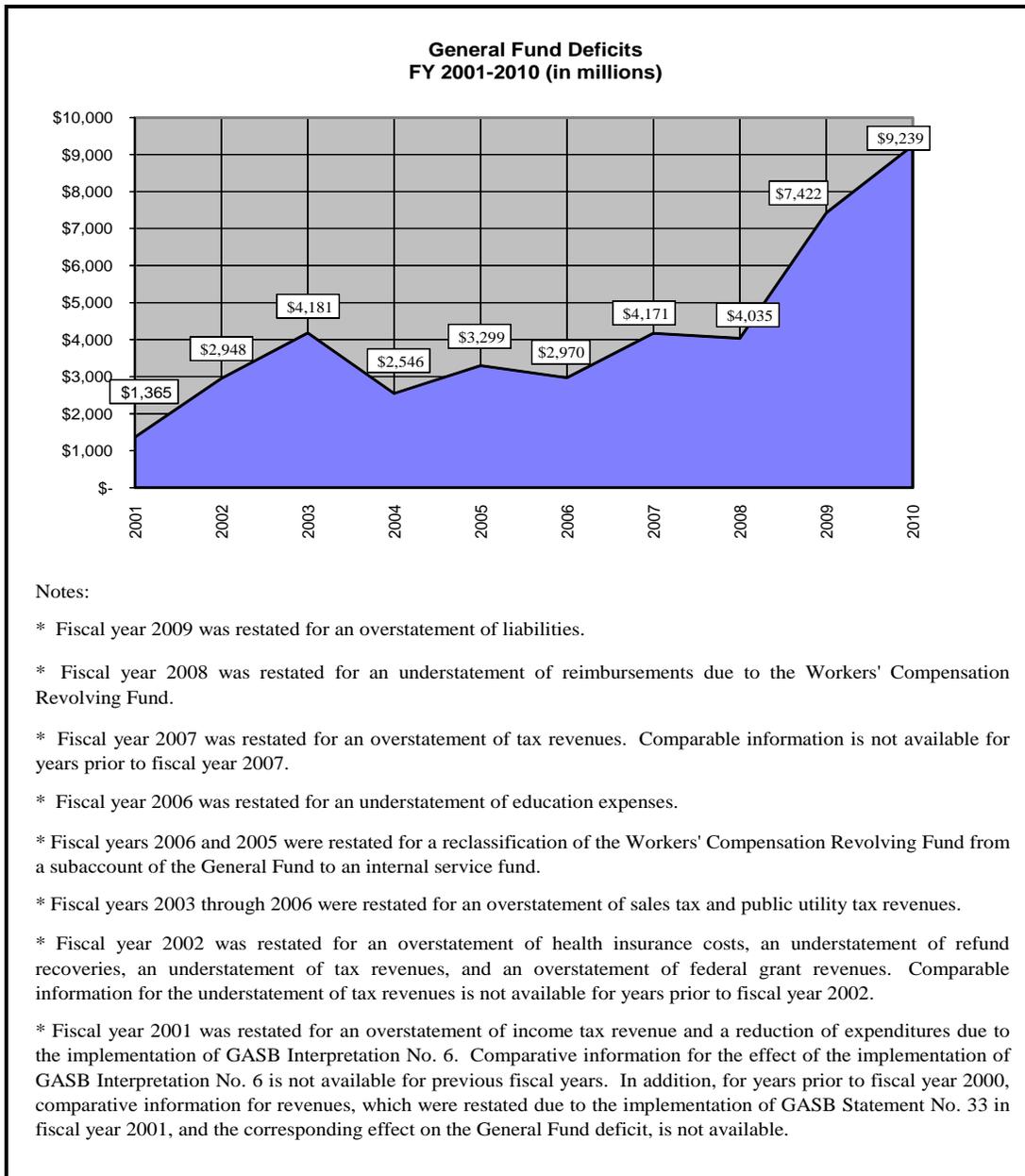
The majority of the \$912 million decrease in the General Funds' budgetary balance between the final budget and the actual results was due to \$1.810 billion less in actual revenues than budgeted revenues and \$898 million less in actual expenditures than budgeted expenditures. Actual federal government revenues were \$1.518 billion less than budgeted due mostly to a shift in Medicaid spending to the Healthcare Provider Relief Fund, which showed federal government revenues of \$1.098 billion. Health and social services expenditures were \$717 million less than final budgeted amounts.

The General Fund's assets at June 30, 2010, were \$6.113 billion, which is an increase of \$967 million from the June 30, 2009, balance of \$5.146 billion. Securities lending collateral of the State Treasurer increased \$1.235 billion and amounts due from other funds increased \$118 million, while cash decreased \$373 million from June 30, 2009. The increase in securities lending collateral was due to the increase in investing in securities lending activity by the State's internal investment pool.

The General Fund's liabilities at June 30, 2010, were \$15.352 billion, which is an increase of \$2.784 billion from the June 30, 2009, balance of \$12.568 billion. The factors that determine a significant portion of the General Fund liabilities are the accrued liabilities payable from future year's appropriations. Accounts payable and accrued liabilities increased \$1.171 billion from June 30, 2009 mostly due to cash flow problems causing the State to hold over \$4.434 billion in payments in the General Fund at June 30, 2010 compared to \$2.784 billion at June 30, 2009. 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 \$30 million from \$1.491 billion at June 30, 2009 to \$1.521 billion at June 30, 2010.



During fiscal year 2010, the General Fund's fund balance decreased from a deficit of \$7.422 billion to a deficit of \$9.239 billion, a \$1.817 billion decrease. The current year decrease in the fund balance was mainly a result of a \$279 million decrease in revenues and a \$1.763 billion decrease in expenditures in comparison to fiscal year 2009 which had a decrease in fund balance of \$3.118 billion.



During fiscal year 2010, General Fund revenues decreased \$279 million to \$31.617 billion. Decreases in income taxes and sales taxes of \$1.481 billion and \$247 million, respectively, were the largest decreases in revenues. The decreases were the result of the economic recession of the State, along with the entire nation, during the fiscal year. These decreases were offset by an increase in federal government revenue of \$1.501 billion, mostly associated from proceeds of the American Recovery and Reinvestment Act. General Fund expenditures decreased \$1.763 billion to \$31.845 billion in fiscal year 2010 due mainly to decreased spending on education programs of \$2.036 billion.

Road Fund

The Road Fund incurred a \$270 million decrease in fund balance in the current year and has a \$197 million fund balance. Revenues decreased \$192 million during the fiscal year, while expenditures increased \$246 million.

State Construction Account

The State Construction Account's fund balance decreased \$64 million in fiscal year 2010 to an ending fund balance of \$145 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

At June 30, 2010, the State had \$19.451 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	
	2010	2009	2010	2009	2010	2009
Land and land improvements	\$ 2,805	\$ 2,729			\$ 2,805	\$ 2,729
Site improvements	357	368			357	368
Buildings and building improvements	2,212	2,251	\$ 1	\$ 1	2,213	2,252
Equipment	232	245	3	3	235	248
Intangible assets	124	82			124	82
Infrastructure	13,628	13,000			13,628	13,000
Other	38	38			38	38
Subtotal	19,396	18,713	4	4	19,400	18,717
Construction in progress	51	50			51	50
Total	\$ 19,447	\$ 18,763	\$ 4	\$ 4	\$ 19,451	\$ 18,767

Infrastructure assets consist of 70% of the State's net capital assets and comprise \$1.646 billion of the \$1.898 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 75.

Debt Administration:

Bonded Indebtedness

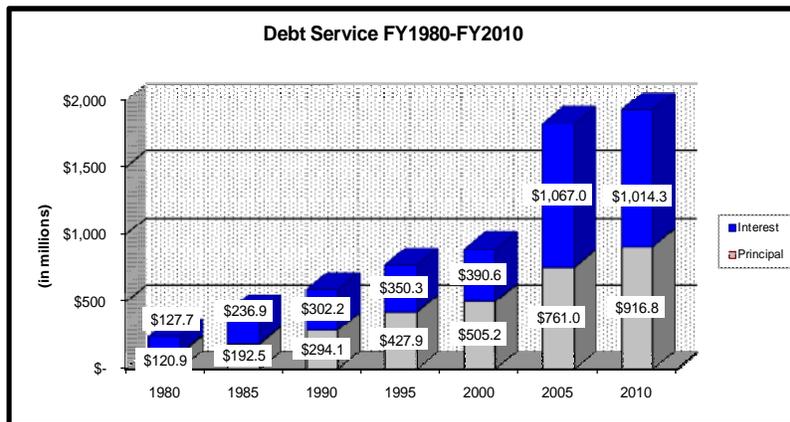
The State, certain State agencies and component units of the State are empowered by law to authorize, issue, and sell debt obligations. General obligation bonds, issued by the State, are backed by the full faith and credit of the State and are considered a direct debt of the State. Special obligation 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

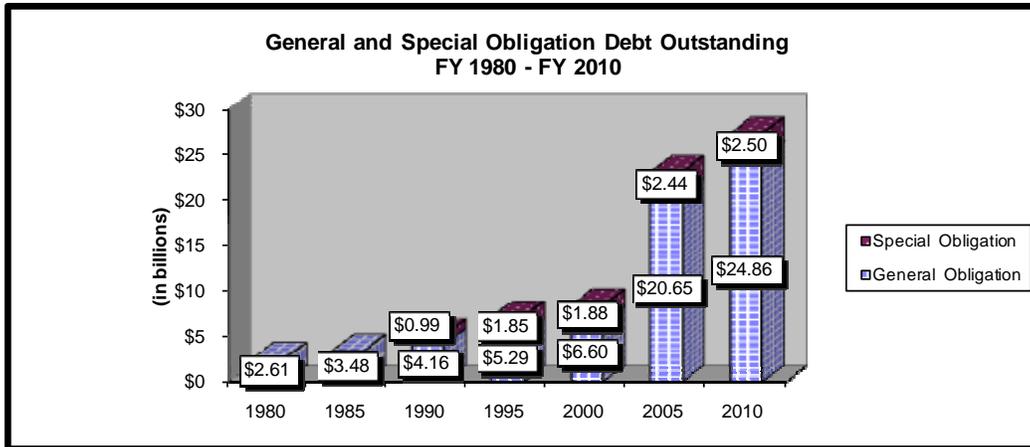
considered conduit debt which implies no obligation for the State. More detailed information regarding the State's long-term debt obligations is presented in Notes 9, 10 and 11 to the financial statements beginning on page 84.

Outstanding Bonded Debt as of June 30 (in millions of dollars)						
Primary Government	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
	General obligation bonds (backed by the State)	\$ 24,863	\$ 19,431			\$ 24,863
Special obligation bonds (backed by specific fee revenue)	2,499	2,147			2,499	2,147
Revenue bonds (backed by specific tax and fee revenue)			\$ 1,023	\$ 1,031	1,023	1,031
	\$ 27,362	\$ 21,578	\$ 1,023	\$ 1,031	\$ 28,385	\$ 22,609

As shown above, Illinois had outstanding general and special obligation bonds at June 30, 2010 totaling \$27.362 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 \$9.850 billion and \$3.466 billion for pension purposes, issued in 2003 and 2010, respectively, are included in the outstanding general obligation bonds as of June 30, 2010.

General and special obligation bonds, excluding refunding bonds, aggregating \$6.168 billion and \$530 million, respectively, were issued during fiscal year 2010 at interest rates ranging from 1.395% to 6.9%. Debt service principal of \$917 million and interest costs of \$1.014 billion were paid and charged, respectively, in fiscal year 2010. The dramatic increase in debt service payments and outstanding debt since fiscal year 1980 is displayed in the following charts:





In addition to general and special obligation bonds, the primary government had \$1.023 billion of revenue bonds and \$6.773 billion of non-pension long-term obligations outstanding as of June 30, 2010.

The State’s general obligation bond ratings were A1 with a Stable Outlook by Moody’s Investor Services, A+ with a Credit Watch Negative by Standard and Poor’s, and A with a Negative Outlook by Fitch Ratings as of June 30, 2010. These ratings were downgraded from A1, AA-, and AA-, respectively, as of June 30, 2009. In addition, since June 30, 2010 the ratings have been downgraded to A1 with a Negative Outlook by Moody’s Investor Services, downgraded to A+ with a Negative Outlook by Standard and Poor’s, and upgraded to A with a Stable Outlook by Fitch Ratings.

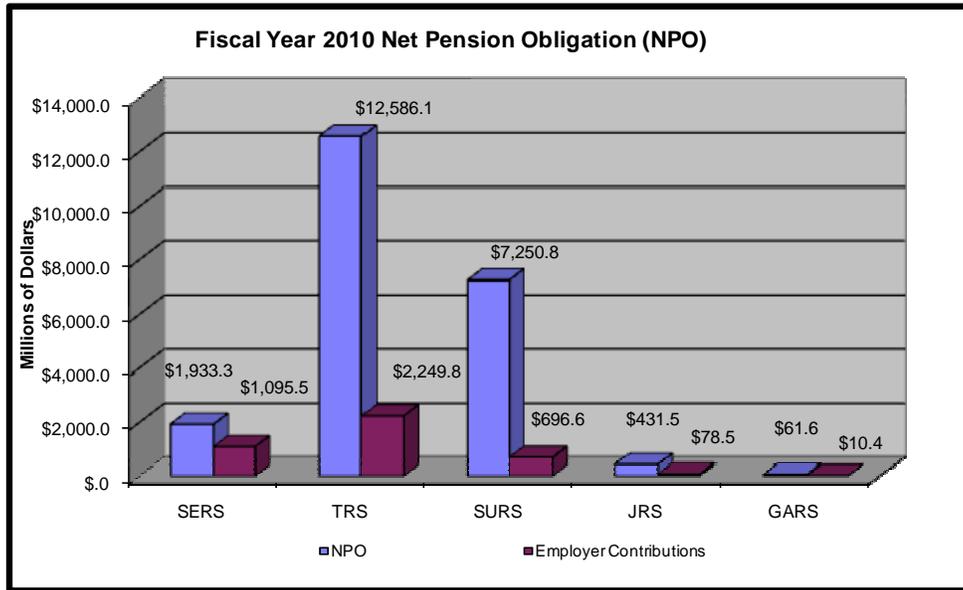
The State’s special obligation–Build Illinois Bonds – ratings were A1 with a Stable Outlook from Moody’s Investor Services, AAA with a Stable Outlook from Standard and Poor’s, and AA+ with Negative Outlook from Fitch Ratings as of June 30, 2010. These ratings were downgraded from Aa3, AAA, and AA, respectively, at June 30, 2009. Since June 30, 2010, the ratings have been downgraded to A1 with a Negative Outlook by Moody’s and AA- with a Stable Outlook by Fitch Ratings, while Standard and Poor’s rating remained unchanged.

Retirement Systems

Besides general and special obligation bond indebtedness, the State’s largest liability is its net pension obligation. During fiscal year 2010, this obligation increased \$1.288 billion from \$20.975 billion at June 30, 2009, to \$22.263 billion at June 30, 2010. Of the \$1.288 billion increase, \$632 million occurred at Teachers’ Retirement System where the annual pension cost (“APC”) was calculated to be \$2.882 billion and employer contributions were \$2.250 billion. In addition, at State Universities Retirement System the APC was calculated to be \$1.213 billion and employer contributions were \$697 million while at State Employees Retirement System the APC was calculated to be \$1.214 billion and employer contributions were \$1.096 billion.

During fiscal year 2010, 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 2010

Illinois continued to suffer from the effects of the intense recession during fiscal year 2010. 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 5.597 million workers in fiscal year 2010, a decrease of 222,000 jobs or 3.8% below 2009 employment and 448,000 jobs or 7.4% 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 5.910 million Illinoisans were employed in fiscal year 2010, down 176,000 or 2.9% from the prior year employment level.

The average Illinois unemployment rate increased from 4.6% and 5.6% in fiscal year 2007 and 2008, respectively, to 8.2% in fiscal year 2009 and 10.9% in fiscal year 2010. The increased average unemployment rate was caused by the drop in employment levels and the growth in the average number of unemployed which more than doubled from 306,000 during fiscal year 2007 to 721,000 for fiscal year 2010.

The shift in Illinois employment from the manufacturing to the service sectors continued in fiscal year 2010. Average fiscal year 2010 manufacturing employment of 559,000 jobs was down 62,000 jobs or 10.0% from fiscal year 2009 and down 348,000 jobs or 38.3% from the cyclical peak manufacturing employment of 907,000 jobs during fiscal year 1998.

A more comprehensive measure of Illinois' economic performance is the change in state personal income adjusted for inflation. This value decreased 1.1% in fiscal year 2010 as nominal personal income fell 0.1% and the consumer price index was up 1.0%. State personal income adjusted for inflation had decreased 1.4% in fiscal year 2009 ending a six year period of annual economic growth.

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. Subsequent to year end, the legislature voted to raise the individual income tax rates from 3% to 5% and the corporate income tax rate from 4.8% to 7%, effective January 1, 2011. The legislation provides for decreases in these rates in 2015, and again in 2025. This legislation will help relieve revenue pressures on the State from the continued economic deterioration.

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, 2010. 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, 2010 (Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash equity with State Treasurer	\$ 7,175,057	\$ 577,901	\$ 7,752,958	\$ 488,736
Cash and cash equivalents	173,938	142,776	316,714	933,829
Deposits held by federal government		437,393	437,393	
Securities lending collateral of State Treasurer	2,742,912	182,612	2,925,524	566
Investments	57,589	1,006,654	1,064,243	960,993
Securities lending collateral				82,720
Receivables, net:				
Taxes	1,306,118	402,356	1,708,474	
Intergovernmental	2,810,840	218,866	3,029,706	170,853
Other	499,775	206,021	705,796	448,801
Internal balances	(71,358)	71,358	-- --	
Due from fiduciary funds	3,672	380	4,052	
Due from component units	456,613	803	457,416	85,525
Due from primary government				819,985
Inventories	104,808	657	105,465	49,794
Prepaid expenses	13,703	325	14,028	51,149
Unamortized bond issuance costs	88,046	1,996	90,042	50,951
Loans and notes receivable, net	55,769	1,604,442	1,660,211	1,970,892
Restricted assets:				
Cash equity with State Treasurer	101,173		101,173	149,118
Cash and cash equivalents	1,642	49,107	50,749	693,132
Investments	20,027	229,436	249,463	2,532,759
Intergovernmental receivables	884		884	
Securities lending collateral of State Treasurer				6,326
Other receivables	98	23,256	23,354	4,810
Loans and notes receivable, net	2,345	1,410,792	1,413,137	67,080
Other assets				2,255
Other assets	20,087		20,087	41,993
Capital assets not being depreciated	2,999,581	190	2,999,771	1,230,479
Capital assets being depreciated, net	16,447,096	3,608	16,450,704	9,758,769
Total assets	35,010,415	6,570,929	41,581,344	20,601,515
Deferred outflow of resources	117,768		117,768	24,594
Total assets and deferred outflow of resources	35,128,183	6,570,929	41,699,112	20,626,109
LIABILITIES				
Accounts payable and accrued liabilities	9,086,262	300,859	9,387,121	891,474
Intergovernmental payables	4,406,298	63,902	4,470,200	3,194
Due to fiduciary funds	80,515		80,515	
Due to component units	746,489	75,757	822,246	85,525
Due to primary government				451,631
Unearned revenue	749,753	27,951	777,704	446,162
Obligations under security lending of State Treasurer	2,742,912	182,612	2,925,524	6,892
Securities lending collateral				82,720
Assets held for others				219,962
Short-term notes and general obligation certificates payable		2,599,756	2,599,756	17,321
Derivative instrument - swap liability	117,768		117,768	28,253
Other liabilities				33,632
Long-term obligations:				
Due within one year	2,217,353	165,549	2,382,902	864,422
Due subsequent to one year	52,841,716	2,195,908	55,037,624	8,384,330
Total liabilities	72,989,066	5,612,294	78,601,360	11,515,518
NET ASSETS				
Invested in capital assets, net of related debt	14,770,681	3,791	14,774,472	4,586,899
Restricted for:				
Debt service	1,079,972	41,369	1,121,341	284,644
Capital projects				51,917
Repayment of loan from component unit		288,435	288,435	
Municipal lending		1,765,630	1,765,630	
Education	2,276	87,058	89,334	
Employment and economic development	42,186		42,186	
Health and social services	27,605		27,605	
Public protection and justice	23,912		23,912	
Environment and business regulation	44,202		44,202	
Transportation	23,302		23,302	
Other purposes	11,942		11,942	35,851
Funds held as permanent investments:				
Nonexpendable purposes	1,154		1,154	1,013,185
Expendable purposes	511		511	1,647,824
Unrestricted net assets	(53,888,626)	(1,227,648)	(55,116,274)	1,490,271
Total net assets	\$ (37,860,883)	\$ 958,635	\$ (36,902,248)	\$ 9,110,591

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, 2010 (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	\$ 24,770,554	\$ 173,099	\$ 15,053,075	\$ (3,863)
Education	17,255,748	5,222	3,658,084	
General government	1,478,124	1,891,921	21,336	34,293
Employment and economic development	1,258,762	29,567	933,733	
Transportation	4,852,940	117,720	712,659	932,482
Public protection and justice	3,391,692	107,568	217,119	
Environment and business regulation	1,033,959	436,716	137,915	1,522
Intergovernmental-revenue sharing	4,205,934			
Interest	1,183,995			
Total governmental activities	<u>59,431,708</u>	<u>2,761,813</u>	<u>20,733,921</u>	<u>964,434</u>
Business-type activities				
Unemployment compensation trust	8,259,960	1,849,486	4,685,503	
Water revolving	113,383	44,940	193,723	
Prepaid tuition program	86,447	90,249		
Designated account purchase program	57,250	55,073		
Lottery	1,544,196	2,196,315		
Self-insurer's security	3,098	(10,118)		
Federal student loans	214,905	22,451	207,134	
Other	137,233	129,250	156	
Total business-type activities	<u>10,416,472</u>	<u>4,377,646</u>	<u>5,086,516</u>	
Total primary government	<u>\$ 69,848,180</u>	<u>\$ 7,139,459</u>	<u>\$ 25,820,437</u>	<u>\$ 964,434</u>
Component units				
Authorities				
Illinois Housing Development Authority	\$ 310,028	\$ 101,335	\$ 256,876	
Toll Highway Authority	871,880	657,990		
Other Authorities	214,608	136,786	8,017	\$ 11
Universities				
Illinois State University	451,440	236,169	41,131	864
Northern Illinois University	518,142	264,539	82,668	
Southern Illinois University	1,036,553	479,222	126,824	2,741
University of Illinois	4,639,381	2,276,694	1,103,611	61,898
Other Universities	874,979	390,099	104,395	450
Total component units	<u>\$ 8,917,011</u>	<u>\$ 4,542,834</u>	<u>\$ 1,723,522</u>	<u>\$ 65,964</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				
Gain on capital assets traded-in				
Payments from the State of Illinois				
Additions to permanent endowments				
Transfers				
Total general revenues, payments from the State of Illinois, additions to permanent funds and transfers				
Change in net assets				
Net assets, July 1, 2009, as restated				
Net assets, June 30, 2010				

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
\$ (9,548,243)		\$ (9,548,243)	
(13,592,442)		(13,592,442)	
469,426		469,426	
(295,462)		(295,462)	
(3,090,079)		(3,090,079)	
(3,067,005)		(3,067,005)	
(457,806)		(457,806)	
(4,205,934)		(4,205,934)	
(1,183,995)		(1,183,995)	
<u>(34,971,540)</u>			
	\$ (1,724,971)	(1,724,971)	
	125,280	125,280	
	3,802	3,802	
	(2,177)	(2,177)	
	652,119	652,119	
	(13,216)	(13,216)	
	14,680	14,680	
	<u>(7,827)</u>	<u>(7,827)</u>	
	<u>(952,310)</u>		
		<u>(35,923,850)</u>	
			\$ 48,183
			(213,890)
			(69,794)
			(173,276)
			(170,935)
			(427,766)
			(1,197,178)
			<u>(380,035)</u>
			<u>(2,584,691)</u>
10,186,345		10,186,345	
8,840,841		8,840,841	
1,295,473		1,295,473	
1,558,036		1,558,036	
483,091		483,091	
969,933		969,933	
1,715,169		1,715,169	
52,233	4,785	57,018	247,217
803,293		803,293	506,169
19		19	
			2,538,186
			47,551
<u>667,986</u>	<u>(667,986)</u>	<u>-</u>	
<u>26,572,419</u>	<u>(663,201)</u>	<u>25,909,218</u>	<u>3,339,123</u>
(8,399,121)	(1,615,511)	(10,014,632)	754,432
(29,461,762)	2,574,146	(26,887,616)	8,356,159
<u>\$ (37,860,883)</u>	<u>\$ 958,635</u>	<u>\$ (36,902,248)</u>	<u>\$ 9,110,591</u>

State of Illinois

**Balance Sheet -
Governmental Funds**

June 30, 2010 (Expressed in Thousands)

	General Fund	Road Fund	State Construction Account	Other Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash equity with State Treasurer	\$ 1,127,450	\$ 571,795	\$ 193,973	\$ 5,291,437	\$ 7,184,655
Cash and cash equivalents	2,365	326	66	137,893	140,650
Securities lending collateral of State Treasurer	1,826,583	427,191	51,591	411,941	2,717,306
Investments				77,616	77,616
Receivables, net:					
Taxes	993,103			313,015	1,306,118
Intergovernmental	1,818,197	198,966		783,262	2,800,425
Other	137,958	26,273	2,359	294,229	460,819
Due from other funds	158,499	53,645	36,524	1,333,481	1,582,149
Due from component units	756	61,672		366,126	428,554
Inventories	27,169	53,671		14,569	95,409
Loans and notes receivable, net	6,337			51,777	58,114
Other assets	15,000			5,087	20,087
Total assets	\$ 6,113,417	\$ 1,393,539	\$ 284,513	\$ 9,080,433	\$ 16,871,902
LIABILITIES					
Accounts payable and accrued liabilities	\$ 6,783,172	\$ 234,822	\$ 78,009	\$ 600,493	\$ 7,696,496
Intergovernmental payables	1,969,940	210,282	2,068	2,211,756	4,394,046
Due to other funds	2,771,573	148,373		429,129	3,349,075
Due to component units	568,996	125,947	1,107	49,955	746,005
Unavailable revenue	974,352	38,555		450,588	1,463,495
Unearned revenue	458,017	11,822	6,830	271,654	748,323
Obligations under security lending of State Treasurer	1,826,583	427,191	51,591	411,941	2,717,306
Matured portion of long-term liabilities	65				65
Total liabilities	15,352,698	1,196,992	139,605	4,425,516	21,114,811
FUND BALANCES (DEFICITS)					
Reserved for:					
Encumbrances	10,496	691		26,967	38,154
Long-term portion of:					
Loans and notes receivable	6,337			51,777	58,114
Due from State of Illinois component units				345,798	345,798
Inventories	27,169	53,671		14,569	95,409
Other purposes				8,041	8,041
Unreserved:					
Designated for reappropriated accounts, reported in:					
Special revenue funds		142,185	144,908	32,663	319,756
Capital projects funds				950,796	950,796
Undesignated:					
General fund	(9,283,283)				(9,283,283)
Special revenue funds				1,076,553	1,076,553
Debt service funds				1,061,585	1,061,585
Capital projects funds				1,085,657	1,085,657
Permanent funds				511	511
Total fund balances (deficits)	(9,239,281)	196,547	144,908	4,654,917	(4,242,909)
Total liabilities and fund balances (deficits)	\$ 6,113,417	\$ 1,393,539	\$ 284,513	\$ 9,080,433	\$ 16,871,902

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, 2010
(Expressed in Thousands)

Total fund balances-governmental funds \$ (4,242,909)

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 \$267,404, are not financial resources and therefore are not reported in the funds. 19,179,273

Prepaid expenses for governmental activities are current uses of financial resources for funds. 13,702

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. 88,046

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. 110,257

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. 368,504

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. 1,463,495

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 \$589,356, consist of:

Net pension obligation	\$ (22,263,271)	
Net other postemployment benefit obligation	(3,878,792)	
General obligation bonds	(24,862,604)	
Special obligation bonds	(2,499,242)	
Unamortized premiums	(478,908)	
Unamortized discounts	1,965	
Financing payable under swap	(38,334)	
Other commitments	(5,315)	
Compensated absences	(446,903)	
Certificates of participation	(47,265)	
Pollution remediation obligation	(35,979)	
Auto liability	(14,414)	
Capital leases	(6,244)	
Installment purchases	(4,599)	
Accrued interest	(261,346)	
	(54,841,251)	(54,841,251)

Net assets of governmental activities **\$ (37,860,883)**

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, 2010 (Expressed in Thousands)

	General Fund	Road Fund	State Construction Account	Other Nonmajor Funds	Total Governmental Funds
REVENUES					
Income taxes	\$ 9,323,626			\$ 809,319	\$ 10,132,945
Sales taxes	6,411,741			2,408,460	8,820,201
Motor fuel taxes				1,302,000	1,302,000
Public utility taxes	1,085,620			479,346	1,564,966
Riverboat taxes				483,091	483,091
Hospital assessment taxes	970,164				970,164
Other taxes	1,630,221			292,886	1,923,107
Federal government	10,625,459	\$ 1,498,934		8,960,001	21,084,394
Licenses and fees	450,352	840,024	\$ 464,480	539,212	2,294,068
Interest and other investment income	28,175	5,325	976	17,618	52,094
Other	1,092,102	109,142		774,292	1,975,536
Total revenues	31,617,460	2,453,425	465,456	16,066,225	50,602,566
EXPENDITURES					
Current:					
Health and social services	18,411,361			6,044,464	24,455,825
Education	9,901,244			5,623,783	15,525,027
General government	903,204			412,997	1,316,201
Employment and economic development	118,274			1,075,100	1,193,374
Transportation	78,905	2,152,504	29,093	1,437,526	3,698,028
Public protection and justice	2,309,966			693,404	3,003,370
Environment and business regulation	102,125			842,744	944,869
Debt service:					
Principal	2,015	1		923,260	925,276
Interest	859			1,072,573	1,073,432
Capital outlays	16,712	574,137	708,084	583,907	1,882,840
Intergovernmental				4,205,934	4,205,934
Total expenditures	31,844,665	2,726,642	737,177	22,915,692	58,224,176
Excess (deficiency) of revenues over (under) expenditures	(227,205)	(273,217)	(271,721)	(6,849,467)	(7,621,610)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES					
General and special obligation bonds issued	246,095			6,451,920	6,698,015
Premiums on general and special obligation bonds issued	3,903			38,937	42,840
General and special obligation refunding bonds issued				1,956,380	1,956,380
Premiums on general and special obligation refunding bonds issued				157,131	157,131
Transfers-in	3,810,181	305,513	207,275	7,052,543	11,375,512
Transfers-out	(5,653,520)	(302,241)		(4,735,929)	(10,691,690)
Payments to refunded bond escrow agent				(2,090,772)	(2,090,772)
Capital lease financing	812			189	1,001
Net other sources (uses) of financial resources	(1,592,529)	3,272	207,275	8,830,399	7,448,417
Net change in fund balances	(1,819,734)	(269,945)	(64,446)	1,980,932	(173,193)
Fund balances (deficits), July 1, 2009, as restated	(7,422,334)	466,273	209,354	2,676,633	(4,070,074)
Increase (decrease) for changes in inventories	2,787	219		(2,648)	358
FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (9,239,281)	\$ 196,547	\$ 144,908	\$ 4,654,917	\$ (4,242,909)

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, 2010
(Expressed in Thousands)

Net change in fund balances	\$ (173,193)
Change in inventories	358
	(172,835)

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. (4,903)

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

Capital outlays	\$ 1,882,840	
Depreciation expense	(1,178,682)	
Excess of capital outlays over depreciation expense		704,158

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 (\$7,974) and capital assets received as forfeitures (\$547) in this amount. 8,521

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

Gain on capital assets traded-in	19	
Loss on capital assets scrapped, damaged, or stolen	(2,360)	
Net increase in net assets for noncash capital asset activity		(2,341)

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. (6,628)

Internal service funds are used to charge the costs of certain activities to individual funds. The net expense of the internal service funds is reported as governmental activities in the Statement of Activities. (7,570)

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. (292,965)

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

Bond proceeds, including premiums of \$199,971	(6,763,594)	
Bond issuance costs deferred	42,448	
Bond principal retirements	916,760	
Deferred loss on current year refundings of debt	83,796	
Accrued interest paid to refunding agent	(91,877)	
Amortization of bond premiums	60,628	
Amortization of bond discounts	(119)	
Amortization of bond issuance costs	(9,114)	
Amortization of deferred loss on refundings of debt	(14,468)	
Amortization of financing payable under swap	1,643	
Capital lease and installment purchase agreement proceeds	(1,001)	
Capital lease and installment purchase principal retirements	3,386	
Certificates of participation principal retirements	5,130	
Net decrease in change in fund balance of governmental funds from long-term debt transactions		(5,766,382)

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	(1,288,567)	
Increase in net other postemployment benefit obligation	(1,404,538)	
Increase in compensated absences obligation	(15,924)	
Interest accreted on capital appreciation debt	(45,640)	
Increase in auto liability obligation	(623)	
Increase in pollution remediation obligations	(5,964)	
Increase in accrued interest on obligations	(97,983)	
Decrease in other obligations	1,063	
Net increase in expenses for net increase in long-term liabilities not reported in governmental funds		(2,858,176)

Change in net assets of governmental activities	\$ (8,399,121)
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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, 2010 (Expressed in Thousands)

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Major				Nonmajor Enterprise Funds	Total	
	Unemployment Compensation Trust Fund	Water Revolving Fund	Prepaid Tuition Fund	Designated Account Purchase Program Fund			
ASSETS							
Cash equity with State Treasurer		\$ 395,175	\$ 12,127	\$ 1	\$ 170,598	\$ 577,901	\$ 91,575
Cash and cash equivalents	\$ 117,124	12,055	2,682	731	10,184	142,776	34,930
Deposits held by federal government	437,393					437,393	
Securities lending collateral of State Treasurer		146,031			36,581	182,612	25,606
Investments			56		29,129	29,185	
Receivables, net:							
Taxes	402,356					402,356	
Intergovernmental	133,699	46,352			38,815	218,866	11,299
Other	178,658	13,160	1	5	14,197	206,021	39,054
Due from other funds	34,423			7	88,884	123,314	1,666,054
Due from component units	408	395				803	28,059
Loans and notes receivable, net		127,387				127,387	
Restricted assets:							
Cash and cash equivalents				49,107		49,107	
Investments				229,436		229,436	
Other receivables, net		1,693		21,563		23,256	
Loans and notes receivable, net		34,393		177,596		211,989	
Unamortized bond issuance costs		102		192		294	
Inventories					657	657	9,399
Prepaid expenses					325	325	1
Total current assets	1,304,061	776,743	14,866	478,638	389,370	2,963,678	1,905,977
Investments			971,425		6,044	977,469	
Loans and notes receivable, net		1,477,055				1,477,055	
Restricted loans and notes receivable, net		252,349		946,454		1,198,803	
Unamortized bond issuance costs		432		1,270		1,702	
Capital assets not being depreciated					190	190	38,369
Capital assets being depreciated, net		168		25	3,415	3,608	229,035
Total noncurrent assets		1,730,004	971,425	947,749	9,649	3,658,827	267,404
Total assets	1,304,061	2,506,747	986,291	1,426,387	399,019	6,622,505	2,173,381
LIABILITIES							
Accounts payable and accrued liabilities	183,442	39	948	2,631	113,799	300,859	1,128,420
Intergovernmental payables	7,152	45,532		2,820	8,398	63,902	12,252
Due to other funds	6,681	115		3,927	40,853	51,576	47,329
Due to component units		75,505	98	151	3	75,757	484
Unearned revenue					27,951	27,951	1,430
Obligations under securities lending of State Treasurer		146,031			36,581	182,612	25,606
Short-term notes payable	2,239,582			360,174		2,599,756	
Current portion of long-term obligations		31	75,015	88,384	2,119	165,549	151,189
Total current liabilities	2,436,857	267,253	76,061	458,087	229,704	3,467,962	1,366,710
Noncurrent portion of long-term obligations		1,520	1,248,118	931,721	14,549	2,195,908	438,167
Total liabilities	2,436,857	268,773	1,324,179	1,389,808	244,253	5,663,870	1,804,877
NET ASSETS							
Invested in capital assets, net of related debt		161		25	3,605	3,791	229,782
Net assets restricted for:							
Debt service				41,369		41,369	3,766
Repayment of loan from component unit		288,435				288,435	
Municipal lending		1,765,630				1,765,630	
Education					87,058	87,058	
Unrestricted	(1,132,796)	183,748	(337,888)	(4,815)	64,103	(1,227,648)	134,956
Total net assets	\$ (1,132,796)	\$ 2,237,974	\$ (337,888)	\$ 36,579	\$ 154,766	\$ 958,635	\$ 368,504

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, 2010 (Expressed in Thousands)

	Business-type Activities - Enterprise Funds						Total	Governmental Activities - Internal Service Funds
	Major							
	Unemployment Compensation Trust Fund	Water Revolving Fund	Prepaid Tuition Fund	Designated Account Purchase Program Fund	Nonmajor Enterprise Funds			
OPERATING REVENUES								
Charges for sales and services			\$ 1,470		\$ 2,333,002	\$ 2,334,472	\$ 2,849,486	
Interest income pledged as revenue bond security				\$ 55,073		55,073		
Interest and other investment income		\$ 44,940	88,779		2	133,721		
Employer contributions	\$ 1,849,486					1,849,486		
Other	4,685,503				4,894	4,690,397	30	
Total operating revenues	6,534,989	44,940	90,249	55,073	2,337,898	9,063,149	2,849,516	
OPERATING EXPENSES								
Cost of sales and services					400,699	400,699	504,840	
Benefit payments and refunds	8,259,960				60,106	8,320,066	2,178,032	
Prizes and claims					1,313,229	1,313,229		
Interest				12,603		12,603	38,535	
General and administrative		15,922	6,313	32,859	112,317	167,411	116,329	
Depreciation		51		9	503	563	31,615	
Other		93,640	80,134		12,578	186,352	12,382	
Total operating expenses	8,259,960	109,613	86,447	45,471	1,899,432	10,400,923	2,881,733	
Operating income (loss)	(1,724,971)	(64,673)	3,802	9,602	438,466	(1,337,774)	(32,217)	
NONOPERATING REVENUES (EXPENSES)								
Interest and investment income	881	2,808			1,096	4,785	728	
Interest expense		(3,770)				(3,770)	(4,900)	
Federal government		193,723			207,290	401,013	37,864	
Other revenues							557	
Other expenses		(61)		(11,779)	(25)	(11,865)	(394)	
Income (loss) before transfers	(1,724,090)	128,027	3,802	(2,177)	646,827	(947,611)	1,638	
Contributions of capital assets							6,714	
Transfers-in	3,048	421			25,724	29,193		
Transfers-out	(11,911)	(5)	(31)	(750)	(684,396)	(697,093)	(15,922)	
Change in net assets	(1,732,953)	128,443	3,771	(2,927)	(11,845)	(1,615,511)	(7,570)	
Net assets, July 1, 2009	600,157	2,109,531	(341,659)	39,506	166,611	2,574,146	376,074	
NET ASSETS, JUNE 30, 2010	\$ (1,132,796)	\$ 2,237,974	\$ (337,888)	\$ 36,579	\$ 154,766	\$ 958,635	\$ 368,504	

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, 2010 (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			\$ 1,470		\$ 225,597	\$ 227,067	\$ 152,227
Cash received from lottery sales (net of \$971,927 cash prizes paid by agents and \$110,219 commissions retained by agents)					1,126,558	1,126,558	
Cash received from transactions with other funds							2,125,991
Cash payments to suppliers for goods and services		\$ (2,682)	(2,632)	\$ (12,251)	(65,033)	(82,598)	(2,031,477)
Cash payments to employees for services		(13,024)	(3,339)	(6,373)	(171,499)	(194,235)	(150,241)
Cash payments for lottery prizes					(344,034)	(344,034)	
Cash receipts from unemployment taxes	\$ 1,799,309					1,799,309	
Cash receipts from federal unemployment grants	4,638,274					4,638,274	
Cash payments for unemployment benefits	(8,377,119)					(8,377,119)	
Cash receipts from prepaid tuition contract sales			100,006			100,006	
Cash payments for tuition			(65,129)			(65,129)	
Cash payments for tuition contract refunds			(10,299)			(10,299)	
Cash receipts from student loan principal				204,436		204,436	
Cash receipts from student loan interest				28,212		28,212	
Cash payments for student loans issued				(73,495)		(73,495)	
Cash payments for workers' compensation							(118,626)
Cash receipts from other operating activities					5,565	5,565	44,806
Cash payments for other operating activities					(306,792)	(306,792)	
Net cash provided (used) by operating activities	(1,939,536)	(15,706)	20,077	140,529	470,362	(1,324,274)	22,680
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Proceeds from borrowings, net of bond issuance costs	2,239,582			89,994		2,329,576	
Principal paid on revenue bonds and other borrowings		(11,217)		(136,600)		(147,817)	
Interest paid on revenue bonds and other borrowings		(3,653)		(12,248)		(15,901)	
Grants received		153,337			205,064	358,401	37,852
Grants paid				(11,636)		(11,636)	
Transfers-in from other funds	3,048	421			25,050	28,519	
Transfers-out to other funds	(25,363)	(5)	(31)	(750)	(660,832)	(686,981)	(14,309)
Other noncapital financing activities							(2,525)
Net cash provided (used) by noncapital financing activities	2,217,267	138,883	(31)	(71,240)	(430,718)	1,854,161	21,018
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition and construction of capital assets		(36)			(768)	(804)	(3,895)
Principal paid on capital debt		(6)				(6)	(9,389)
Interest paid on capital debt							(2,080)
Other capital and financing activities							9
Net cash used by capital and related financing activities		(42)			(768)	(810)	(15,355)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of investment securities			(773,580)	(510,836)	(41,899)	(1,326,315)	
Proceeds from sales and maturities of investment securities			684,617	425,007	38,796	1,148,420	
Proceeds from sales of securities lending collateral			77,663			77,663	
Cash repayments on securities lending collateral transactions			(77,663)			(77,663)	
Cash paid to investment managers			(1,610)			(1,610)	
Loan disbursements		(314,844)				(314,844)	
Loan repayments		134,092				134,092	
Interest and dividends on investments	881	48,566	24,004	3,479	1,178	78,108	728
Net cash provided (used) by investing activities	881	(132,186)	(66,569)	(82,350)	(1,925)	(282,149)	728
Net increase (decrease) in cash and cash equivalents	278,612	(9,051)	(46,523)	(13,061)	36,951	246,928	29,071
Cash and cash equivalents, July 1, 2009	275,905	416,281	61,332	62,900	143,831	960,249	97,434
CASH AND CASH EQUIVALENTS, JUNE 30, 2010	\$ 554,517	\$ 407,230	\$ 14,809	\$ 49,839	\$ 180,782	\$ 1,207,177	\$ 126,505
Reconciliation of cash and cash equivalents to the Statement of Net Assets:							
Total cash and cash equivalents per Statement of Net Assets	\$ 117,124	\$ 12,055	\$ 2,682	\$ 731	\$ 10,184	\$ 142,776	\$ 34,930
Add: cash equity with State Treasurer		395,175	12,127	1	170,598	577,901	91,575
Add: deposits held by federal government	437,393					437,393	
Add: restricted cash equivalents				49,107		49,107	
CASH AND CASH EQUIVALENTS, JUNE 30, 2010	\$ 554,517	\$ 407,230	\$ 14,809	\$ 49,839	\$ 180,782	\$ 1,207,177	\$ 126,505

State of Illinois

Statement of Cash Flows -

Proprietary Funds

For the Year Ended June 30, 2010 (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)	\$ (1,724,971)	\$ (64,673)	\$ 3,802	\$ 9,602	\$ 438,466	\$ (1,337,774)	\$ (32,217)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation		51		9	503	563	31,615
Provision for uncollectible accounts	46,436	93,640		8,156	337	148,569	57
Amortization			76,597	3,475		80,072	
Interest and investment income		(44,940)	(85,243)	(8,464)		(138,647)	
Interest expense				12,603		12,603	
Cash receipts from other nonoperating income							335
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	(164,356)			6,221	12,554	(145,581)	(22,813)
(Increase) decrease in intergovernmental receivables	(25,785)				409	(25,376)	(231)
(Increase) decrease in due from other funds	(22,405)			1,717	(609)	(21,297)	(562,404)
(Increase) decrease in due from component units	(141)					(141)	(9,542)
(Increase) decrease in loans and notes receivable				107,566		107,566	
(Increase) decrease in inventory					(209)	(209)	2,468
(Increase) decrease in prepaid expenses							
(Increase) decrease in other assets							
Increase (decrease) in accounts payable and accrued liabilities	(43,957)	(48)	310	(854)	9,310	(35,239)	468,860
Increase (decrease) in intergovernmental payables	(4,357)	(1)			(2,306)	(6,664)	(5,291)
Increase (decrease) in due to other funds		57	(88)	693	(3,338)	(2,676)	17,493
Increase (decrease) in due to component units			85		3	88	(1,000)
Increase (decrease) in unearned revenue					15,001	15,001	1,050
Increase (decrease) in other liabilities		208	24,614	(195)	241	24,868	134,300
Total adjustments	(214,565)	48,967	16,275	130,927	31,896	13,500	54,897
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (1,939,536)	\$ (15,706)	\$ 20,077	\$ 140,529	\$ 470,362	\$ (1,324,274)	\$ 22,680
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES							
Cost of installment purchases		\$ 10				\$ 10	\$ 1,949
Loss on disposal of capital assets							\$ (394)
Transfer of assets from (to) other state funds		\$ (61)			\$ (25)	\$ (86)	\$ 6,714

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, 2010 (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	\$ 135,186	\$ 526	\$ 707	\$ 450,073
Cash and cash equivalents	915,661	3,248,860	174,863	23,522
Securities lending collateral of State Treasurer	81,757		253	88,876
Investments:				
Equities	24,118,127		2,942,184	
Fixed income	10,376,534	1,134,615	138	
Private equity	2,990,955			
Real estate	3,522,337			
Other	5,377,978		18	927,889
Equity in Illinois State Board of Investments	9,678,705			
Securities lending collateral	5,407,805			
Receivables, net:				
Taxes				150,421
Members	79,974			
Employers	25,576			
Investment income	133,168	476	6,716	
Intergovernmental	6,884			406
Pending investment sales	2,490,667			
Other	25,678		4	218,462
Due from other funds	93		504	
Due from primary government funds	17,317			62,694
Due from component units	283			
Prepaid expenses	5,633			
Loans and notes receivable, net			44	
Other assets				143
Capital assets not being depreciated	1,724			
Capital assets being depreciated, net	11,531			
Total assets	65,403,573	4,384,477	3,125,431	\$ 1,922,486
LIABILITIES				
Accounts payable and accrued liabilities	152,767	144	1,061	\$ 42,968
Intergovernmental payables	5			614,416
Due to other funds	93			
Due to primary government funds	3,672	380		
Due to component units				49
Obligations under securities lending of State Treasurer	81,757		253	88,876
Security lending collateral	5,402,387			
Payable to brokers for unsettled trades	3,034,403			
Depository and other liabilities		406	4,638	1,176,177
Long-term obligations:				
Due within one year	117			
Due subsequent to one year	3,765			
Total liabilities	8,678,966	930	5,952	\$ 1,922,486
NET ASSETS				
Net assets held in trust for:				
Pension and other employee benefits	56,724,607			
Pool participants		4,383,547		
Individuals, organizations, and other governments			3,119,479	
Total net assets	\$ 56,724,607	\$ 4,383,547	\$ 3,119,479	

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, 2010 (Expressed in Thousands)

	Pension (and Other Employee Benefit) Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds
ADDITIONS			
Deposits/Contributions:			
Employer	\$ 370,822		
State	3,957,951		
Participants			\$ 1,334,741
Members:			
Employees	1,742,886		
Retirees	163,561		
Federal Medicare Part D	26,164		
Other contributions	5,055		7
Total contributions	<u>6,266,439</u>		<u>1,334,748</u>
Investment income:			
Interest and other investment income	1,690,725	\$ 34,373	18,035
Increase in fair value of investments	5,203,165	2,939	230,825
Reimbursements of expenses			
not separable from investment income	2,116		
Less investment expense	(318,976)	(3,644)	
Net investment income	<u>6,577,030</u>	<u>33,668</u>	<u>248,860</u>
Capital share and individual account transactions:			
Shares sold		2,103,547	
Reinvested distributions		5,146	
Shares redeemed		(2,861,306)	
Net capital share and individual account transactions		<u>(752,613)</u>	
Total additions	<u>12,843,469</u>	<u>(718,945)</u>	<u>1,583,608</u>
DEDUCTIONS			
Benefit payments	7,502,364		
Refunds	133,886		
Payments in accordance with trust agreements			948,237
Distribution to pool investors		5,146	
Depreciation	1,787		
Allowance for uncollectibles			35
General and administration	46,405		11,367
Total deductions	<u>7,684,442</u>	<u>5,146</u>	<u>959,639</u>
Change in fiduciary net assets held in trust for:			
Pension and other employee benefits	5,159,027		
Pool participants		(724,091)	
Individuals, organizations, and other governments			623,969
Net Assets, July 1, 2009	<u>51,565,580</u>	<u>5,107,638</u>	<u>2,495,510</u>
Net Assets, June 30, 2010	<u>\$ 56,724,607</u>	<u>\$ 4,383,547</u>	<u>\$ 3,119,479</u>

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

State of Illinois

Statement of Net Assets

Component Units

June 30, 2010 (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	\$ 1,389	\$ 487,347					
Cash and cash equivalents	6,821	28,161	\$ 116,565	\$ 56,125	\$ 64,929	\$ 88,354	\$ 444,394
Securities lending collateral of State Treasurer	566						
Investments	105,253		17,984	95,944	98,979	259,888	359,580
Securities lending collateral							82,720
Receivables, net:							
Intergovernmental		36,043	8,827				113,306
Other	6,916	64,619	2,857	14,440	28,135	53,500	222,038
Due from component units			85,297	19	1	65	126
Due from primary government		121,308	93,303	21,346	31,089	97,641	422,813
Inventories				3,586	3,044	7,335	31,588
Prepaid expenses		18,548	108	3,300	72	452	26,619
Unamortized bond issuance costs	13,167	16,357	1,155	2,002	1,861	4,688	6,998
Loans and notes receivable, net	1,830,239		27,172	9,756	9,539	18,930	60,866
Restricted assets:							
Cash equity with State Treasurer		131,548	17,570				
Cash and cash equivalents		318,097	11,216	14,043			272,931
Investments	894,408		108,362	59,521			1,393,720
Securities lending collateral of State Treasurer			6,326				
Other receivables, net	1,021	11	2,001				
Loans and notes receivable, net			67,080				
Other assets							
Other assets	16,489		28	1,268	32	19,381	3,738
Capital assets not being depreciated		537,262	41,903	102,300	48,376	119,813	262,929
Capital assets being depreciated, net	27,752	4,826,503	19,773	306,314	289,476	574,761	3,080,641
Total assets	2,904,021	6,585,804	627,527	689,964	575,533	1,244,808	6,785,007
Deferred outflow of resources	2,874						21,720
Total assets and deferred outflow of resources	2,906,895	6,585,804	627,527	689,964	575,533	1,244,808	6,806,727
LIABILITIES							
Accounts payable and accrued liabilities	68,165	227,806	9,527	25,810	37,025	56,400	404,191
Intergovernmental payables							
Due to component units			34,120	38	19,468	103	31,773
Due to primary government	345,885	58,539	20,347	366	365	284	25,476
Unearned revenue	5,921	178,358	20,349	7,344	20,528	51,764	143,120
Obligations under securities lending collateral of State Treasurer	566		6,326				
Securities lending collateral							82,720
Assets held for others	157,044			3,833		19,993	33,068
Short-term notes payable			3,057		7,250		5,133
Derivative instrument - swap liability	2,874						25,379
Other liabilities			27,645				
Long-term obligations:							
Due within one year	475,352	21,437	27,221	8,865	11,845	35,587	262,660
Due subsequent to one year	1,227,117	4,081,771	285,171	136,512	156,785	359,107	1,832,812
Total liabilities	2,282,924	4,567,911	433,763	182,768	253,266	523,238	2,846,332
NET ASSETS							
Invested in capital assets, net of related debt	(8,033)	1,284,351	25,200	292,030	165,004	393,578	1,904,026
Restricted for:							
Debt service		234,633	3,418			19,943	20,480
Capital projects						45,650	6,267
Nonexpendable purposes			42,555	59,611	33,743	95,126	726,666
Other expendable purposes	549,680			32,526	27,533	55,107	945,760
Other purposes		360	35,491				
Unrestricted	82,324	498,549	87,100	123,029	95,987	112,166	357,196
Total net assets	\$ 623,971	\$ 2,017,893	\$ 193,764	\$ 507,196	\$ 322,267	\$ 721,570	\$ 3,960,395

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

	Other Universities	Total
	\$ 128,480	\$ 488,736
		933,829
		566
	23,365	960,993
		82,720
	12,677	170,853
	56,296	448,801
	17	85,525
	32,485	819,985
	4,241	49,794
	2,050	51,149
	4,723	50,951
	14,390	1,970,892
		149,118
	76,845	693,132
	76,748	2,532,759
		6,326
	1,777	4,810
		67,080
	2,255	2,255
	1,057	41,993
	117,896	1,230,479
	<u>633,549</u>	<u>9,758,769</u>
	<u>1,188,851</u>	<u>20,601,515</u>
		<u>24,594</u>
	<u>1,188,851</u>	<u>20,626,109</u>

	62,550	891,474
	3,194	3,194
	23	85,525
	369	451,631
	18,778	446,162
		6,892
		82,720
	6,024	219,962
	1,881	17,321
		28,253
	5,987	33,632
	21,455	864,422
	<u>305,055</u>	<u>8,384,330</u>
	<u>425,316</u>	<u>11,515,518</u>

	530,743	4,586,899
	6,170	284,644
		51,917
	55,484	1,013,185
	37,218	1,647,824
		35,851
	133,920	1,490,271
	<u>\$ 763,535</u>	<u>\$ 9,110,591</u>

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

For the Year Ended June 30, 2010 (Expressed in Thousands)

Functions/Programs	Expenses	Program revenues			Net (expense) revenue
		Charges for service	Operating grants and contributions	Capital grants and contributions	
Authorities:					
Illinois Housing Development Authority	\$ 310,028	\$ 101,335	\$ 256,876		\$ 48,183
Toll Highway Authority	871,880	657,990			(213,890)
Other authorities	214,608	136,786	8,017	\$ 11	(69,794)
Universities:					
Illinois State University	451,440	236,169	41,131	864	(173,276)
Northern Illinois University	518,142	264,539	82,668		(170,935)
Southern Illinois University	1,036,553	479,222	126,824	2,741	(427,766)
University of Illinois	4,639,381	2,276,694	1,103,611	61,898	(1,197,178)
Other universities	874,979	390,099	104,395	450	(380,035)
Total	<u>\$ 8,917,011</u>	<u>\$ 4,542,834</u>	<u>\$ 1,723,522</u>	<u>\$ 65,964</u>	<u>\$ (2,584,691)</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, 2009, as restated	Net assets, June 30, 2010
	Interest and investment income	Other					
	\$ 385			\$ 385	\$ 48,568	\$ 575,403	\$ 623,971
	1,834	\$ 124,403		126,237	(87,653)	2,105,546	2,017,893
\$ 29,907	4,765	54,660	\$ 6	89,338	19,544	174,220	193,764
166,345	9,997	42,558	7,075	225,975	52,699	454,497	507,196
194,525	6,840	1,518	2,680	205,563	34,628	287,639	322,267
401,742	24,038	77,965	3,124	506,869	79,103	642,467	721,570
1,361,222	190,335	145,392	31,704	1,728,653	531,475	3,428,920	3,960,395
384,445	9,023	59,673	2,962	456,103	76,068	687,467	763,535
<u>\$ 2,538,186</u>	<u>\$ 247,217</u>	<u>\$ 506,169</u>	<u>\$ 47,551</u>	<u>\$ 3,339,123</u>	<u>\$ 754,432</u>	<u>\$ 8,356,159</u>	<u>\$ 9,110,591</u>

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STATE OF ILLINOIS
Notes to the Financial Statements
June 30, 2010

I **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

A. Financial Reporting Entity

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

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

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

Fiduciary Component Units

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

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

Blended Component Unit

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

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

Discretely Presented Component Units

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

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

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

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

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

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

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

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

Joint Venture

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

A state becomes a member of the Fund by agreeing to contribute an amount set forth in the Articles of Incorporation. The required contribution from all member states at incorporation was \$81 million. The Fund's net assets on December 31, 2009 were \$104.832 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"). However, in response to the difficult economic conditions, the Fund did not make State share payments for 2009. Complete financial statements of the Fund can be obtained from the Fund's Administrative Offices at 1560 Sherman Avenue, Suite 880, Evanston, Illinois 60201.

Related Organizations and Jointly Governed Organizations

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

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

B. Basis of Presentation

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

The State reports the following major governmental funds:

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

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

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

The State reports the following major proprietary funds:

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

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

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

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

Additionally, the State reports the following fund types:

Governmental Fund Types:

Special Revenue – These funds account for resources obtained from specific revenue sources that are legally restricted to expenditures for specified purposes. Special 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 governmental resources obtained and accumulated to pay interest and principal on general long-term debt (other than capital leases, installment purchases, workers’ compensation, and unfunded retirement benefit costs).

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

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

Proprietary Fund Types:

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

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

Fiduciary Fund Types:

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

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

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

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

Component Units

The component 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 reserves an equivalent portion of the balance.

For governmental funds, prepaid expenditures are recognized when paid.

H. Interfund Transactions

The State has the following types of interfund transactions:

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

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

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

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

I. Capital Assets

Capital assets, which include property, plant, equipment, 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:

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 twenty-nine fiscal years. Prior to fiscal year 1982, the State had funded the retirement costs at a level at least as great as the retirement benefits paid during the year.

Annual pension cost is recorded as an expense in the government-wide statement of activities and is comprised of the State’s annual required contribution (“ARC”), which equals normal cost plus interest on unfunded prior service costs and amortization of prior service costs over thirty years, one year’s interest on the net pension obligation, and an adjustment to the ARC to offset the effect of actuarial amortization of past under or over contributions.

K. Capital Appreciation (“deep-discount”) Bonds

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

L. Compensated Absences

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

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

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

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

M. Bond Premiums, Discounts, and Issuance Costs

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

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

N. Advance Refundings of Debt

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

O. Pollution Remediation Obligations

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

P. Net Assets/Fund Balances

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

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

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

Q. Endowments

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

R. Use of Estimates

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

S. New Accounting Pronouncements

Effective for the year ending June 30, 2010, the State adopted GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which establishes standards of accounting and financial reporting for intangible assets. The Statement provides guidance for the recognition, initial measurement, and amortization of intangible assets. The implementation of the provisions of this Statement required the retroactive reporting for intangible assets that met certain criteria. As a result, beginning net assets in the government-wide statements were restated.

Also effective for the year ending June 30, 2010, the State adopted GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. GASB Statement No. 53 requires the fair value of derivatives to be recognized in the financial statements. For hedging derivative instruments that are effective in significantly reducing an identified risk, as defined by the Statement, the corresponding change in fair value is deferred and included in the statement of net assets. For all other derivative instruments, changes in fair value are reported as net investment income (loss). Information regarding derivatives is disclosed in Note 14. The implementation of the provisions of this Statement required the restatement of beginning net assets in the government-wide statements, as well as a restatement of the beginning net assets of the University of Illinois, a major component unit of the State.

T. Future Adoption of GASB Statements

Effective for the year ending June 30, 2011, the State will adopt GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes 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. The State has not yet determined the impact on the State's financial statements as a result of adopting this statement.

2 NET ASSETS

A. Restatements

As shown in Table 2-1, the financial statements have been restated as of July 1, 2009 for the following prior reporting errors:

Governmental Activities

- Overstatement in the General Fund of accounts payable.
- Understatement in the General Fund of unavailable revenue relating to estate taxes receivable.
- Understatement in the Road Fund of net amounts due to component units for ongoing construction contracts.
- Overstatement of capital assets for temporary easements which expired in previous fiscal years.

Component Units

- Understatement of net assets due to certain component units of the University of Illinois no longer reporting under accounting principles prescribed by GASB and converting to accounting principles prescribed by FASB.
- Understatement of assets relating to charitable remainder trusts and life insurance policies at a component unit of Western Illinois University.

The financial statements have been restated as of July 1, 2009 for the implementation of the following accounting standards:

- GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*
- GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*

Table 2-1 (amounts expressed in thousands)

	Governmental Activities			Component Units	
	Governmental Funds			University of Illinois	Nonmajor Component Units
	General	Road Fund	Governmental Activities		Western Illinois University
Fund Balance/Net Assets, June 30, 2009, as previously reported	\$ (7,681,503)	\$ 524,275	\$ (29,944,566)	\$ 3,342,919	\$ 155,497
Corrections of Prior Errors					
Overstatement of liabilities in the General Fund	524,937	--	524,937	--	--
Understatement of unavailable revenue in the General Fund	(265,768)	--	--	--	--
Understatement of liabilities in the Road Fund	--	(58,002)	(58,002)	--	--
Overstatement of capital assets	--	--	(25,959)	--	--
Exclusion (inclusion) of charitable remainder trust agreements and life insurance policies	--	--	--	--	1,255
Change in Accounting Principle					
Compliance with accounting principles prescribed by FASB for University related organizations	--	--	--	88,315	--
Implementation of New Accounting Standards					
Implementation of GASB Statement No. 51	--	--	81,805	--	--
Implementation of GASB Statement No. 53	--	--	(39,977)	(2,314)	--
Fund Balance/Net Assets, June 30, 2009, as restated	<u>\$ (7,422,334)</u>	<u>\$ 466,273</u>	<u>\$ (29,461,762)</u>	<u>\$ 3,428,920</u>	<u>\$ 156,752</u>

B. Net Assets Restricted by Enabling Legislation

The government-wide statement of net assets reports \$3.440 billion of restricted net assets, of which \$3.045 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, 2010, consisted of the following:

Investment Type	Fair Value
Repurchase agreements	\$ 1,608,144
U.S. Treasury obligations	1,772,584
U.S. Agency obligations	1,854,843
Commercial paper	3,143,630
Corporate debt securities	20,000
Money market mutual funds	471,080
Private equity	22,691
Equity in Public Treasurers' Investment Pool	876,201
Equity in other investment pools	470
Securities lending collateral invested in repurchase agreements	3,107,545
Total fair value	\$ 12,877,188

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, 2010, 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	\$ 11,784
Negotiable certificates of deposit	444
U.S. Treasury obligations	1,184,599
U.S. Agency obligations	361,788
Municipal debt	149,061
Annuities	1,727
Corporate debt securities	287,097
Debt mutual funds	1,317,562
Equity in Public Treasurers' Investment Pool	4,108,364
Equity in other investment pools	5,182
Money market mutual funds	411,608
Equity securities	355,685
Equity mutual funds	3,231,413
Blended mutual funds	219,701
Guaranteed investment contracts	720,766
Equity trust funds	106,756
Other	273,204
Total fair value	\$ 12,746,741

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 \$9.374 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, 2010, consisted of the following:

Table 3-3 (amounts expressed in thousands)

Investment Type	Fair Value
U.S. Treasury obligations	\$ 155,303
U.S. Agency obligations	655,436
Corporate obligations	970,078
Common stock and equity funds	3,056,642
Preferred stock	518
Foreign equity securities	1,533,680
Foreign preferred stock	180
Commingled funds	270,511
Hedge funds	917,854
Real estate	750,211
Private equity	542,441
Money market instruments	270,232
Infrastructure funds	320,293
Bank loans	222,624
Forward foreign currency contracts	(266)
Total Investments	\$ 9,665,737

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 \$356.585 million and \$353.851 million at June 30, 2010, 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 \$266.795 million and \$154.063 million at June 30, 2010, respectively. Of the total bank balance of these cash deposits at June 30, 2010, \$1.576 million was uninsured with collateral held by the pledging financial institution in the State's name, \$8.187 million was uninsured with collateral held by the pledging financial institution but not in the State's name and \$180 thousand was uninsured and uncollateralized.

ISBI's policy outlines the control procedures used to monitor custodial credit risk for deposits. These deposits are under the custody of State Street Bank and Trust. State Street Bank and Trust has an AA Long-term Deposit/Debt rating by Standard and Poor's and an Aa2 rating by Moody's. The carrying amount and bank balance of ISBI's cash deposits at June 30, 2010, was \$3.665 million and \$3.594 million, respectively.

TRS's foreign currency held by investment managers at June 30, 2010 totaled \$68.454 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, 2010, the carrying amount was \$118.414 million and the bank balance was \$122.725 million, of which \$23.711 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, 2010:

Table 3-4 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Fair Value</u>
Uninsured and unregistered with securities held by agents but not in the State's name	
U.S. Treasury obligations	\$ 28,684
U.S. Agency obligations	159,352
Corporate debt securities	41,400

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, 2010:

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	\$ --	\$ --	\$ 1,608,144	\$ --	\$ 1,608,144
U.S. Agency obligations	858,872	--	982,469	13,502	1,854,843
Commercial paper	--	--	3,143,630	--	3,143,630
Corporate debt securities	--	20,000	--	--	20,000
Money market mutual funds	471,080	--	--	--	471,080
Equity in Public Treasurers' Investment Pool	--	--	--	876,201 **	876,201
Equity in other investment pools	--	--	--	470	470
Securities lending collateral:					
Invested in repurchase agreements	--	--	3,107,545	--	3,107,545
Total subject to credit risk	<u>\$ 1,329,952</u>	<u>\$ 20,000</u>	<u>\$ 8,841,788</u>	<u>\$ 890,173</u>	<u>11,081,913</u>
U.S. Treasury obligations					<u>1,772,584</u>
Total fixed income securities					<u>\$ 12,854,497</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, 2010:

Table 3-6 (amounts expressed in thousands)

Investment Type	Aaa	Aa	A	Baa	Ba	Caa	Not Rated*	Total
Negotiable certificates of deposit	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 444	\$ 444
U.S. Agency obligations	361,726	--	--	62	--	--	--	361,788
Municipal debt	52,986	20,727	72,099	207	--	--	3,042	149,061
Corporate debt securities	118,054	16,936	47,993	49,365	21,094	585	33,070	287,097
Mutual funds	325,317	12,141	28,235	25,694	--	--	926,175	1,317,562
Equity in Public Treasurers' Investment Pool	--	--	--	--	--	--	4,108,364	4,108,364
Equity in other investment pools	--	--	--	--	--	--	5,182	5,182
Money market mutual funds	--	--	--	--	--	--	411,608	411,608
Total subject to credit risk	\$ 858,083	\$ 49,804	\$ 148,327	\$ 75,328	\$ 21,094	\$ 585	\$ 5,487,885	6,641,106
U.S. Treasury obligations								1,184,599
Repurchase agreements backed by U.S. Treasury obligations								11,784
Total fixed income securities								\$ 7,837,489

* \$308.432, \$169.843, \$36.834, \$38.063, \$8.943, \$2.908 and \$2.309 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. \$155.199, \$1.141 and \$2.613 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, 2010:

Table 3-7 (amounts expressed in thousands)

Quality Rating	Corporate Debt Obligations	U.S. Agency Obligations	Total
Aaa	\$ 43,798	\$ 643,436	\$ 687,234
Aa	79,961	--	79,961
A	286,428	12,000	298,428
Baa	211,830	--	211,830
Ba	96,809	--	96,809
B	194,485	--	194,485
Caa	38,250	--	38,250
Not rated	18,517	--	18,517
Total subject to credit risk	\$ 970,078	\$ 655,436	1,625,514
U.S. Treasury obligations			155,303
Total fixed income securities			\$ 1,780,817

The following table summarizes the Moody's credit quality ratings for debt securities held by TRS at June 30, 2010:

Table 3-8 (amounts expressed in thousands)

Quality Rating	Corporate Debt Obligations	Foreign Debt Obligations	U.S. Agency Obligations	Municipal Obligations	Commingled Funds	Securities Lending	Total
Aaa	\$ 623,754	\$ 458,925	\$ 1,408,549	\$ 1,272	\$ --	\$ 280,757	\$ 2,773,257
Aa	233,734	80,797	420	43,547	--	713,368	1,071,866
A	608,765	101,174	21,013	23,075	--	--	754,027
Baa	906,835	114,697	29,159	22	--	--	1,050,713
Ba	371,390	83,483	14,220	--	45,615	--	514,708
B	203,763	7,235	--	--	--	--	210,998
Caa	105,478	--	--	--	--	--	105,478
Ca	8,126	--	--	--	--	--	8,126
C	423	--	--	--	--	--	423
Not rated	86,540	130,261	163,285	--	26,254	--	406,340
Total subject to credit risk	\$ 3,148,808	\$ 976,572	\$ 1,636,646	\$ 67,916	\$ 71,869	\$ 994,125	6,895,936
U.S. Treasury obligations							649,462
Less cash equivalents							(41,747)
Total fixed income securities							\$ 7,503,651

The following table summarizes the Standard and Poor's credit quality ratings for debt securities held by SURS at June 30, 2010:

Table 3-9 (amounts expressed in thousands)

Quality Rating	Corporate Debt Securities	Foreign Debt Securities	U.S. Agency Obligations	Municipal Obligations	Total
AAA	\$ 393,231	\$ 52,426	\$ 719,088	\$ 1,887	\$ 1,166,632
AA	202,239	31,146	6,424	23,437	263,246
A	433,457	29,021	18,322	20,847	501,647
BBB	320,023	10,740	--	1,654	332,417
BB	110,494	--	--	--	110,494
B	68,186	1,803	--	--	69,989
CCC	66,649	--	--	--	66,649
CC	12,472	--	--	--	12,472
C	1,586	--	--	--	1,586
D	2,111	--	--	--	2,111
Not rated	438,835	275	250	6,212	445,572
Total subject to credit risk	\$ 2,049,283	\$ 125,411	\$ 744,084	\$ 54,037	2,972,815
U.S. Treasury obligations					1,125,498
U.S. Agency obligations explicitly guaranteed by U.S. government					110,539
Self Managed Plan fixed income					15,326
Less cash equivalents					(640,022)
Total fixed income securities					\$ 3,584,156

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, 2010:

Table 3-10 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 to 5 Years</u>	<u>6 to 10 Years</u>	<u>More Than 10 Years</u>
Repurchase agreements	\$ 1,608,144	\$ 1,608,144	\$ --	\$ --	\$ --
U.S. Treasury obligations	1,772,584	1,772,584	--	--	--
U.S. Agency obligations	1,854,843	995,971	858,872	--	--
Commercial paper	3,143,630	3,143,630	--	--	--
Corporate debt securities	20,000	--	20,000	--	--
Money market mutual funds	471,080	471,080	--	--	--
Equity in Public Treasurers' Investment Pool	876,201	876,201	--	--	--
Equity in other investment pools	470	--	--	277	193
Securities lending collateral:					
Invested in repurchase agreements	3,107,545	3,107,545	--	--	--
Total fixed income investments	<u>\$ 12,854,497</u>	<u>\$ 11,975,155</u>	<u>\$ 878,872</u>	<u>\$ 277</u>	<u>\$ 193</u>

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, 2010. 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)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Repurchase agreements	\$ 11,784	0.003
Negotiable certificates of deposit	444	2.060
U.S. Treasury obligations	1,184,599	5.639
U.S. Agency obligations	361,788	3.951
Municipal debt	149,061	7.681
Corporate debt securities	287,097	6.823
Mutual funds	1,317,562	5.088
Equity in Public Treasurers' Investment Pool	4,108,364	0.078
Equity in other investment pools	5,182	0.041
Money market mutual funds	411,608	0.113
Total fixed income investments	<u>\$ 7,837,489</u>	

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, 2010 the effective duration of the Barclay's Capital Intermediate U.S. Government/Credit Bond Index was 3.9 years. At the same point in time, the effective duration of the ISBI debt security portfolio was 3.8 years. The following table summarizes the effective duration of the debt securities held by ISBI at June 30, 2010:

Table 3-12 (amounts expressed in thousands)

Investment Type	Fair Value	Effective Weighted Duration (Years)
Government and agency obligations:		
U.S. Treasury obligations	\$ 155,303	4.8
U.S. Agency obligations	<u>655,436</u>	2.3
	\$ 810,739	
Corporate obligations:		
Bank and finance	246,087	4.8
Collateralized mortgage obligations	39,241	3.0
Industrials	496,856	4.8
Other	<u>187,894</u>	5.0
	<u>970,078</u>	
Total	<u>\$ 1,780,817</u>	

TRS manages its exposure to fair value loss arising from increasing interest rates by diversifying the debt securities portfolio. The following table summarizes the time segmented distribution of the debt securities held by TRS at June 30, 2010:

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	\$ 649,462	\$ 32,700	\$ 337,096	\$ 152,148	\$ 63,936	\$ 63,582	\$ --
U.S. Agency obligations	1,636,646	151,546	188,371	190,625	276,701	800,879	28,524 *
Municipal obligations	67,916	--	10,315	3,195	18,859	35,547	--
Corporate debt securities	3,148,808	84,751	767,631	1,005,580	267,324	1,023,522	--
Foreign debt securities	976,572	56,054	368,675	203,186	250,793	97,864	--
Commingled funds	71,869	--	26,253	45,616	--	--	--
Securities lending collateral	994,125	268,174	725,951	--	--	--	--
Derivatives	(3,507)	(4,312)	1,556	(751)	--	--	--
Total subject to interest rate risk	7,541,891	<u>\$ 588,913</u>	<u>\$ 2,425,848</u>	<u>\$ 1,599,599</u>	<u>\$ 877,613</u>	<u>\$ 2,021,394</u>	<u>\$ 28,524</u>
Derivatives	3,507						
Less cash equivalents	<u>(41,747)</u>						
Total fixed income securities	<u>\$ 7,503,651</u>						

* U.S. Government Special Situations are private funds and therefore do not have a maturity date.

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, 2010:

Table 3-14 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 to 5 Years</u>	<u>6 to 10 Years</u>	<u>10 to 20 Years</u>	<u>More Than 20 Years</u>
U.S. Treasury and agency obligations	\$ 1,995,447	\$ 368,584	\$ 289,217	\$ 547,615	\$ 285,465	\$ 504,566
Municipal obligations	54,037	2,679	1,824	960	4,394	44,180
Corporate debt securities	2,049,283	59,064	917,230	500,642	81,798	490,549
Foreign debt securities	125,411	60,047	34,549	16,545	4,684	9,586
Derivatives - Swaps	(63,575)	(64,671)	6,259	2,322	(8,812)	1,327
Total subject to interest rate risk	4,160,603	\$ 425,703	\$ 1,249,079	\$ 1,068,084	\$ 367,529	\$ 1,050,208
Derivatives - Swaps	63,575					
Less cash equivalents	(640,022)					
Total fixed income securities	\$ 3,584,156					

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 10% of its total investment portfolio.

The following table summarizes the foreign currency risk, by currency denomination, of the primary government, except for debt securities held by ISBI, TRS, and SURS, outside of the State Treasury at June 30, 2010:

Table 3-15 (amounts expressed in thousands)

<u>Currency Denomination</u>	<u>Foreign Short-term Deposits</u>
Canadian Dollar	\$ 45
Euro	43
Hong Kong Dollar	129
Indian Rupees	47
Japanese Yen	43
Mexican Peso	70
South African Rand	9
Total deposits and investments subject to foreign currency risk	<u>\$ 386</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, 2010:

Table 3-16 (amounts expressed in thousands)

<u>Currency Denomination</u>	<u>Foreign Equity Securities</u>	<u>Foreign Forward Currency Contracts</u>	<u>Foreign Rights</u>	<u>Foreign Warrants</u>
Australian Dollar	\$ 80,124	\$ 367	\$ --	\$ --
Brazilian Real	52,218	(510)	--	--
British Pound Sterling	333,466	(604)	--	--
Canadian Dollar	97,585	(82)	--	--
Danish Krone	29,768	--	--	--
Euro	401,821	294	192	1
Hong Kong Dollar	60,278	--	31	18
Japanese Yen	222,917	(2)	--	--
Singapore Dollar	35,452	--	--	--
South Korean Won	39,303	1	--	--
Swedish Krona	21,927	(1)	--	--
Swiss Franc	121,970	(353)	--	--
Other currencies	37,031	624	5	--
Total investments subject to foreign currency risk	<u>\$ 1,533,860</u>	<u>\$ (266)</u>	<u>\$ 228</u>	<u>\$ 19</u>

In addition, certain investments held in infrastructure funds trade in a reported currency of Euro based dollars valued at \$34.896 million at June 30, 2010.

The following table summarizes the foreign currency risk by currency denomination for deposits and investments held by TRS as of June 30, 2010:

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	\$ 531	\$ 233,981	\$ 59,135	\$ 20	\$ 293,667
Brazilian Real	4,248	91,517	35,813	1,576	133,154
British Pound Sterling	5,125	941,335	138,033	--	1,084,493
Canadian Dollar	2,011	115,156	171,777	--	288,944
Euro	23,863	1,257,803	161,836	255	1,443,757
Hong Kong Dollar	835	216,834	--	--	217,669
Indonesian Rupiah	280	39,846	76,901	--	117,027
Japanese Yen	13,031	1,057,125	26,619	--	1,096,775
Mexican Peso	2,676	27,430	73,951	--	104,057
New Taiwan Dollar	1,224	117,044	--	--	118,268
South Korean Won	2,802	207,667	102,857	7	313,333
Swiss Franc	3,476	345,588	--	--	349,064
Other currencies	8,353	574,184	129,650	--	712,187
Total deposits and investments subject to foreign currency risk	<u>\$ 68,455</u>	<u>\$ 5,225,510</u>	<u>\$ 976,572</u>	<u>\$ 1,858</u>	<u>\$ 6,272,395</u>

In addition, TRS has foreign currency investments in private equity with fair values totaling \$109.122 million (payable in Euros) and real estate with fair values totaling \$67.577 million (payable in Euros) and \$12.167 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, 2010:

Table 3-18 (amounts expressed in thousands)

<u>Currency Denomination</u>	<u>Foreign Equity Securities</u>	<u>Foreign Debt Obligations</u>	<u>Foreign Currency and Pending Currency Transactions</u>	<u>Net Foreign Currency Forward Contracts</u>	<u>Other Foreign Derivative Obligations</u>	<u>Total</u>
Australian Dollar	\$ 83,060	\$ 4,394	\$ 5,709	\$ 7,087	\$ (70)	\$ 100,180
British Pound Sterling	249,571	3,846	3,294	(8,027)	1,122	249,806
Canadian Dollar	51,057	9,648	--	6,114	6,609	73,428
Euro	350,452	81,597	(73,678)	(81,640)	67	276,798
Hong Kong Dollar	82,637	--	1,573	3,279	--	87,489
Japanese Yen	226,079	22,595	1,771	14,733	--	265,178
Singapore Dollar	39,024	--	931	1,446	--	41,401
Swiss Franc	96,483	--	170	154	--	96,807
Other currencies	95,432	3,331	29,021	23,235	1,166	152,185
Total investments subject to foreign currency risk	<u>\$ 1,273,795</u>	<u>\$ 125,411</u>	<u>\$ (31,209)</u>	<u>\$ (33,619)</u>	<u>\$ 8,894</u>	<u>\$ 1,343,272</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)

<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 5 Years</u>	<u>6 to 10 Years</u>	<u>More Than 10 Years</u>
U.S. Agency obligations	AAA/Aaa	\$ 385,822	\$ 361,003	\$ 8,991	\$ 1,332	\$ 14,496
Money market fund - sweep account	NR/Aaa	4,127	4,127	--	--	--
Total subject to credit risk		389,949	365,130	8,991	1,332	14,496
U.S. Government obligations		591,214	561,380	15,077	5,487	9,270
Repurchase agreements backed by U.S. Government obligations		23,601	1,033	--	300	22,268
Total subject to interest rate risk		1,004,764	927,543	24,068	7,119	46,034
Common Stock		57				
Less cash equivalents		(5,160)				
Total investments		\$ 999,661				

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

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

Concentration of Credit Risk: IHDA places no limit on the amount that may be invested in any one issuer. More than 5 percent of IHDA's investments are in Federal Home Loan Bank (\$220.961 million), Federal National Mortgage Association (\$91.882 million), and Federal Home Loan Mortgage Corporation (\$56.047 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	\$ 27,614	\$ 27,614
Money market mutual funds	AAA	318,095	318,095
Total subject to credit risk and interest rate risk		345,709	\$ 345,709
Less cash equivalents		(345,709)	
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	\$ 59,304	\$ 23,498	\$ 35,806
Illinois Public Treasurers' Investment Pool	AAA/Not rated	37,824	37,824	--
Money market mutual funds	Not rated	11,203	11,203	--
Total subject to credit risk		108,331	72,525	35,806
U.S. Treasuries		23,823	5,007	18,816
Total subject to interest rate risk		132,154	\$ 77,532	\$ 54,622
Less cash equivalents		(49,027)		
Total investments of the University		83,127		
Investments of component units		72,338		
Total investments		\$ 155,465		

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 (\$27.117 million) and Federal Home Loan Bank (\$27.055 million).

NORTHERN ILLINOIS UNIVERSITY ("NIU")

Investments

University

Table 3-22 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Rating*</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 to 3 Years</u>	<u>3 to 5 Years</u>
U.S. Agency obligations	AAA	\$ 35,238	\$ --	\$ 18,108	\$ 17,130
Commercial paper	A1	6,635	6,635	--	--
Money market mutual funds	AAA	55	55	--	--
Illinois Public Treasurers' Investment Pool	AAA	1,443	1,443	--	--
Total subject to credit risk and interest rate risk		43,371	\$ 8,133	\$ 18,108	\$ 17,130
Investments of component units		55,608			
Total investments		\$ 98,979			

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

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

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

Concentration of Credit Risk: NIU has no formal policy limiting the amount that may be invested in any one issuer. The NIU has one commercial paper investment of \$6.635 million in Intesa Funding LLC., representing 15.3% of the total investments of the NIU.

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	\$ 68,701	\$ 3,153	\$ 49,267	\$ 16,281
Equity in Public Treasurers' Investment Pool	AAA	78,978	78,978	--	--
Total subject to credit risk		147,679	82,131	49,267	16,281
U.S. Treasuries		50,965	18,711	23,927	8,327
Total subject to interest rate risk		\$ 198,644	\$ 100,842	\$ 73,194	\$ 24,608
Common stock		44			
Less cash equivalents		(78,978)			
Total investments of the University		119,710			
Investments of component units		140,178			
Total investments		\$ 259,888			

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 \$23.734 million and \$37.356 million, respectively. Of the total bank balance of these deposits at June 30, 2010, \$27.405 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 a specific maturity assignment related to operating funds. The funds are structured with different layers of liquidity. Funds expected to be used within one year are invested in money market instruments. Core operating funds are invested in longer maturity investments. Core operating funds investment manager's performance benchmarks are the 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, 2010 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 put	\$ 4,345	\$ --	\$ --	\$ --	\$ 4,345
U.S. Treasury bonds and bills	92,926	22,900	54,309	14,645	1,072
U.S. Agency obligations	107,827	19,520	45,891	4,654	37,762
Commercial paper	18,191	18,191	--	--	--
Corporate bonds	102,739	4,157	51,212	24,933	22,437
Bond mutual funds	54,850	26	2,779	52,045	--
Money market mutual funds	662,485	662,485	--	--	--
Illinois Public Treasurers' Investment Pool	19,226	19,226	--	--	--
Non government mortgage-backed securities	33,645	22	--	1,187	32,436
Government bonds - non U.S.	1,602	--	1,325	277	--
Repurchase agreements	526	526	--	--	--
Total subject to interest rate risk	1,098,362	\$ 747,053	\$ 155,516	\$ 97,741	\$ 98,052
U.S. equities	21,290				
Foreign equity securities	27,830				
U.S. equity mutual funds	97,652				
Limited partnerships	13,133				
Preferred stock	1,055				
Real estate	49,431				
Deposits with maturities greater than 90 days at time of purchase	400				
Less cash equivalents	(685,635)				
Total investments of the University	623,518				
Investments of component units	1,129,782				
Total investments	\$ 1,753,300				

At June 30, 2010, 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, 2010, 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	\$ 107,827	\$ 106,790	\$ --	\$ 594	\$ --	\$ --	\$ 443
Commercial paper	18,191	18,191	--	--	--	--	--
Corporate bonds	102,739	17,058	9,623	35,856	24,960	3,190	12,052
Bond mutual funds	54,850	3,824	847	50,179	--	--	--
Money market mutual funds	662,485	661,565	--	--	--	--	920
Illinois Public Treasurers' Investment Pool	19,226	19,226	--	--	--	--	--
Non government mortgage-backed securities	33,645	10,239	776	2,186	5,249	1,880	13,315
Government bonds - non U.S.	1,602	704	--	898	--	--	--
Repurchase agreements	526	--	--	--	--	--	526
Total subject to credit risk	1,001,091	<u>\$ 837,597</u>	<u>\$ 11,246</u>	<u>\$ 89,713</u>	<u>\$ 30,209</u>	<u>\$ 5,070</u>	<u>\$ 27,256</u>
U.S. Treasury put	4,345						
U.S. Treasury bonds and bills	92,926						
Total fixed income securities	<u>\$ 1,098,362</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, 2010 are categorized by currency below:

University

Table 3-26 (amounts expressed in thousands)

Currency denomination	Total	Cash Equivalents	Equity Investments
British Pound Sterling	\$ 6,202	\$ 95	\$ 6,107
Euro	12,837	310	12,527
Hong Kong Dollar	1,254	13	1,241
Japanese Yen	2,328	--	2,328
Swiss Franc	2,674	3	2,671
All other currency	3,074	118	2,956
Total subject to foreign currency risk	<u>\$ 28,369</u>	<u>\$ 539</u>	<u>\$ 27,830</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 15 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, 2010.

<u>State Agency/Component Unit</u>	<u>Fair Value</u>	<u>Collateral Value</u>
State Treasurer	\$ 3,095,534	\$ 3,107,545
Illinois State Board of Investments	1,055,477	1,091,589
Teachers' Retirement System	3,473,627	3,568,595
State Universities Retirement System	1,888,108	1,935,312
University of Illinois	80,747	82,871

4 TAXES RECEIVABLE

Taxes receivable for the primary government at June 30, 2010 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	\$ 711,666	\$ 69,298	\$ 780,964	\$ -	\$ -
Less allowance	(349,644)	(31,025)	(380,669)	-	-
Net income tax	362,022	38,273	400,295	-	-
Sales tax	599,469	187,611	787,080	-	-
Less allowance	(216,651)	(66,401)	(283,052)	-	-
Net sales tax	382,818	121,210	504,028	-	-
Motor fuel tax	-	130,238	130,238	-	-
Less allowance	-	(22,391)	(22,391)	-	-
Net motor fuel tax	-	107,847	107,847	-	-
Public utility tax	9,606	13,510	23,116	-	-
Less allowance	(2,434)	(2,904)	(5,338)	-	-
Net public utility tax	7,172	10,606	17,778	-	-
Other tax	255,030	36,434	291,464	-	-
Less allowance	(13,939)	(1,355)	(15,294)	-	-
Net other tax	241,091	35,079	276,170	-	-
Unemployment compensation tax	-	-	-	518,401	-
Less allowance	-	-	-	(116,045)	-
Net unemployment compensation tax	-	-	-	402,356	-
Taxes assessed by other governments	-	-	-	-	150,421
Total taxes receivable, net	\$ 993,103	\$ 313,015	\$ 1,306,118	\$ 402,356	\$150,421

5 INTERFUND BALANCES AND ACTIVITY

Interfund due to and due from balances at June 30, 2010 consisted of the following:

Table 5-1 (amounts expressed in thousands)

Due From	Due To									
	General Fund	Road Fund	Nonmajor Governmental Funds	Unemployment Compensation Trust Fund	Water Revolving Fund	Designated Account Purchase Program Fund	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
General Fund	\$ --	\$ 147	\$ 114,264	\$ --	\$ 1	\$ --	\$ 32,887	\$ 11,200	\$ --	\$ 158,499
Road Fund	12	--	53,633	--	--	--	--	--	--	53,645
State Construction Account	--	--	36,524	--	--	--	--	--	--	36,524
Nonmajor Governmental Funds	1,178,707	1,832	145,484	6,681	--	--	480	22	275	1,333,481
Unemployment Compensation Trust Fund	28,615	5,770	38	--	--	--	--	--	--	34,423
Designated Account Purchase Program Fund	--	--	--	--	--	--	7	--	--	7
Nonmajor Enterprise Funds	79,895	--	6	--	--	3,922	4,681	--	380	88,884
Internal Service Funds	1,430,733	140,624	52,495	--	114	5	2,798	35,888	3,397	1,666,054
Fiduciary Funds	53,611	--	26,685	--	--	--	--	219	93	80,608
Total	\$ 2,771,573	\$ 148,373	\$ 429,129	\$ 6,681	\$ 115	\$ 3,927	\$ 40,853	\$ 47,329	\$ 4,145	\$ 3,452,125

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

Interfund transfers activity at June 30, 2010 consisted of the following:

Table 5-2 (amounts expressed in thousands)

Transfers-In	Transfers-Out										Total
	General Fund	Road Fund	Nonmajor Governmental Funds	Unemployment Compensation Trust Fund	Water Revolving Fund	Prepaid Tuition Program	Designated Account Purchase Program	Nonmajor Enterprise Funds	Internal Service Funds		
General Fund	\$ --	\$ --	\$ 3,145,649	\$ --	\$ 5	\$ --	\$ --	\$ 648,605	\$ 15,922	\$ 3,810,181	
Road Fund	388	--	305,125	--	--	--	--	--	--	305,513	
State Construction Account	--	--	207,275	--	--	--	--	--	--	207,275	
Nonmajor Governmental Funds	5,653,132	302,241	1,074,411	11,911	--	31	750	10,067	--	7,052,543	
Unemployment Compensation Trust Fund	--	--	3,048	--	--	--	--	--	--	3,048	
Water Revolving Fund	--	--	421	--	--	--	--	--	--	421	
Nonmajor Enterprise Funds	--	--	--	--	--	--	--	25,724	--	25,724	
Total	<u>\$ 5,653,520</u>	<u>\$ 302,241</u>	<u>\$ 4,735,929</u>	<u>\$ 11,911</u>	<u>\$ 5</u>	<u>\$ 31</u>	<u>\$ 750</u>	<u>\$ 684,396</u>	<u>\$ 15,922</u>	<u>\$ 11,404,705</u>	

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, 2010, consisted of the following:

Table 5-3 (amounts expressed in thousands)

Due To	Due From								Total
	Illinois Housing Development Authority	Toll Highway Authority	Nonmajor Authorities	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois	Nonmajor Universities	
General Fund	\$ 87	\$ --	\$ --	\$ --	\$ 340	\$ 213	\$ --	\$ 116	\$ 756
Road Fund	--	61,629	--	--	--	43	--	--	61,672
Nonmajor Governmental Funds	345,798	--	19,723	357	25	28	190	5	366,126
Unemployment Compensation Trust Fund	--	--	--	9	--	--	313	86	408
Water Revolving Fund	--	--	395	--	--	--	--	--	395
Internal Service Funds	--	2,978	227	--	--	--	24,766	88	28,059
Fiduciary Funds	--	--	2	--	--	--	207	74	283
Total	\$ 345,885	\$ 64,607 *	\$ 20,347	\$ 366	\$ 365	\$ 284	\$ 25,476	\$ 369	\$ 457,699

* The amounts due to the Toll Highway Authority at December 31, 2009, its fiscal year-end, were \$58,539.

The due to amounts for the State of Illinois to its component units, as of June 30, 2010, consisted of the following:

Table 5-4 (amounts expressed in thousands)

Due From	Due To							Total
	Toll Highway Authority	Nonmajor Authorities	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois	Nonmajor Universities	
General Fund	\$ 14	\$ 17,537	\$ 20,186	\$ 28,972	\$ 92,508	\$ 381,758	\$ 28,021	\$ 568,996
Road Fund	123,596	--	--	712	309	1,330	--	125,947
State Construction Account	--	--	--	--	--	1,107	--	1,107
Nonmajor Governmental Funds	4	212	1,098	1,363	4,802	38,177	4,299	49,955
Water Revolving Fund	--	75,505	--	--	--	--	--	75,505
Prepaid Tuition Fund	--	--	62	1	20	1	14	98
Designated Account Purchase Program Fund	--	--	--	--	--	--	151	151
Nonmajor Enterprise Funds	3	--	--	--	--	--	--	3
Internal Service Funds	1	--	--	41	2	440	--	484
Fiduciary Funds	--	49	--	--	--	--	--	49
Total	\$ 123,618 *	\$ 93,303	\$ 21,346	\$ 31,089	\$ 97,641	\$ 422,813	\$ 32,485	\$ 822,295

* The amounts due from the Toll Highway Authority at December 31, 2009, its fiscal year-end, were \$121,308.

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, 2010, 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 Fund	Total	Fiduciary Funds
Student loan program	\$ 54,314	\$ 1,580	\$ 55,894	\$ --	\$ 1,134,044	\$ 1,134,044	\$ 98
Local government infrastructure	--	--	--	1,891,184	--	1,891,184	--
Port district construction	14,968	--	14,968	--	--	--	--
Other	909	53,963	54,872	--	--	--	--
	<u>70,191</u>	<u>55,543</u>	<u>125,734</u>	<u>1,891,184</u>	<u>1,134,044</u>	<u>3,025,228</u>	<u>98</u>
Less: Allowance for uncollectible accounts	63,854	3,766	67,620	--	9,994	9,994	54
Total	<u>6,337</u>	<u>51,777</u>	<u>58,114</u>	<u>1,891,184</u>	<u>1,124,050</u>	<u>3,015,234</u>	<u>44</u>
Less: Amounts representing restricted assets	--	--	--	286,742	1,124,050	1,410,792	--
Loans and notes receivable, net	<u>\$ 6,337</u>	<u>\$ 51,777</u>	<u>\$ 58,114</u>	<u>\$ 1,604,442</u>	<u>\$ --</u>	<u>\$ 1,604,442</u>	<u>\$ 44</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	\$ 1,882,814	\$ --	\$ --	\$ --	\$ --
Student loan program	--	10,730	9,626	21,352	63,585
Other	--	--	--	153	81
	<u>1,882,814</u>	<u>10,730</u>	<u>9,626</u>	<u>21,505</u>	<u>63,666</u>
Less: Allowance for uncollectible accounts	52,575	974	87	2,575	2,800
Loans and notes receivable, net	<u>\$ 1,830,239</u>	<u>\$ 9,756</u>	<u>\$ 9,539</u>	<u>\$ 18,930</u>	<u>\$ 60,866</u>

7 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010, was as follows:

Table 7-1 (amounts expressed in thousands)

	<u>Beginning Balance, (as restated)</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers and Reclassifications</u>	<u>Ending Balance</u>
Primary Government					
Governmental activities					
Capital assets not being depreciated:					
Land and land improvements	\$ 2,728,782 *	\$ 75,196	\$ 633	\$ 1,706	\$ 2,805,051
Intangible assets	68,303 *	36,537	--	--	104,840
Historical treasures and works of art	38,365	8	--	10	38,383
Construction in progress	49,747	69,259	1,036	(66,663)	51,307
Total capital assets not being depreciated	<u>2,885,197 *</u>	<u>181,000</u>	<u>1,669</u>	<u>(64,947)</u>	<u>2,999,581</u>
Capital assets being depreciated:					
Infrastructure	23,469,745	1,646,444	774,999	(171)	24,341,019
Site improvements	763,595	3,293	--	4,289	771,177
Buildings and building improvements	4,304,195	2,767	31	61,682	4,368,613
Equipment	1,129,020	55,474	67,330	493	1,117,657
Historical treasures and works of art	1,100	--	--	--	1,100
Intangible assets	22,087 *	8,233	705	--	29,615
Total capital assets being depreciated	<u>29,689,742 *</u>	<u>1,716,211</u>	<u>843,065</u>	<u>66,293</u>	<u>30,629,181</u>
Less accumulated depreciation for:					
Infrastructure	10,469,634	1,018,778	774,998	--	10,713,414
Site improvements	395,950	16,954	--	1,693	414,597
Buildings and building improvements	2,052,726	104,252	3	161	2,157,136
Equipment	884,504	67,967	66,265	(594)	885,612
Historical treasures and works of art	1,100	--	--	--	1,100
Intangible assets	8,585 *	2,346	705	--	10,226
Total accumulated depreciation	<u>13,812,499 *</u>	<u>1,210,297</u>	<u>841,971</u>	<u>1,260</u>	<u>14,182,085</u>
Total capital assets being depreciated, net	<u>15,877,243 *</u>	<u>505,914</u>	<u>1,094</u>	<u>65,033</u>	<u>16,447,096</u>
Governmental activities capital assets, net	<u>\$ 18,762,440 *</u>	<u>\$ 686,914</u>	<u>\$ 2,763</u>	<u>\$ 86</u>	<u>\$ 19,446,677</u>
Depreciation expense for governmental activities was charged to functions as follows:					
Health and social services					\$ 23,711
Education					4,076
General government					19,121
Employment and economic development					9,541
Transportation					1,041,696
Public protection and justice					55,372
Environmental and business regulation					25,165
Internal service funds					31,615
Total					<u>\$ 1,210,297</u>
* as restated					

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	\$ 454	\$ 46	\$ --	\$ (80)	\$ 420
Total capital assets being depreciated	454	46	--	(80)	420
Less accumulated depreciation for:					
Equipment	220	51	--	(19)	252
Total accumulated depreciation	220	51	--	(19)	252
Total capital assets being depreciated, net	234	(5)	--	(61)	168
Water Revolving Fund capital assets, net	234	(5)	--	(61)	168
Designated Account Purchase Program:					
Capital assets being depreciated:					
Equipment	544	--	--	--	544
Total capital assets being depreciated	544	--	--	--	544
Less accumulated depreciation for:					
Equipment	510	9	--	--	519
Total accumulated depreciation	510	9	--	--	519
Total capital assets being depreciated, net	34	(9)	--	--	25
Designated Account Purchase Program capital assets, net	34	(9)	--	--	25
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	1,683	24	--	--	1,707
Equipment	6,957	744	1	(300)	7,400
Total capital assets being depreciated	8,640	768	1	(300)	9,107
Less accumulated depreciation for:					
Buildings and building improvements	397	95	--	--	492
Equipment	5,068	408	1	(275)	5,200
Total accumulated depreciation	5,465	503	1	(275)	5,692
Total capital assets being depreciated, net	3,175	265	--	(25)	3,415
Nonmajor enterprise funds capital assets, net	3,365	265	--	(25)	3,605
Total Business-type activities					
Capital assets not being depreciated	190	--	--	--	190
Capital assets being depreciated, net	3,443	251	--	(86)	3,608
Business-type activities capital assets, net	<u>\$ 3,633</u>	<u>\$ 251</u>	<u>\$ --</u>	<u>\$ (86)</u>	<u>\$ 3,798</u>
Depreciation expense for business-type activities was charged to functions as follows:					
Water revolving					\$ 51
Designated account purchase program					9
Lottery					160
Other					343
Total					<u>\$ 563</u>

Table 7-3 (amounts expressed in thousands)

	Beginning Balance, (as reclassified)	Additions	Deletions	Transfers and Reclassifications	Ending Balance
Fiduciary Funds					
Capital assets not being depreciated:					
Land and land improvements	\$ 1,675	\$ 49	\$ --	\$ --	\$ 1,724
Total capital assets not being depreciated	<u>1,675</u>	<u>49</u>	<u>--</u>	<u>--</u>	<u>1,724</u>
Capital assets being depreciated:					
Site improvements	418	--	--	--	418
Buildings and building improvements	16,344	881	--	--	17,225
Equipment	20,129 **	750	87	--	20,792
Intangible assets	353 **	490	--	--	843
Total capital assets being depreciated	<u>37,244</u>	<u>2,121</u>	<u>87</u>	<u>--</u>	<u>39,278</u>
Less accumulated depreciation for:					
Site improvements	354	10	--	--	364
Buildings and building improvements	7,778	563	--	--	8,341
Equipment	17,915	1,144	87	--	18,972
Intangible assets	--	70	--	--	70
Total accumulated depreciation	<u>26,047</u>	<u>1,787</u>	<u>87</u>	<u>--</u>	<u>27,747</u>
Total capital assets being depreciated, net	<u>11,197</u>	<u>334</u>	<u>--</u>	<u>--</u>	<u>11,531</u>
Fiduciary funds capital assets, net	<u>\$ 12,872</u>	<u>\$ 383</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 13,255</u>
** as reclassified					

Table 7-4 (amounts expressed in thousands)

	Beginning Balance, (as reclassified)	Additions	Deletions	Transfers and Reclassifications	Ending Balance
Major Component Units					
Illinois Housing Development Authority:					
Capital assets being depreciated:					
Buildings and building improvements	\$ 41,119	\$ --	\$ 68	\$ --	\$ 41,051
Equipment	227 **	10	--	--	237
Intangible assets	1,636 **	20	162	--	1,494
Total capital assets being depreciated	<u>42,982</u>	<u>30</u>	<u>230</u>	<u>--</u>	<u>42,782</u>
Less accumulated depreciation for:					
Buildings and building improvements	12,611	800	--	--	13,411
Equipment	177 **	18	--	--	195
Intangible assets	1,556 **	30	162	--	1,424
Total accumulated depreciation	<u>14,344</u>	<u>848</u>	<u>162</u>	<u>--</u>	<u>15,030</u>
Total capital assets being depreciated, net	<u>28,638</u>	<u>(818)</u>	<u>68</u>	<u>--</u>	<u>27,752</u>
Capital assets, net	<u>\$ 28,638</u>	<u>\$ (818)</u>	<u>\$ 68</u>	<u>\$ --</u>	<u>\$ 27,752</u>
Toll Highway Authority:					
Capital assets not being depreciated:					
Land and land improvements	\$ 299,709	\$ 4,740	\$ 117	\$ --	\$ 304,332
Construction in progress	493,546	726,833	--	(987,449)	232,930
Total capital assets not being depreciated	<u>793,255</u>	<u>731,573</u>	<u>117</u>	<u>(987,449)</u>	<u>537,262</u>
Capital assets being depreciated:					
Infrastructure	6,936,282	50,822	7,729	987,449	7,966,824
Buildings and building improvements	40,909	5,685	--	--	46,594
Equipment	181,726	23,402	3,435	--	201,693
Total capital assets being depreciated	<u>7,158,917</u>	<u>79,909</u>	<u>11,164</u>	<u>987,449</u>	<u>8,215,111</u>
Less accumulated depreciation for:					
Infrastructure	2,961,054	285,420	4,637	--	3,241,837
Buildings and building improvements	30,142	2,240	--	--	32,382
Equipment	107,836	9,712	3,159	--	114,389
Total accumulated depreciation	<u>3,099,032</u>	<u>297,372</u>	<u>7,796</u>	<u>--</u>	<u>3,388,608</u>
Total capital assets being depreciated, net	<u>4,059,885</u>	<u>(217,463)</u>	<u>3,368</u>	<u>987,449</u>	<u>4,826,503</u>
Capital assets, net	<u>\$ 4,853,140</u>	<u>\$ 514,110</u>	<u>\$ 3,485</u>	<u>\$ --</u>	<u>\$ 5,363,765</u>
** as reclassified					
Note: The Toll Highway Authority did not implement GASB Statement 51 for intangible assets because its year-end of December 31, 2009 was before the implementation date of June 30, 2010.					

Table 7-4 (continued)					
(amounts expressed in thousands)					
	Beginning Balance, (as reclassified)	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	2,571 **	4,212	--	--	6,783
Construction in progress	78,676 **	51,926	5,202	(45,021)	80,379
Total capital assets not being depreciated	<u>96,385</u>	<u>56,138</u>	<u>5,202</u>	<u>(45,021)</u>	<u>102,300</u>
Capital assets being depreciated:					
Infrastructure	12,683	--	--	--	12,683
Site improvements	28,965	426	25	6,143	35,509
Buildings and building improvements	389,285	1,746	--	38,878	429,909
Equipment	140,490	8,933	1,628	--	147,795
Total capital assets being depreciated	<u>571,423</u>	<u>11,105</u>	<u>1,653</u>	<u>45,021</u>	<u>625,896</u>
Less accumulated depreciation for:					
Infrastructure	5,760	311	--	--	6,071
Site improvements	9,137	1,083	16	--	10,204
Buildings and building improvements	179,133	8,451	--	--	187,584
Equipment	108,730	8,517	1,524	--	115,723
Total accumulated depreciation	<u>302,760</u>	<u>18,362</u>	<u>1,540</u>	<u>--</u>	<u>319,582</u>
Total capital assets being depreciated, net	<u>268,663</u>	<u>(7,257)</u>	<u>113</u>	<u>45,021</u>	<u>306,314</u>
Capital assets, net	<u>\$ 365,048</u>	<u>\$ 48,881</u>	<u>\$ 5,315</u>	<u>\$ --</u>	<u>\$ 408,614</u>
** as reclassified					
Northern Illinois University:					
Capital assets not being depreciated:					
Land and land improvements	\$ 23,110	\$ --	\$ --	\$ --	\$ 23,110
Historic treasures and works of art	329	--	--	--	329
Construction in progress	32,035	12,605	9,172	(10,531)	24,937
Total capital assets not being depreciated	<u>55,474</u>	<u>12,605</u>	<u>9,172</u>	<u>(10,531)</u>	<u>48,376</u>
Capital assets being depreciated:					
Site improvements	60,913	150	--	4,595	65,658
Buildings and building improvements	466,062	--	162	6,030	471,930
Equipment	172,535	5,949	2,389	(94)	176,001
Intangible assets	3,820	--	--	--	3,820
Total capital assets being depreciated	<u>703,330</u>	<u>6,099</u>	<u>2,551</u>	<u>10,531</u>	<u>717,409</u>
Less accumulated depreciation for:					
Site improvements	32,445	2,354	--	--	34,799
Buildings and building improvements	229,333	11,245	127	--	240,451
Equipment	145,950	7,554	2,349	--	151,155
Intangible assets	764	764	--	--	1,528
Total accumulated depreciation	<u>408,492</u>	<u>21,917</u>	<u>2,476</u>	<u>--</u>	<u>427,933</u>
Total capital assets being depreciated, net	<u>294,838</u>	<u>(15,818)</u>	<u>75</u>	<u>10,531</u>	<u>289,476</u>
Capital assets, net	<u>\$ 350,312</u>	<u>\$ (3,213)</u>	<u>\$ 9,247</u>	<u>\$ --</u>	<u>\$ 337,852</u>

Table 7-4 (continued)
(amounts expressed in thousands)

	Beginning Balance, (as restated/ reclassified)	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	9,518	756	--	--	10,274
Construction in progress	62,753	61,155	919	(35,310)	87,679
Total capital assets not being depreciated	<u>94,131</u>	<u>61,911</u>	<u>919</u>	<u>(35,310)</u>	<u>119,813</u>
Capital assets being depreciated:					
Infrastructure	8,608	--	--	--	8,608
Site improvements	52,533	1,509	--	5,946	59,988
Buildings and building improvements	880,079	10,452	503	28,610	918,638
Equipment	314,941 **	13,354	4,561	754	324,488
Intangible assets	6,885 **	21	--	--	6,906
Total capital assets being depreciated	<u>1,263,046</u>	<u>25,336</u>	<u>5,064</u>	<u>35,310</u>	<u>1,318,628</u>
Less accumulated depreciation for:					
Infrastructure	8,608	--	--	--	8,608
Site improvements	34,509	1,827	--	--	36,336
Buildings and building improvements	408,373	21,598	378	--	429,593
Equipment	255,496 **	17,070	4,220	--	268,346
Intangible assets	251 **	733	--	--	984
Total accumulated depreciation	<u>707,237</u>	<u>41,228</u>	<u>4,598</u>	<u>--</u>	<u>743,867</u>
Total capital assets being depreciated, net	<u>555,809</u>	<u>(15,892)</u>	<u>466</u>	<u>35,310</u>	<u>574,761</u>
Capital assets, net	<u>\$ 649,940</u>	<u>\$ 46,019</u>	<u>\$ 1,385</u>	<u>\$ --</u>	<u>\$ 694,574</u>
University of Illinois:					
Capital assets not being depreciated:					
Land and land improvements	\$ 136,474	\$ 889	\$ 3,022	\$ --	\$ 134,341
Intangible assets	130 *	--	--	--	130
Historic treasures and works of art	15,989	3,814	--	--	19,803
Construction in progress	173,472	125,086	--	(189,903)	108,655
Total capital assets not being depreciated	<u>326,065</u>	<u>129,789</u>	<u>3,022</u>	<u>(189,903)</u>	<u>262,929</u>
Capital assets being depreciated:					
Site improvements	657,017	--	--	6,029	663,046
Buildings and building improvements	3,306,919	217	--	183,874	3,491,010
Equipment	1,465,224 **	91,822	52,558	--	1,504,488
Intangible assets	163,608 **	1,588	--	--	165,196
Total capital assets being depreciated	<u>5,592,768</u>	<u>93,627</u>	<u>52,558</u>	<u>189,903</u>	<u>5,823,740</u>
Less accumulated depreciation for:					
Site improvements	280,129	23,085	--	--	303,214
Buildings and building improvements	1,072,157	83,074	--	--	1,155,231
Equipment	1,131,607 **	90,180	46,480	--	1,175,307
Intangible assets	92,639 **	16,708	--	--	109,347
Total accumulated depreciation	<u>2,576,532</u>	<u>213,047</u>	<u>46,480</u>	<u>--</u>	<u>2,743,099</u>
Total capital assets being depreciated, net	<u>3,016,236</u>	<u>(119,420)</u>	<u>6,078</u>	<u>189,903</u>	<u>3,080,641</u>
Capital assets, net	<u>\$ 3,342,301</u>	<u>\$ 10,369</u>	<u>\$ 9,100</u>	<u>\$ --</u>	<u>\$ 3,343,570</u>

* as restated

** as reclassified

8 CHANGES IN LONG-TERM OBLIGATIONS

Changes in long-term obligations for governmental activities for the year ended June 30, 2010 are summarized below:

Table 8-1 (amounts expressed in thousands)

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010	Amounts Due Within One Year
Primary Government					
Governmental Activities					
Bonds payable:					
General obligation bonds (note 9)	\$ 19,430,952	\$ 7,710,282 *	\$ (2,278,630)	\$ 24,862,604	\$ 1,776,361 ^
Special obligation bonds (note 10)	2,146,514	989,753 **	(637,025)	2,499,242	188,699 ^^
Deferred amount on refundings:					
General obligation bonds (note 9)	(40,504)	(65,914)	14,043	(92,375)	(14,971)
Special obligation bonds (note 10)	(425)	(17,882)	425	(17,882)	(3,091)
Unamortized premiums:					
General obligation bonds (note 9)	281,544	137,716	(50,583)	368,677	49,415
Special obligation bonds (note 10)	58,021	62,255	(10,045)	110,231	14,452
Unamortized (discounts):					
General obligation bonds (note 9)	(2,084)	--	119	(1,965)	119
Total bonds payable	<u>21,874,018</u>	<u>8,816,210</u>	<u>(2,961,696)</u>	<u>27,728,532</u>	<u>2,010,984</u>
Other long-term obligations:					
Capital lease obligations (note 13A)	8,736	915	(3,174)	6,477	972
Installment purchases (note 13C)	19,067	2,035	(6,944)	14,158	6,143
Certificates of participation (note 13B)	82,895	--	(7,800)	75,095	6,555
Financing payable under swap agreement (Note 14)	39,977	--	(1,643)	38,334	1,643
Workers compensation (note 19)	402,927	268,810	(134,800)	536,937	143,697
Auto liability (note 19)	14,400	4,656	(4,577)	14,479	4,615
Pollution remediation obligation (note 13D)	30,015	5,985	(21)	35,979	300
Compensated absences (note 1M)	445,486	368,313	(352,099)	461,700	37,129
Net pension obligation (note 16)	20,974,704	1,288,567	--	22,263,271	--
Net other postemployment benefits obligation (note 17)	2,474,254	1,404,538	--	3,878,792	--
Other obligations (note 13G)	6,378	--	(1,063)	5,315	5,315
Total other long-term obligations	<u>24,498,839</u>	<u>3,343,819</u>	<u>(512,121)</u>	<u>27,330,537</u>	<u>206,369</u>
Total Governmental Activities	<u>\$ 46,372,857</u>	<u>\$ 12,160,029</u>	<u>\$ (3,473,817)</u>	<u>\$ 55,059,069</u>	<u>\$ 2,217,353</u>

* Includes \$40,887 of interest accreted on capital appreciation debt.

** Includes \$4,753 of interest accreted on capital appreciation debt.

^ \$972 of interest will be accreted on capital appreciation debt in the next year.

^^ \$951 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, 2010 are summarized below:

Table 8-2 (amounts expressed in thousands)

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010	Amounts Due Within One Year
Primary Government					
Business-type Activities					
Water Revolving Fund:					
Other long-term obligations:					
Capital lease obligations (note 13A)	\$ 3	\$ 10	\$ (6)	\$ 7	\$ 3
Compensated absences (note 1M)	1,336	713	(505)	1,544	28
Total Water Revolving Fund	<u>1,339</u>	<u>723</u>	<u>(511)</u>	<u>1,551</u>	<u>31</u>
Prepaid Tuition Fund:					
Tuition and related accretion payable (note 13F)	1,221,854	176,604	(75,429)	1,323,029	75,000
Compensated absences (note 1M)	68	105	(69)	104	15
Total Prepaid Tuition Fund	<u>1,221,922</u>	<u>176,709</u>	<u>(75,498)</u>	<u>1,323,133</u>	<u>75,015</u>
Designated Account Purchase Program:					
Bonds payable:					
Revenue bonds (note 11)	1,030,500	88,350	(96,100)	1,022,750	88,350
Unamortized (discounts) (note 11)	(3,200)	--	151	(3,049)	(151)
Total bonds payable	<u>1,027,300</u>	<u>88,350</u>	<u>(95,949)</u>	<u>1,019,701</u>	<u>88,199</u>
Other long-term obligations:					
Compensated absences (note 1M)	599	230	(425)	404	185
Total Designated Account Purchase Program	<u>1,027,899</u>	<u>88,580</u>	<u>(96,374)</u>	<u>1,020,105</u>	<u>88,384</u>
Nonmajor Enterprise Funds:					
Lottery prize awards (note 13E)	966	--	(407)	559	59
Compensated absences (note 1M)	6,811	3,543	(3,646)	6,708	691
Other obligations (note 13G)	9,057	1,583	(1,239)	9,401	1,369
Total Nonmajor Enterprise Funds	<u>16,834</u>	<u>5,126</u>	<u>(5,292)</u>	<u>16,668</u>	<u>2,119</u>
Total Business-type Activities	<u>\$ 2,267,994</u>	<u>\$ 271,138</u>	<u>\$ (177,675)</u>	<u>\$ 2,361,457</u>	<u>\$ 165,549</u>

Changes in long-term obligations for fiduciary funds for the year ended June 30, 2010 are summarized below:

Table 8-3 (amounts expressed in thousands)

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010	Amounts Due Within One Year
Fiduciary Funds					
Capital lease obligations (note 13A)	\$ 15	\$ --	\$ (13)	\$ 2	\$ 2
Compensated absences (note 1M)	3,669	1,801	(1,590)	3,880	115
Total Fiduciary Funds	<u>\$ 3,684</u>	<u>\$ 1,801</u>	<u>\$ (1,603)</u>	<u>\$ 3,882</u>	<u>\$ 117</u>

Changes in long-term obligations for component units for the year ended June 30, 2010 are summarized below:

Table 8-4 (amounts expressed in thousands)

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010	Amounts Due Within One Year
Major Component Units					
Illinois Housing Development Authority:					
Bonds and notes payable:					
Revenue bonds (note 11)	\$ 1,532,355	\$ 384,081	\$ (231,650)	\$ 1,684,786	\$ 475,945
Notes payable (note 12)	6,233	1,667	--	7,900	--
Deferred amount on refundings (note 11)	(8,325)	--	1,343	(6,982)	(1,327)
Unamortized (discounts) (note 11)	(139)	--	3	(136)	(3)
Unamortized premiums (note 11)	1,582	--	(210)	1,372	93
Total bonds and notes payable	<u>1,531,706</u>	<u>385,748</u>	<u>(230,514)</u>	<u>1,686,940</u>	<u>474,708</u>
Other long-term obligations:					
Compensated absences (note 1M)	683	--	(39)	644	644
Other obligations (note 13G)	14,885	--	--	14,885	--
Total other long-term obligations	<u>15,568</u>	<u>--</u>	<u>(39)</u>	<u>15,529</u>	<u>644</u>
Total Illinois Housing Development Authority	<u>\$ 1,547,274</u>	<u>\$ 385,748</u>	<u>\$ (230,553)</u>	<u>\$ 1,702,469</u>	<u>\$ 475,352</u>
Illinois State Toll Highway Authority:					
Bonds payable:					
Revenue bonds (note 11)	\$ 3,392,890	\$ 780,000	\$ (97,150)	\$ 4,075,740	\$ 1,065
Deferred amount on refundings (note 11)	(53,463)	--	3,875	(49,588)	(3,829)
Unamortized (discounts) (note 11)	(9,079)	--	379	(8,700)	(378)
Unamortized premiums (note 11)	67,196	--	(5,009)	62,187	5,009
Total bonds payable	<u>3,397,544</u>	<u>780,000</u>	<u>(97,905)</u>	<u>4,079,639</u>	<u>1,867</u>
Other long-term obligations:					
Accrued self-insurance (note 19)	10,878	11,946	(6,801)	16,023	16,023
Compensated absences (note 1M)	7,222	5,888	(5,564)	7,546	3,547
Other obligations (note 13G)	7	--	(7)	--	--
Total other long-term obligations	<u>18,107</u>	<u>17,834</u>	<u>(12,372)</u>	<u>23,569</u>	<u>19,570</u>
Total Illinois State Toll Highway Authority	<u>\$ 3,415,651</u>	<u>\$ 797,834</u>	<u>\$ (110,277)</u>	<u>\$ 4,103,208</u>	<u>\$ 21,437</u>
Illinois State University:					
Bonds payable:					
Revenue bonds (note 11)	\$ 108,200	\$ 1,056	\$ (5,380)	\$ 103,876	\$ 6,146 [^]
Unamortized premiums (note 11)	284	--	(56)	228	56
Unamortized (discounts) (note 11)	(875)	--	50	(825)	(50)
Total bonds payable	<u>107,609</u>	<u>1,056</u>	<u>(5,386)</u>	<u>103,279</u>	<u>6,152</u>
Other long-term obligations:					
Certificates of participation (note 13B)	22,230	--	(825)	21,405	855
Unamortized (discounts) (note 13B)	(88)	--	5	(83)	(5)
Installment purchase obligations (note 13C)	3,248	--	(61)	3,187	65
Compensated absences (note 1M)	18,097	934	(1,800)	17,231	1,757
Other obligations (note 13G)	354	50	(46)	358	41
Total other long-term obligations	<u>43,841</u>	<u>984</u>	<u>(2,727)</u>	<u>42,098</u>	<u>2,713</u>
Total Illinois State University	<u>\$ 151,450</u>	<u>\$ 2,040</u>	<u>\$ (8,113)</u>	<u>\$ 145,377</u>	<u>\$ 8,865</u>

[^] \$134 of interest will be accreted on capital appreciation debt in the next year.

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

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010	Amounts Due Within One Year
Major Component Units, continued					
Northern Illinois University:					
Bonds and notes payable:					
Revenue bonds (note 11)	\$ 100,632	\$ 1,337	\$ (6,174)	\$ 95,795	\$ 6,184 [^]
Notes payable (note 12)	589	--	(589)	--	--
Total bonds and notes payable	<u>101,221</u>	<u>1,337</u>	<u>(6,763)</u>	<u>95,795</u>	<u>6,184</u>
Other long-term obligations:					
Capital lease obligations (note 13A)	20,261	--	(389)	19,872	409
Certificates of participation (note 13B)	4,555	--	(390)	4,165	410
Compensated absences (note 1M)	23,733	782	(2,184)	22,331	2,176
Other obligations (note 13G)	22,603	6,074	(2,210)	26,467	2,666
Total other long-term obligations	<u>71,152</u>	<u>6,856</u>	<u>(5,173)</u>	<u>72,835</u>	<u>5,661</u>
Total Northern Illinois University	<u>\$ 172,373</u>	<u>\$ 8,193</u>	<u>\$ (11,936)</u>	<u>\$ 168,630</u>	<u>\$ 11,845</u>
Southern Illinois University:					
Bonds and notes payable:					
Revenue bonds (note 11)	\$ 301,656	\$ 4,457	\$ (13,190)	\$ 292,923	\$ 15,832 ^{^^}
Notes payable (note 12)	1,100	--	(1,100)	--	--
Deferred amount on refundings (note 11)	(1,785)	--	249	(1,536)	(176)
Unamortized premiums (note 11)	6,209	--	(323)	5,886	317
Total bonds and notes payable	<u>307,180</u>	<u>4,457</u>	<u>(14,364)</u>	<u>297,273</u>	<u>15,973</u>
Other long-term obligations:					
Capital lease obligations (note 13A)	418	101	(285)	234	170
Certificates of participation (note 13B)	25,690	--	(2,770)	22,920	2,875
Unamortized (discounts) (note 13B)	(66)	--	4	(62)	(4)
Accrued self-insurance (note 19)	17,728	18,111	(17,010)	18,829	12,272
Compensated absences (note 1M)	50,103	4,151	(3,223)	51,031	3,709
Other obligations (note 13G)	4,513	548	(592)	4,469	592
Total other long-term obligations	<u>98,386</u>	<u>22,911</u>	<u>(23,876)</u>	<u>97,421</u>	<u>19,614</u>
Total Southern Illinois University	<u>\$ 405,566</u>	<u>\$ 27,368</u>	<u>\$ (38,240)</u>	<u>\$ 394,694</u>	<u>\$ 35,587</u>
University of Illinois:					
Bonds payable:					
Revenue bonds (note 11)	\$ 1,072,966	\$ 10,390	\$ (34,200)	\$ 1,049,156	\$ 95,531 ^{^^^}
Deferred amount on refundings (note 11)	(19,705)	(4,931)	1,231	(23,405)	(5,449)
Unamortized premiums (note 11)	34,336	--	(1,342)	32,994	1,340
Total bonds payable	<u>1,087,597</u>	<u>5,459</u>	<u>(34,311)</u>	<u>1,058,745</u>	<u>91,422</u>
Other long-term obligations:					
Capital lease obligations (note 13A)	16,502	445	(5,506)	11,441	4,965
Certificates of participation (note 13B)	570,520	--	(34,470)	536,050	76,900
Deferred amount on refundings (note 13B)	(13,269)	--	5,340	(7,929)	(1,298)
Unamortized premiums (note 13B)	14,714	--	(1,520)	13,194	1,440
Financing payable under swap (note 14)	3,665	--	(212)	3,453	3,453
Accrued self-insurance (note 19)	181,827	62,582	(37,580)	206,829	59,008
Compensated absences (note 1M)	218,650	15,743	(17,972)	216,421	19,243
Other obligations (note 13G)	49,870	13,467	(6,069)	57,268	7,527
Total other long-term obligations	<u>1,042,479</u>	<u>92,237</u>	<u>(97,989)</u>	<u>1,036,727</u>	<u>171,238</u>
Total University of Illinois	<u>\$ 2,130,076</u>	<u>\$ 97,696</u>	<u>\$ (132,300)</u>	<u>\$ 2,095,472</u>	<u>\$ 262,660</u>

[^] \$116 of interest will be accreted on capital appreciation debt in the next year.

^{^^} \$288 of interest will be accreted on capital appreciation debt in the next year.

^{^^^} \$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, 2010 are as follows:

Table 9-1 (amounts expressed in thousands)

Governmental Activities		Original Issue Amount	Final Maturity	Interest Rate Ranges	Anti-Pollution	Capital Development	Coal Development	Pension	
Multiple Purpose Series:									
November	1989	250,000	8/1/2010	Accreted*	\$ 616	\$ 17,483	\$ --	\$ --	
November	1990	250,000	8/1/2011	Accreted*	--	30,142	--	--	
September	1991	209,793	8/1/2012	Accreted*	532	34,991	966	--	
October	1992	249,991	8/1/2013	Accreted*	1,157	56,240	919	--	
October	1993	169,399	8/1/2015	Accreted*	5,663	22,295	334	--	
October	1994	209,816	8/1/2016	Accreted*	8,225	65,741	2,389	--	
July	1997	100,000	7/1/2022	4.95% to 5.25%	10,175	18,653	--	--	
November	1997	168,330	8/1/2019	Accreted*	--	113,722	--	--	
November	1998	122,334	8/1/2020	Accreted*	--	50,295	--	--	
August	2000	300,000	8/1/2025	5.375% to 5.5%	--	4,000	--	--	
October	2000	101,855	8/1/2022	Accreted*	--	28,038	--	--	
December	2000	300,000	12/1/2025	5.375% to 5.5%	429	10,304	500	--	
April	2001	112,810	4/1/2016	5.25% to 5.375%	--	--	--	--	
April	2001	163,190	4/1/2011	5.25%	433	3,147	157	--	
May	2001	300,000	5/1/2026	5.25% to 5.5%	--	43,500	900	--	
August	2001	375,000	8/1/2026	5.0% to 5.5%	4,641	51,055	2,321	--	
November	2001	375,000	11/1/2026	5.0% to 6.0%	3,227	38,462	--	--	
December	2001	318,775	10/1/2014	5.25% to 5.375%	--	--	--	--	
February	2002	375,000	2/1/2027	5.1% to 5.25%	4,400	55,000	--	--	
March	2002	375,000	4/1/2027	5.125% to 5.5%	--	64,800	--	--	
April	2002	79,695	4/1/2013	5.5%	--	--	--	--	
July	2002	395,000	7/1/2027	5.0% to 5.375%	4,359	51,380	1,868	--	
August	2002	564,900	8/1/2019	5.25% to 5.5%	--	--	--	--	
October	2002	395,000	10/1/2027	4.75% to 5.25%	--	64,810	--	--	
October	2002	62,079	8/1/2024	Accreted*	3,298	9,944	1,319	--	
December	2002	400,000	12/1/2027	5.0% to 5.375%	4,345	161,950	1,975	--	
June	2003	460,000	6/1/2028	4.25% to 5.0%	10,142	104,797	--	--	
June	2003	10,000,000	6/1/2033	3.55% to 5.1%	--	--	--	9,850,000	
A-October	2003	363,000	10/1/2020	4.0% to 5.25%	4,265	22,320	--	--	
B-October	2003	40,170	10/1/2021	Variable**	--	--	--	--	
B-October	2003	559,830	10/1/2033	Variable**	18,990	104,965	--	--	
A-March	2004	484,400	3/1/2034	5.0%	13,135	127,750	--	--	
B-March	2004	344,775	3/1/2014	5.0%	--	--	--	--	
September	2004	285,000	9/1/2029	4.5% to 5.0%	--	36,000	--	--	
November	2004	275,000	11/1/2029	5.0%	4,000	94,100	--	--	
April	2005	315,000	4/1/2030	5.0%	--	68,000	--	--	
September	2005	300,000	9/1/2030	4.0% to 5.0%	--	99,960	--	--	
January	2006	325,000	1/1/2031	5.0% to 5.5%	--	99,120	2,520	--	
June	2006	274,950	1/1/2021	5.0%	--	--	--	--	
A-June	2006	285,000	6/1/2031	5.0%	--	157,080	3,180	--	
B-June	2006	15,000	6/1/2011	4.25%	--	3,000	--	--	
April	2007	150,000	4/1/2032	4.5% to 5.0%	--	83,600	4,800	--	
A-June	2007	108,000	6/1/2025	4.5% to 5.5%	--	35,432	--	--	
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%	--	92,000	--	--	
April	2009	150,000	4/1/2034	3.0% to 5.25%	--	64,032	--	--	
A-September	2009	400,000	9/1/2034	3.5% to 5.0%	2,500	27,500	20,000	--	
January	2010	3,466,000	1/1/2015	1.823% to 4.421%	--	--	--	3,466,000	
B.A.B.^	2010-1	1,000,000	2/1/2035	1.395% to 6.63%	--	372,700	--	--	
February	2010	1,501,300	1/1/2025	2.0% to 5.0%	--	--	--	--	
B.A.B.^	2010-2	300,000	3/1/2035	1.45% to 6.9%	--	--	--	--	
March	2010	56,000	3/1/2035	1.45% to 6.9%	--	--	--	--	
April	2010	246,095	3/31/2011	2.5%	--	--	--	--	
B.A.B.^	2010-3	700,000	4/1/2035	1.578% to 6.725%	--	--	--	--	
Total		\$ 29,581,487			\$ 104,532	\$ 2,588,308	\$ 44,148	\$ 13,316,000	
Authorized but Unissued					\$ 126,054	\$ 1,004,774	\$ 571,894	\$ --	

^ Bonds issued under the American Recovery and Reinvestment Act of 2009 commonly referred to as "Build America Bonds." (B.A.B.)
 * Accreted bonds are shown at their accreted values as of 6/30/10. Imputed interest rates on these capital appreciation bonds range from 3.65% to 7.2%.
 ** See Note 14--Derivatives for details on the variable rate bonds.

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

Medicaid Enhancement Funding	School Construction	Transportation "A"	Transportation "B"	Transportation "D"	Refunding	Principal Outstanding June 30, 2010	Amount Related to Capital Assets
\$ --	\$ 739	\$ 6,156	\$ 5,787	\$ --	\$ --	\$ 30,781	\$ 4,653
--	--	14,301	10,561	--	--	55,004	9,689
--	892	14,826	13,974	--	--	66,181	12,683
--	2,750	16,080	24,024	--	4,587	105,757	21,052
--	76	20,881	9,705	--	--	58,954	13,221
--	--	12,096	13,063	--	--	101,514	17,785
--	--	--	5,087	--	--	33,915	7,920
--	--	--	17,098	--	--	130,820	44,901
--	1,236	--	13,235	--	--	64,766	17,155
--	2,667	5,333	4,000	--	--	16,000	7,729
--	43,358	--	--	--	--	71,396	13,284
--	7,167	--	--	--	--	18,400	5,667
--	--	--	--	--	110,280	110,280	61,864
--	1,502	1,180	--	--	--	6,419	2,378
--	21,000	21,000	3,600	--	--	90,000	44,427
--	51,055	53,375	11,603	--	--	174,050	77,116
--	48,626	19,360	11,326	--	--	121,001	38,903
--	--	--	--	--	149,430	149,430	86,093
--	66,000	22,000	17,600	--	--	165,000	41,876
--	62,400	28,800	24,000	--	--	180,000	62,527
--	--	--	--	--	26,910	26,910	20,418
--	105,873	73,177	9,342	--	--	245,999	98,057
--	129,620	42,127	19,443	--	412,545	412,545	231,935
--	--	23,083	3,297	--	--	256,000	70,671
--	48,980	59,250	39,500	--	--	40,941	19,266
--	108,177	67,611	20,283	--	--	316,000	130,693
--	--	--	--	--	--	311,010	117,498
--	--	--	--	--	--	9,850,000	--
--	45,525	39,505	8,575	--	206,485	326,675	163,249
--	--	--	--	--	40,170	40,170	20,738
--	211,945	183,945	39,985	--	--	559,830	238,072
--	132,340	141,435	27,370	--	--	442,030	199,393
--	--	--	--	--	206,900	206,900	109,449
--	80,000	96,000	16,000	--	--	228,000	105,222
--	66,600	44,800	10,500	--	--	220,000	66,054
--	65,600	97,600	20,800	--	--	252,000	132,901
--	78,120	48,720	25,200	--	--	252,000	78,398
--	83,160	51,240	36,960	--	--	273,000	88,419
--	--	--	--	--	201,630	201,630	105,591
--	17,640	28,740	32,760	--	--	239,400	114,738
--	--	--	--	--	--	3,000	3,000
--	20,240	9,680	18,480	--	--	136,800	56,043
--	8,669	11,250	34,650	--	--	90,001	33,093
--	--	--	--	--	258,500	258,500	131,952
--	--	9,200	13,800	--	--	115,000	53,611
--	--	19,200	55,968	--	--	139,200	49,325
--	--	317,000	13,000	20,000	--	400,000	345,601
--	--	--	--	--	--	3,466,000	61,136
--	--	330,500	150,000	146,800	--	1,000,000	662,983
--	300,000	--	--	--	1,501,300	1,501,300	--
--	56,000	--	--	--	--	300,000	--
246,095	--	--	--	--	--	56,000	--
--	64,000	336,000	55,000	245,000	--	246,095	--
--	--	--	--	--	--	700,000	--
<u>\$ 246,095</u>	<u>\$ 1,931,957</u>	<u>\$ 2,265,451</u>	<u>\$ 835,576</u>	<u>\$ 411,800</u>	<u>\$ 3,118,737</u>	24,862,604	4,098,429
<u>\$ 3,905</u>	<u>\$ 183,584</u>	<u>\$ 1,095,704</u>	<u>\$ 1,588,182</u>	<u>\$ 603,200</u>	<u>\$ 1,723,306</u>		
				Deferred amount on refundings		(92,375)	(45,162)
				Unamortized premiums		368,677	163,671
				Unamortized (discounts)		(1,965)	--
				Total		<u>\$ 25,136,941</u>	<u>\$ 4,216,938</u>

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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 have also been issued for the exclusive purpose of funding Medicaid services subject to enhanced federal participation due to expire 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 96-36, effective July 13, 2009, increased the authorized bond limits for Anti-Pollution to \$585.3 million; Capital Development to \$7.968 billion; School Construction to \$3.57 billion; and Transportation 'B' bonds to \$3.502 billion; Public Act 96-37, effective July 13, 2009 created Transportation 'D' bonds with an authorization of \$1.015 billion; Public Act 96-43, effective July 15, 2009, increased Pension Contribution bonds to \$13.466 billion; Public Act 96-885, effective March 11, 2010 created Medicaid Enhancement Funding bonds with an authorization of \$250 million.

Bond issues 2010-1, 2010-2 and 2010-3 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, 2010, are summarized in Note 8. Future general obligation debt service requirements at June 30, 2010 are as follows:

Table 9-2 (amounts expressed in thousands)

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2011	\$ 1,777,333	\$ 1,135,122	\$ 2,912,455
2012	1,513,883	1,113,378	2,627,261
2013	1,501,358	1,064,699	2,566,057
2014	1,480,036	1,011,057	2,491,093
2015	1,477,610	949,426	2,427,036
2016-2020	3,811,000	4,068,213	7,879,213
2021-2025	4,276,643	3,089,268	7,365,911
2026-2030	5,221,408	1,876,175	7,097,583
2031-2035	3,924,169	455,706	4,379,875
	<u>24,983,440</u>	<u>\$ 14,763,044</u>	<u>\$ 39,746,484</u>
Less: Unaccrued appreciation	(120,836)		
	24,862,604		
Deferred amount on refundings	(92,375)		
Unamortized premiums	368,677		
Unamortized (discounts)	(1,965)		
Total	<u>\$25,136,941</u>		

The State has issued \$600 million in variable rate general obligation bonds. Information regarding the June 30, 2010 valuations and risks associated with these bonds are included in Note 14—Derivatives.

10 SPECIAL OBLIGATION BONDS

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

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

The State has pledged the following portions of the State's tax revenues, net of related expenses, to annually repay the debt service requirements of the remaining principal and interest of \$3.4 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	\$ 416,195	\$ 8,820,201
50% of hotel operators tax	88,013	175,819
\$5 million of vehicle use tax	5,000	35,012
Total	<u>\$ 509,208</u>	<u>\$ 9,031,032</u>
Principal and interest requirements	<u>\$ 274,732</u>	
Percentage to principal and interest requirements	<u>185%</u>	

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

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

The State originally pledged a portion of the State’s horse racing privilege tax to repay the principal and interest of \$146 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, 2010, are as follows:

Table 10-2 (amounts expressed in thousands)

Governmental Activities

	Original Issue Amount	Final Maturity	Interest Rate Ranges	Build Illinois		
				Public Infrastructure	Business Development	Education
Series 1990-B	\$ 4,601	12/15/2019	Accreted*	\$ --	\$ --	\$ --
Series L	52,001	6/15/2015	Accreted*	42,277	2,001	4,949
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%	47,039	--	13,628
Series Q	416,890	6/15/2012	6.0%	--	--	--
Series 1998	37,590	12/15/2015	5.0% to 5.25%	--	--	--
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 June 2001	125,000	6/15/2011	5.5%	4,080	720	720
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%	75,627	8,580	17,158
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%	42,726	8,545	12,818
Series of March 2004	200,000	6/15/2028	5.0%	88,967	14,048	74,920
Series of February 2005	75,000	6/15/2029	3.0% to 5.0%	21,524	23,750	13,359
Series of June 2005	125,000	6/15/2030	5.0% to 5.25%	87,200	--	12,800
Series of March 2006	65,000	6/15/2026	4.375% to 5.0%	28,800	3,200	14,400
Series of June 2006	150,000	6/15/2031	4.625% to 5.0%	88,200	--	37,800
Series of July 2007	50,000	6/15/2027	4.5% to 5.0%	25,075	--	8,925
Series of December 2009-A	154,920	6/15/2034	3.5% to 5.0%	103,920	--	49,500
Series of December 2009-B	375,000	6/15/2034	2.5% to 5.25%	257,000	--	110,000
Series of June 2010	455,080	6/15/2021	3.0% to 5.0%	--	--	--
Total	\$ 3,527,058			\$ 956,769	\$ 67,844	\$ 387,310
Authorized but Unissued				\$ 254,409	\$ 12,699	\$ 434,170

* Accreted bonds are shown at their accreted values as of 6/30/10. Inputted interest rates on these capital appreciation bonds range from 7.0% to 7.4%.

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

Environment	Refunding	Civic Centers			Principal Outstanding June 30, 2010	Amount Related to Capital Assets
		Civic Centers	Libraries	Refunding		
\$ --	\$ --	\$ 19,942	\$ --	\$ --	\$ 19,942	\$ --
268	--	--	--	--	49,495	7,709
--	--	38,428	5,922	--	44,350	--
--	35,895	--	--	--	35,895	3,330
1,128	--	--	--	--	61,795	19,976
--	46,590	--	--	--	46,590	17,240
--	--	--	--	13,760	13,760	--
--	--	--	--	28,705	28,705	--
--	48,860	--	--	--	48,860	12,542
480	--	--	--	--	6,000	474
--	77,215	--	--	--	77,215	2,100
2,333	--	--	--	--	70,000	4,195
--	50,310	--	--	--	50,310	18,616
--	94,815	--	--	--	94,815	35,085
2,860	--	--	--	--	104,225	6,766
--	48,125	--	--	--	48,125	7,157
--	75,775	--	--	--	75,775	19,833
7,121	--	--	--	--	71,210	4,469
9,365	--	--	--	--	187,300	12,980
742	--	--	--	--	59,375	10,010
--	--	--	--	--	100,000	58,204
5,600	--	--	--	--	52,000	18,827
--	--	--	--	--	126,000	46,586
8,500	--	--	--	--	42,500	3,686
1,500	--	--	--	--	154,920	--
8,000	--	--	--	--	375,000	--
--	455,080	--	--	--	455,080	41,656
<u>\$ 47,897</u>	<u>\$ 932,665</u>	<u>\$ 58,370</u>	<u>\$ 5,922</u>	<u>\$ 42,465</u>	2,499,242	351,441
<u>\$ 564</u>	<u>Unlimited</u>	<u>\$ 146,971</u>	<u>\$ 4,078</u>	<u>Unlimited</u>		
					Deferred amount on refundings	(17,882)
					Unamortized premiums	110,231
					Total	<u>\$ 2,591,591</u>
						<u>\$ 363,329</u>

Changes in special obligation bonds during the year ended June 30, 2010, are summarized in Note 8. Future special obligation debt service requirements at June 30, 2010, are as follows:

Table 10-3 (amounts expressed in thousands)

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2011	\$ 189,650	\$ 123,359	\$ 313,009
2012	190,145	115,202	305,347
2013	192,265	106,569	298,834
2014	192,540	97,421	289,961
2015	192,060	87,521	279,581
2016-2020	790,010	304,323	1,094,333
2021-2025	416,580	152,207	568,787
2026-2030	262,030	58,870	320,900
2031-2035	94,320	11,569	105,889
	2,519,600	\$ 1,057,041	\$ 3,576,641
Less: Unaccrued appreciation	(20,358)		
	2,499,242		
Deferred amount on refundings	(17,882)		
Unamortized premiums	110,231		
Total	\$ 2,591,591		

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, 2010 (except for the Illinois State Toll Highway Authority, which is as of December 31, 2009), 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 Business-type Activities			
Major Funds:			
Designated Account Purchase Program	\$ 1,019,701	1.848% to 17.000%	2045
Major Component Units			
Illinois Housing Development Authority	1,679,040	2.650% to 15.000%	2048
Illinois State Toll Highway Authority	4,079,639	3.764% to 6.450%	2034
Illinois State University	103,279	2.700% to 5.000%	2033
Northern Illinois University	95,795	4.250% to 6.550%	2029
Southern Illinois University	297,273	2.500% to 6.200%	2036
University of Illinois	1,058,745	0.220% to 12.000%	2038

Changes in revenue bonds during the year ended June 30, 2010 are summarized in Note 8. Revenue bond debt service requirements, principal and interest as of June 30, 2010, are as follows:

Table 11-2 (amounts expressed in thousands)

Year Ending June 30	Business-type Activities Designated Account	
	Purchase Program	
	Principal	Interest
2011	\$ 88,350	\$ 18,702
2012	--	17,919
2013	--	17,919
2014	50,000	17,919
2015	--	16,344
2016-2020	--	81,719
2021-2025	--	81,719
2026-2030	--	81,719
2031-2035	--	81,719
2036-2040	--	81,718
2041-2045	884,400	65,298
	<u>1,022,750</u>	<u>\$562,695</u>
Unamortized (discounts)	(3,049)	
Total	<u><u>\$1,019,701</u></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
	2011	\$ 475,945	\$ 58,913	\$ 1,065	\$ 199,920	\$ 6,280
2012	44,075	56,074	49,910	195,314	6,190	3,758
2013	45,640	54,212	53,040	192,164	6,330	3,618
2014	46,895	52,259	56,365	188,795	6,625	3,347
2015	48,525	50,187	92,855	184,853	7,025	3,102
2016-2020	223,785	217,244	557,840	847,504	21,415	14,236
2021-2025	192,650	167,736	842,305	683,668	20,490	10,335
2026-2030	211,265	118,543	1,054,960	482,032	23,610	5,599
2031-2035	240,930	67,518	1,367,400	251,773	9,495	764
2036-2040	119,250	20,126	--	--	--	--
2041-2045	28,260	4,760	--	--	--	--
2046-2050	7,575	339	--	--	--	--
	<u>1,684,795</u>	<u>\$ 867,911</u>	<u>4,075,740</u>	<u>\$3,226,023</u>	<u>107,460</u>	<u>\$ 48,598</u>
Less: Unaccreted appreciation	(9)		--		(3,584)	
	<u>1,684,786</u>		<u>4,075,740</u>		<u>103,876</u>	
Deferred amount on refundings	(6,982)		(49,588)		--	
Unamortized premiums	1,372		62,187		228	
Unamortized (discounts)	(136)		(8,700)		(825)	
Total	<u><u>\$1,679,040</u></u>		<u><u>\$4,079,639</u></u>		<u><u>\$ 103,279</u></u>	

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

Major Component Units, continued

Year Ending June 30	Northern Illinois University		Southern Illinois University		University of Illinois	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 6,300	\$ 3,857	\$ 16,120	\$ 10,661	\$ 96,380	\$ 43,880
2012	5,760	3,738	16,520	10,301	36,750	41,334
2013	5,860	3,638	17,105	9,905	38,210	40,235
2014	5,969	3,531	17,065	9,478	40,050	39,093
2015	6,080	3,413	17,370	9,057	41,610	37,953
2016-2020	33,480	14,024	87,845	37,945	234,280	171,022
2021-2025	21,360	6,077	79,030	24,364	217,860	130,925
2026-2030	15,000	2,360	67,375	12,198	217,440	85,030
2031-2035	--	--	19,445	3,631	180,015	33,881
2036-2040	--	--	2,480	124	25,125	1,374
	99,809	\$ 40,638	340,355	\$ 127,664	1,127,720	\$ 624,727
Less: Unaccrued appreciation	(4,014)		(47,432)		(78,564)	
	95,795		292,923		1,049,156	
Deferred amount on refundings	--		(1,536)		(23,405)	
Unamortized premiums	--		5,886		32,994	
Total	\$ 95,795		\$ 297,273		\$1,058,745	

All but \$312 thousand of the \$1.679 billion of outstanding Illinois Housing Development Authority (“IHDA”) revenue bonds do not require the Governor to include in the State budget the amount necessary for payment of principal and interest. Payment of principal and interest on IHDA bonds are debt of various entities and are guaranteed from pledged revenues of the properties and assets within its issuance resolutions. Furthermore, a portion of the IHDA bonds are additionally secured by a form of credit enhancement such as a municipal bond insurance policy or a direct pay letter of credit on its payment of principal and interest.

A. Demand and Variable Rate Bonds

Primary Government

Designated Account Purchase Program (“IDAPP”)

Included within IDAPP’s \$1.020 billion of outstanding revenue bonds at June 30, 2010 are \$972.8 million in variable rate bonds that have their interest rates reset periodically. These bonds carry a maximum interest rate ranging from 10% to 17%. The average interest rate in effect for 2010 was used in calculating future interest payments for the Union Bank of Switzerland (UBS) debt (\$884.4 million). Actual interest rates were used for the portion of the debt related to the Credit Union Indenture (\$88.4 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 \$61.3 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, \$15.6 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, \$184.1 million of Multifamily Initiative Bonds Series 2009A and \$200 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, 2009, the THA had outstanding variable rate demand bonds in the amount of \$123.1 million for the Series 1998B bonds, \$700.0 million for the 2007 A-1 and A-2 bonds, and \$766.2 million for the Series 2008 A-1 and A-2 bonds. These bonds have final maturities in 2017, 2030, and 2031, respectively, and bear interest rates as determined by the remarketing agents on each rate determination date not to exceed 25%, 15%, and 12%, respectively. These bonds are subject to redemption if tendered by the holder at a price equal to the principal plus accrued interest upon notice and delivery to the remarketing agent. The THA has agreements with liquidity providers to purchase any bonds so tendered for purchase in accordance with the indentures with respect to which the Trustee does not, on the date any such tendered bonds are required to be purchased, have sufficient funds to make such purchase. 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 the 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 \$18.6 million for the Series 1997B bonds and \$115.6 million for the three Series 2008 bonds. These bonds have final maturities in 2026, 2038, 2026, and 2022, respectively, and bear interest rates as determined by the remarketing agents on each rate determination date not to exceed 12% on all of the bond series. These bonds are subject to redemption if tendered by the holder at a price equal to the principal plus accrued interest upon notice and delivery to the remarketing agent. The U of I has agreements with liquidity or credit providers to purchase any bonds so tendered for purchase in accordance with the indentures with respect to which the Trustee does not, on the date any such tendered bonds are required to be purchased, have sufficient funds to make such purchase. The U of I has obtained a letter of credit or relies on its own credit to guarantee the payment of principal and interest on the scheduled maturity dates. The U of I has an obligation to reimburse the letter of credit issuer for any such payments made.

Derivatives

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

B. Build America Bonds

The THA 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 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.

C. 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, 2010, recorded amounts of revenue bonds, net of defeased bonds, and notes outstanding as reported by authority officials are as follows:

Authority	Amount Outstanding	Annual Maturity To
Illinois Finance Authority	\$ 24,606,149	2048
Illinois Housing Development Authority	357,419	2048
Southwestern Illinois Development Authority	541,021	2049
Upper Illinois River Valley Development Authority	111,553	2042
Will-Kankakee Regional Development Authority	36,770	2042
Illinois Medical District Commission	26,635	2032
Quad Cities Regional Economic Development Authority	45,657	2041
Southeastern Illinois Economic Development Authority	9,568	2031
Western Illinois Economic Development Authority	20,020	2037
Total	\$ 25,754,792	

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, 2010 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, 2010 are summarized in Note 8. Future notes payable debt service requirements as of June 30, 2010, are as follows:

Table 12-2 (amounts expressed in thousands)

Year Ending June 30	Illinois Housing Development Authority	
	Principal	Interest
	2011	\$ --
2012	7,900	268
	<u>\$ 7,900</u>	<u>\$ 604</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 May 21, 2009, the State issued \$1 billion of general obligation certificates, of which \$500 million matured on April 26, 2010, with an interest rate of 4.0% and \$500 million matured on May 20, 2010, with an interest rate of 4.0%. The certificates were issued to supplement revenues during fiscal year 2009. The proceeds were deposited into the General Revenue Account, a sub-account of the General Fund, to relieve general cash flow pressures. Proceeds from the certificates were deposited as follows: \$1 billion into the General Revenue Account, a sub-account of the General Fund, and \$20.195 million of bond issuance premium (net of issuance costs) into the General Obligation Bond Retirement and Interest Fund, a nonmajor governmental fund.

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

On August 27, 2009, the State issued \$1.250 billion of general obligation certificates, which matured on various dates throughout the fiscal year, with an interest rate of 2.0%. The certificates were issued for the purpose of making payments on fiscal year 2009 obligations that resulted from a revenue shortfall versus budgeted amounts in that year. Proceeds from the certificates were deposited as follows: \$1.250 billion into the General Revenue Account, a sub-account of the General Fund, and \$8.275 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, 2010 are as follows:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Primary Government				
Governmental Activities				
General obligation certificates payable	\$ 1,000,000	\$ 1,250,000	\$ (2,250,000)	\$ --
Unamortized premiums	21,890	8,275	(30,165)	--
Total Governmental Activities	\$ 1,021,890	\$ 1,258,275	\$ (2,280,165)	\$ --

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. On July 14, 2009, IDES started taking advances from the Federal Government and total borrowing for fiscal year 2010 amounted to \$2.24 billion.

Under current federal law, these loans are interest free through the end of calendar year 2010. Absent a robust economic recovery and/or legislative changes to the system, IDES projects that borrowing for the State will continue through at least calendar year 2012 and interest will begin accruing 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 has recently been approximately 4%. 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. IDES estimates the interest due on September 30, 2011 will be approximately \$83 million. There is no explicit repayment schedule for the advances to date.

The Designated Account Purchase Program ("IDAPP") has a \$500 million short-term revolving credit line agreement. The revolving credit line was used to purchase eligible student loans (guaranteed or insured or an eligible loan under the Higher Education Act). The credit line expired on September 8, 2008 resulting, by terms of the Indenture, in the commencement of the Liquidation Period. 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. As of June 30, 2010, \$355.457 million outstanding under this line is shown as current for fiscal year 2010.

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 2010, \$32.501 million of principal and \$9.614 million of interest was collected. The total amount transferred to the trust was \$40.514 million. During the same period, the trust paid \$2.963 million for interest expense and other professional fees and \$2.988 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. This credit line currently has an interest rate of 5.0% and matures on December 22, 2010. The agreement was amended on November 12, 2009 and the line of credit was reduced to \$4.717 million. As of June 30, 2010, \$4.717 million outstanding under this line is shown as current for fiscal year 2010.

As a result of a breach on the \$500 million short-term revolving credit line, the \$4.717 million credit line and security agreement was considered to be in default. The lender has granted IDAPP a deferment of exercising its rights in connection with such default until July 31, 2010. An extension of the deferment was requested until the maturity of the credit line, however, on August 20, 2010, the lender was taken over by the FDIC. On March 28, 2011, IDAPP paid off the credit line.

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. The amended loan agreement expired June 30, 2010. To date the loan has not been called or extended.

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 2010 and at June 30, 2010, the Eurodollar Loan option has been selected. As of June 30, 2010, interest under the Eurodollar Loan option is payable monthly at a variable rate of the London Interbank Offered Rate (LIBOR) plus 3%. In addition, as of June 30, 2010, \$7.250 million outstanding under this agreement is shown as current for fiscal year 2010.

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 August 13, 2011. The City of West Chicago has not drawn against the letter of credit; therefore, no liability has been recorded at June 30, 2010.

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 (1.33% at June 30, 2010). 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, 2010, \$5.133 million outstanding under this line is shown as current for fiscal year 2010.

Changes in short-term borrowing during the year ended June 30, 2010 are as follows:

Table 12-4 (amounts expressed in thousands)

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Primary Government				
Business-type Activities				
Major Funds:				
Unemployment Compensation Trust Fund	\$ --	\$ 2,239,582	\$ --	\$ 2,239,582
Designated Account Purchase Program	398,947	1,727	(40,500)	360,174
Total Business-type Activities	<u>\$ 398,947</u>	<u>\$ 2,241,309</u>	<u>\$ (40,500)</u>	<u>\$ 2,599,756</u>
Major Component Units				
Northern Illinois University	\$ 7,250	\$ --	\$ --	\$ 7,250
University of Illinois	\$ 7,292	\$ 441	\$ (2,600)	\$ 5,133

13 OTHER LONG-TERM OBLIGATIONS

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

Table 13-1 (amounts expressed in thousands)

Description	Reference	Governmental Activities	Business-type Activities			Fiduciary Funds
			Water Revolving Fund	Prepaid Tuition Fund	Nonmajor Enterprise Funds	
Capital lease obligations	(A)	\$ 6,477	\$ 7	\$ --	\$ --	\$ 2
Certificates of participation	(B)	75,095	--	--	--	--
Installment purchase obligations	(C)	14,158	--	--	--	--
Pollution remediation obligations	(D)	35,979	--	--	--	--
Obligations to Lottery Prize Winners	(E)	--	--	--	559	--
Prepaid Tuition Fund obligations	(F)	--	--	1,323,029	--	--
Other obligations	(G)	5,315	--	--	9,401	--
Total Other Long-Term Obligations		<u>\$ 137,024</u>	<u>\$ 7</u>	<u>\$ 1,323,029</u>	<u>\$ 9,960</u>	<u>\$ 2</u>

Table 13-2 (amounts expressed in thousands)

Major Component Units		Illinois Housing Development Authority	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois
Description	Reference					
Capital lease obligations	(A)	\$ --	\$ --	\$ 19,872	\$ 234	\$ 11,441
Certificates of participation	(B)	--	21,322	4,165	22,858	541,315
Installment purchase obligations	(C)	--	3,187	--	--	--
Other obligations	(G)	14,885	358	26,467	4,469	57,268
Total Other Long-Term Obligations		\$ 14,885	\$ 24,867	\$ 50,504	\$ 27,561	\$ 610,024

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, 2010, 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	1,961	11	38
	12,367	11	38
Less: Accumulated depreciation	6,343	4	18
	\$ 6,024	\$ 7	\$ 20

Table 13-4 (amounts expressed in thousands)

Major Component Units	Northern Illinois University	Southern Illinois University	University of Illinois
Buildings and building improvements	\$ 20,368	\$ --	\$ --
Equipment	816	507	28,239
	21,184	507	28,239
Less: Accumulated depreciation	1,880	215	15,028
	\$ 19,304	\$ 292	\$ 13,211

Future minimum commitments for non-cancelable capital leases as of June 30, 2010 are as follows:

Table 13-5 (amounts expressed in thousands)

Year Ending June 30	Primary Government					
	Capitalized Leases					
	Governmental Activities		Business-type Activities		Fiduciary Funds	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 972	\$ 518	\$ 3	\$ --	\$ 2	\$ --
2012	819	445	4	--	--	--
2013	723	386	--	--	--	--
2014	666	325	--	--	--	--
2015	725	264	--	--	--	--
2016-2020	2,572	369	--	--	--	--
Total minimum lease payments	\$ 6,477	\$ 2,307	\$ 7	\$ --	\$ 2	\$ --

Table 13-6 (amounts expressed in thousands)

Year Ending June 30	Major Component Units					
	Northern Illinois University		Southern Illinois University		University of Illinois	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 409	\$ 1,122	\$ 170	\$ 8	\$ 4,965	\$ 446
2012	432	1,100	45	2	2,229	256
2013	455	1,077	6	1	1,888	171
2014	480	1,052	6	--	1,795	95
2015	506	1,025	7	--	438	23
2016-2020	2,320	4,745	--	--	126	5
2021-2025	3,005	3,985	--	--	--	--
2026-2030	3,675	3,040	--	--	--	--
2031-2035	4,899	1,816	--	--	--	--
2036-2040	3,691	337	--	--	--	--
Total minimum lease payments	\$ 19,872	\$ 19,299	\$ 234	\$ 11	\$ 11,441	\$ 996

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, 2010 was \$20.4 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, 2010 was \$589.7 million, which includes unamortized premiums of \$13.2 million, unamortized discounts of \$145 thousand and deferred amounts on refunding of \$7.9 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, 2010 was \$54.7 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, 2010 are as follows:

Year Ending June 30	Primary Government Governmental Activities					
	Certificates of Participation					
	State-Issued		Non-State-Issued		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 2,055	\$ 1,162	\$ 4,500	\$ 2,892	\$ 6,555	\$ 4,054
2012	2,170	1,038	6,425	2,724	8,595	3,762
2013	2,305	906	6,775	2,357	9,080	3,263
2014	2,440	765	7,160	1,966	9,600	2,731
2015	2,590	613	5,615	1,600	8,205	2,213
2016-2020	8,805	825	24,255	2,984	33,060	3,809
	<u>\$20,365</u>	<u>\$ 5,309</u>	<u>\$54,730</u>	<u>\$14,523</u>	<u>\$75,095</u>	<u>\$19,832</u>

Year Ending June 30	Major Component Units							
	Certificates of Participation							
	Illinois State University		Northern Illinois University		Southern Illinois University		University of Illinois	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 855	\$ 867	\$ 410	\$ 214	\$ 2,875	\$ 1,015	\$ 76,900	\$ 21,617
2012	875	839	435	191	2,105	899	19,355	20,807
2013	910	811	465	167	2,190	813	25,695	19,813
2014	935	779	485	141	1,760	734	33,950	18,448
2015	975	746	515	114	1,195	661	35,590	16,833
2016-2020	5,455	3,128	1,855	120	5,865	2,552	172,435	61,252
2021-2025	6,675	1,923	--	--	6,930	968	124,935	25,538
2026-2030	4,725	429	--	--	--	--	47,190	3,413
	21,405	<u>\$ 9,522</u>	4,165	<u>\$ 947</u>	22,920	<u>\$ 7,642</u>	536,050	<u>\$ 187,721</u>
Deferred amount on refundings	--	--	--	--	--	--	(7,929)	--
Unamortized premiums	--	--	--	--	--	--	13,194	--
Unamortized (discounts)	(83)	--	--	--	(62)	--	--	--
	<u>\$21,322</u>		<u>\$ 4,165</u>		<u>\$22,858</u>		<u>\$541,315</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, 2010 are as follows:

Table 13-9 (amounts expressed in thousands)

Primary Government

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2011	\$ 6,143	\$ 534	\$ 6,677
2012	4,637	307	4,944
2013	2,233	164	2,397
2014	347	104	451
2015	366	67	433
2016-2020	432	27	459
	<u>\$14,158</u>	<u>\$ 1,203</u>	<u>\$ 15,361</u>

Table 13-10 (amounts expressed in thousands)

Major Component Unit

Year Ending June 30	Illinois State University		
	Principal	Interest	Total
2011	\$ 65	\$ 205	\$ 270
2012	69	201	270
2013	74	196	270
2014	79	192	271
2015	84	186	270
2016-2020	2,816	537	3,353
	<u>\$3,187</u>	<u>\$1,517</u>	<u>\$4,704</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 pollution remediation obligations for investigations and remediation of contaminated soils and installation of groundwater monitoring wells with the balance, at June 30, 2010, of \$979 thousand.

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 \$559 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 \$431.968 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, 2010, represents net principal payments received for contracts held by the fund in the amount of \$914.437 million, of which \$68.490 million is considered current. In addition, an accretion payable recorded in the same fund in the amount of \$408.593 million of which \$6.510 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 2010 is 8.68% 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, 2010. 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. This ruling allowed the ISBE to restructure the remaining payments due to the

District through fiscal year 2010. To date, the District has not drawn down the full amount of funds per year for allowable expenditures; therefore, the ISBE has paid only \$13.98 million of the settlement through June 30, 2010. A second motion to extend the ISBE's Settlement Agreement approved by the federal Court requires the ISBE to continue with its Cory H. settlement agreement obligations through August 1, 2011. The ISBE Federal Department of Education Fund, a nonmajor governmental fund, is expected to be used to repay the liability of \$5.27 million from future resources of this fund.

Primary Government - Business-type Activities

Other nonmajor enterprise funds presented other obligations in the amount of \$9.4 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 \$103.4 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.

Details of the agreements are summarized below:

Table 14-1 (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)
Primary Government								
Governmental Activities								
Interest Rate Swap Contracts								
Series 2003B	\$ 384,000	10/03	3.890%	67% of 1 mo. LIBOR ^{^^}	\$ (76,560)		10/33	A+/Aa3/AA-
General Obligation Bonds	54,000	10/03	3.890%	when 1 mo. LIBOR	(10,140)		10/33	A-/A3/A
	54,000	10/03	3.890%	is \geq 2.5%, or	(10,426)		10/33	A/A2/A+
	54,000	10/03	3.890%	SIFMA [^] , when 1 mo.	(10,216)		10/33	AA-/Aa1/AA-
	54,000	10/03	3.890%	LIBOR is < 2.5%	(10,426)		10/33	A/A2/A+
	<u>\$ 600,000</u>				<u>\$ (117,768)</u>	<u>\$ (31,314)</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 by 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 (0.31% was in effect on June 30, 2010) as the LIBOR rate was below 2.5%.

During all of fiscal year 2010, 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, 2010, 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 2010, 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 2010, 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, 2010).

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, 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:

Year Ending June 30	Governmental Activities			
	Principal	Interest	Interest Rate Swaps, Net	Total
2011	\$ --	\$ 16,440	\$ 21,480	\$ 37,920
2012	--	16,440	21,480	37,920
2013	--	16,440	21,480	37,920
2014	--	16,440	21,480	37,920
2015	--	16,440	21,480	37,920
2016-2020	--	82,200	107,400	189,600
2021-2025	261,400	63,478	82,938	407,816
2026-2030	240,500	33,043	43,173	316,716
2031-2035	98,100	6,106	7,978	112,184
Total	\$ 600,000	\$267,027	\$ 348,889	\$1,215,916

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, 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, 2010, 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, 2010:

ISBI

Investment Derivatives	Fair Value at June 30, 2010	Change in Fair Value	Notional*
Currency Forwards	\$ (266)	\$ 4,751	\$ --
Futures	(2,587)	11,874	51
Rights	228	1,184	905
Warrants	65,373	12,101	3,391
Grand Totals	\$ 62,748	\$ 29,910	\$ 4,347

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

TRS

Investment Derivatives	Fair Value at June 30, 2010	Change in Fair Value	Notional*
Rights	\$ 863	\$ 1,996	\$ 6,120
Warrants	17,055	14,467	2,679
Currency Forwards			
Purchases	1,562,896		
Sales	(1,546,910)		
	15,986	13,794	--
Futures***			
U.S. Stock Index Futures Long	--	94,252	442,721
U.S. Stock Index Futures Short	--	(39)	--
Fixed Income Futures Long	--	44,788	824,133
Fixed Income Futures Short	--	(4,684)	(164,320)
Commodity Futures Short	--	(1)	--
	--	134,316	1,102,534
Options***			
U.S. Equity Put Index Options Purchased	972	312	581
U.S. Equity Put Index Options Written	(2,052)	(340)	1,717
Currency Forward Put Options Purchased	1,386	(269)	8,478
Currency Forward Put Options Written	(1,279)	65	6,610
Inflation Put Options Written	(393)	(87)	35,100
Options on Futures Bought	489	(3,926)	284,032
Options on Futures Written	(87)	2,798	22,375
	(964)	(1,447)	358,893
Swaptions			
Swaptions Bought	340	(8,677)	36,390
Swaptions Written	(4,114)	8,640	12,483
	(3,774)	(37)	48,873
Credit Default Swaps			
Credit Default Swaps Buying Protection	(57)	(902)	49,574
Credit Default Swaps Selling Protection	(1,792)	7,948	219,806
	(1,849)	7,046	269,380
Pay Fixed Interest Rate Swaps	114	(7,187)	1,889
Receive Fixed Interest Rate Swaps	2,774	19,330	196,237
Receive Fixed Inflation Swaps**	191	(26)	6,438
Grand Totals	\$ 30,396	\$ 182,252	\$ 1,993,043

* Notional amounts represent financial exposure to these instruments in U.S. dollars.
** Denominated in Euros and total par of \$5,100. A fixed rate is received for all current positions.
***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, 2010.

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, 2010
Pay Fixed Interest						
Rate Swaps						
Brazilian real	3,200	\$ 1,889	3 mo. Brazilian CDI [^]	12.54%	1/2/2012	\$ 114
Receive Fixed Interest						
Rate Swaps						
Korean won	7,688,000	\$ 6,320	2.82% to 2.83%	3 mo. KWDC ^{^^}	1/28/2011	\$ 7
Australian dollar	3,600	3,103	6.00%	6 mo. BB Australian ^{^^^}	9/15/2012	62
Australian dollar	14,200	11,976	4.50%	3 mo. BB Australian ^{^^^}	6/15/2011	(42)
United States dollar	48,200	49,492	2.00% to 4.00%	3 mo. LIBOR ^{^^^}	12/15/2012-12/15/2015	1,285
Brazilian real	223,300	125,345	10.58% to 14.77%	3 mo. Brazilian CDI [^]	1/2/2012-1/2/2014	1,462
		\$ 196,236				\$ 2,774
Receive Fixed Inflation-linked Swaps						
Euro	5,100	\$ 6,438	2.09% to 2.10%	France CPI Ex-Tobacco	10/15/2010	\$ 191

* Includes income/accrued payable amounts

[^] CDI - Cetip Interbank Deposit (interbank lending rate)^{^^} KWDC - Korean Won Certificate of Deposit^{^^^} BB - Bank Bill Swap Reference Rate (Australian financial market)^{^^^} LIBOR - London Interbank Offered Rate

SURS

Table 14-6 (amounts expressed in thousands)

Investment Derivatives	Fair Value at June 30, 2010	Changes in Fair Value	Notional*
Currency Forwards			
Purchases	\$ 369,810		
Sales	(362,929)		
	6,881	\$ 8,643	\$ --
Futures			
Equity Derivatives Long			
		(796)	226,304
Fixed Income Long			
		70	478,109
Fixed Income Short			
		22	(75,863)
	--	(704)	628,550
Options			
Equity Call			
	(5)	(5)	(2,938)
Equity Put			
	(364)	(364)	(2,937)
Fixed Income Call			
	(1,643)	(1,477)	(164,600)
Fixed Income Put			
	(57)	57	(199,900)
Cash and Cash Equivalents Call			
	(8)	(308)	15,300
Cash and Cash Equivalents Put			
	(154)	(58)	(6,900)
	(2,231)	(2,155)	(361,975)
Swaptions			
Call			
	(4,469)	(11,907)	(107,025)
Put			
	477	2,657	(387,123)
	(3,992)	(9,250)	(494,148)
Swaps			
Credit Default			
Buying Protection			
	13,225	(6,779)	386,100
Selling Protection			
	(1,872)	5,832	(386,100)
	11,353	(947)	--
Inflation-linked			
	91	(164)	5,295
Equity Index			
	--	(55)	--
Total Return			
	(65,222)	(65,251)	282
Pay Fixed Interest Rate			
	(19,419)	(5,930)	170,900
Receive Fixed Interest Rate			
	9,623	(4,386)	454,200
	(63,574)	(76,733)	630,677
Grand Totals	\$ (62,916)	\$ (80,199)	\$ 403,104

* 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, 2010.

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

Notional Amount	SURS Rate	Counterparty Rate	Fair Value June 30, 2010	Pay Fixed / Receive Fixed
\$ 170,900	1.2275% to 5.0%	3 mo. LIBOR ^	\$ (19,419)	pay fixed
\$ 199,900	3 mo. LIBOR ^	1.1563% to 5.158%	\$ 8,080	receive fixed
136,400	CDI ^^	10.575% to 14.765%	993	receive fixed
35,100	3 mo. CBK ^^	5.8%	447	receive fixed
24,800	3 mo. BB ^^	4.5%	(70)	receive fixed
58,000	3 mo. TIIE ^^	7.33% to 7.34%	173	receive fixed
<u>\$ 454,200</u>			<u>\$ 9,623</u>	

^ London Interbank Offered Rate (LIBOR)
 ^^ Cetip Interbank Deposit (CDI)
 ^^ Canadian Offered Dealer Rate (CBK)
 ^^ Bank Bill Swap Rate (BB)
 ^^ 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, 2010 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
A	\$ 2,478	\$ 2,478	97%
AA	69	69	3%
	<u>\$ 2,547</u>	<u>\$ 2,547</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 insuring full collateralization of its derivatives.

The aggregate fair value of non-exchange traded derivative instruments in asset positions at June 30, 2010 was \$59,624, 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	
Aaa	\$ 211
Aa1	6,581
Aa2	4,223
Aa3	40,677
A1	6,477
A2	1,448
NA	7
Total subject to credit risk	\$ 59,624

Although the derivative instruments held within the TRS investment portfolio are executed with various counterparties, approximately 61 percent of the net market value exposure to credit risk is for non-exchange traded derivative contracts held with three counterparties which are rated Aa3.

SURS: The maximum loss that would be recognized at June 30, 2010, if all counterparties fail to perform as contracted is \$36,760. This maximum exposure is reduced by \$46,412 in collateral held and \$97,437 of liabilities, resulting in no net exposure to credit risk. At June 30, 2010, 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	\$ --	\$ (597)	\$ 154	\$ (443)
AA-	1,889	--	393	2,282
A+	4,105	(2,851)	(55,577)	(54,323)
A	895	(545)	(8,544)	(8,194)
Total Subject to Credit Risk	<u>\$ 6,889</u>	<u>\$ (3,993)</u>	<u>\$ (63,574)</u>	<u>\$ (60,678)</u>

Hedging Derivatives - Major Component Units

Several component units of the state have entered into various hedging derivative instrument agreements. The agreements, except those of the Illinois State Toll Highway Authority (THA), are reported in accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Due to the THA's December 31 year end, it did not implement GASB Statement 53 in the current reporting period. For the remaining component units, 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 THA and the University of Illinois (U of I).

IHDA: The IHDA has one active swap contract and four interest rate caps. 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 eleven separate variable-to-fixed rate swap agreements (swaps) on its six variable rate bond issues consisting of: Series 1993B (\$178 million), Series 1998B (\$123 million), Series 2007 A-1 (\$350 million), Series 2007 A-2 (\$350 million), Series 2008 A-1 (\$383.1 million), and Series 2008 A-2 (\$383.1 million) bond issues. The swap associated with the 1993 Series B Bonds was terminated on January 28, 2009 in connection with the Tollway's optional redemption on that same date of all then-outstanding 1993 Series B Bonds. As a result, ten of the eleven swaps were outstanding as of December 30, 2009, 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.

The following table displays the terms of the various hedging derivative instruments of the major component units outstanding at June 30, 2010 (except for the THA, for which the fiscal year end is December 31, 2009), 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 ^{^^^}	\$ (2,830)	\$ (549)	8/20	A/A2/--
Interest Rate Cap								
HB**								
Series 2004B	6,250	3/04	5.000%	N/A	--		4/12	A+/Aa3/--
Series 2008A	13,810	1/08	5.750%	N/A	3		12/12	A+/Aa3/--
Series 2008B	35,785	7/06	5.500%	N/A	--		6/11	A+/Aa3/--
Series 2008C	5,425	6/06	4.750%	N/A	(47)		6/21	A/A2/--
	61,270				(44)	(157)		
	<u>\$ 71,270</u>				<u>\$ (2,874)</u>	<u>\$ (706)</u>		
THA-								
Interest Rate Exchange Agreements								
Series 1998B	\$ 67,705	12/98	4.325%	Cost of Funds	\$ (6,463)		1/17	AAA/Aa1/--
Series 1998B	55,395	12/98	4.325%	Cost of Funds	(6,337)		1/17	AA-/Aa1/--
Series 2007 A-1	175,000	11/07	3.972%	SIFMA [^] 7 day Municipal Index	(15,126)		7/30	A/A1/--
Series 2007 A-1	175,000	11/07	3.972%	SIFMA [^] 7 day Municipal Index	(14,667)		7/30	A+/Aa3/--
Series 2007 A-2	262,500	11/07	3.9925%	SIFMA [^] 7 day Municipal Index	(23,674)		7/30	A+/Aa3/--
Series 2007 A-2	87,500	11/07	3.9925%	SIFMA [^] 7 day Municipal Index	(7,622)		7/30	AA/Aa2/--
Series 2008 A-1	191,550	2/08	3.774%	SIFMA [^] 7 day Municipal Index	(9,736)		1/31	AA/Aaa/--
Series 2008 A-1	191,550	2/08	3.774%	SIFMA [^] 7 day Municipal Index	(9,491)		1/31	A+/Aa1/--
Series 2008 A-2	287,325	2/08	3.764%	SIFMA [^] 7 day Municipal Index	(14,857)		1/31	BBB/A3/--
Series 2008 A-2	95,775	2/08	3.764%	SIFMA [^] 7 day Municipal Index	(4,796)		1/31	A/A2/--
	<u>\$ 1,589,300</u>				<u>\$ (112,769)</u>	<u>N/A</u>		
U of I								
Interest Rate Swap Contracts								
Revenue Bonds								
Series 2008 (South Campus)	\$ 27,395	2/06 ^{***}	4.086%	68% of 1 mo. LIBOR ^{^^}	\$ (4,470)		1/22	A/A2/--
Series 2008 (South Campus)	26,850	2/06 ^{***}	4.092%	68% of 1 mo. LIBOR ^{^^}	(4,384)		1/22	AA-/Aa1/--
Series 2008 (Health Services Facility System)	40,875	11/08 ^{***}	3.534%	68% of 1 mo. LIBOR ^{^^}	(1,702)		10/26	A+/Aa3/--
Certificates of Participation								
Series 2004	138,690	3/04	3.765%	SIFMA [^] Municipal Swap Index	(14,823)		8/21	A/A2/--
	<u>\$ 233,810</u>				<u>\$ (25,379)</u>	<u>\$ (8,960)</u>		
~ As of 12/31/09 (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, 2010, IHDA was not exposed to credit risk for the swap that had a negative fair value. IHDA is exposed to credit risk on the caps with a positive fair value. The aggregate fair value of hedging derivative instruments with positive fair value at June 30, 2010 was \$3 thousand. This represents the maximum loss that would be recognized at June 30, 2010 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, 2009 (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 ten swaps outstanding at December 31, 2009 are with ten different counterparties from eight different financial firms. The counterparty with the largest notional amount holds 21% of the total notional amount of the outstanding swaps. The financial firm with the largest notional amount holds 25% 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, 2010 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, 2010, one counterparty held 71%, another held 17%, 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, 2010. 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, 2009. 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 2010, 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, 2009 (THA's fiscal year-end), the SIFMA rate in effect for the swaps was 0.41%.

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 FY10 Certificates' average variable interest rate was 0.2% below the 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, 2010, (except for the THA which is as of December 31, 2009), 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 June 30	Illinois Housing Development Authority				Illinois State Toll Highway Authority			
	Principal	Interest	Interest Rate Swaps, Net	Total	Principal	Interest	Interest Rate Swaps, Net	Total
2011	\$ 2,435	\$ 278	\$ 586	\$ 3,299	\$ -	\$ 4,450	\$ 58,092	\$ 62,542
2012	2,590	270	586	3,446	--	4,450	58,093	62,543
2013	1,845	262	586	2,693	--	4,451	58,092	62,543
2014	1,950	256	586	2,792	--	4,451	58,092	62,543
2015	2,060	249	586	2,895	--	4,451	58,092	62,543
2016-2020	20,695	1,002	1,876	23,573	130,900	21,121	272,850	424,871
2021-2025	15,980	553	29	16,562	72,700	20,298	260,800	353,798
2026-2030	19,285	211	--	19,496	1,048,300	11,646	149,396	1,209,342
2031-2035	2,560	62	--	2,622	337,400	481	6,232	344,113
2036-2040	1,365	26	--	1,391	--	--	--	--
2041-2045	505	2	--	507	--	--	--	--
Total	\$ 71,270	\$ 3,171	\$ 4,835	\$ 79,276	\$ 1,589,300	\$ 75,799	\$ 979,739	\$ 2,644,838
Year Ending June 30	University of Illinois--Revenue Bonds				University of Illinois--Certificates of Participation			
	Principal	Interest	Interest Rate Swaps, Net	Total	Principal	Interest	Interest Rate Swaps, Net	Total
2011	\$ 41,460	\$ 232	\$ 3,524	\$ 45,216	\$ 6,570	\$ 379	\$ 4,719	\$ 11,668
2012	570	134	2,065	2,769	6,840	360	4,485	11,685
2013	2,225	131	2,019	4,375	7,120	341	4,242	11,703
2014	4,425	124	1,902	6,451	7,410	321	3,989	11,720
2015	4,610	113	1,729	6,452	7,710	299	3,725	11,734
2016-2020	28,165	369	5,673	34,207	66,290	1,054	13,116	80,460
2021-2025	14,005	40	609	14,654	36,750	104	1,293	38,147
Total	\$ 95,460	\$ 1,143	\$ 17,521	\$ 114,124	\$ 138,690	\$ 2,858	\$ 35,569	\$ 177,117

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

15 REFUNDINGS OF LONG-TERM OBLIGATIONS

A. Advance Refundings

During the year ended June 30, 2010, the State issued advanced refunding debt to lower interest rates. This debt was issued to refund portions of earlier issues. The principal of the refunded debt will be redeemed on various dates through 2013 at a redemption price ranging from 100% to 101%. Proceeds from the sales, together with other funds, were placed in irrevocable trusts that are used to service the future debt requirements of the old debt. As a result, the refunded debt is considered to be defeased and the liability for this debt has been removed from the financial statements of the State. At June 30, 2010, the outstanding balance of the defeased debt was \$1,225.4 million. Advance refunding debt issued during fiscal year 2010 was as follows:

Table 15-1 (amounts expressed in millions)

	Par Value of Refunding Issue	Refunding Issue Interest Rates	Par Value of Bonds Refunded	Interest Rates of Bonds Refunded	Debt Service Decreased by Refunding	Refunding Economic Gain	Accounting (Loss)
Primary Government							
Governmental Activities							
General Obligation Bonds: Series 2010 (February)	\$ 1,501.3	2.0% to 5.0%	\$ 1,527.6	4.6% to 6.1%	\$ 135.5	\$ 106.0	\$ (79.3)
Special Obligation Bonds: Series 2010 (June) (Junior Obligation Bonds)	\$ 455.1	3.0% to 5.0%	\$ 471.3	4.75% to 6.25%	\$ 37.6	\$ 29.9	\$ (17.9)

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, 2010, the outstanding balances of prior year defeased debt were as follows (except for the State Toll Highway Authority, which is as of December 31, 2009):

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	\$ 348,905	\$ --	\$ --	\$ --	\$ --	\$ --
Special obligation bonds	--	--	--	--	--	--
Revenue bonds	--	25,055	708,340	10,728	7,850	55,315
Certificates of participation	--	--	--	--	--	166,965
	<u>\$ 348,905</u>	<u>\$ 25,055</u>	<u>\$ 708,340</u>	<u>\$ 10,728</u>	<u>\$ 7,850</u>	<u>\$ 222,280</u>

16 RETIREMENT SYSTEMS

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

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

The Teachers' Retirement System ("TRS") is the administrator of a cost-sharing multiple-employer public employee defined benefit pension plan with a "special funding situation" as described below. It provides coverage to teachers employed by public school districts in Illinois (excluding Chicago) even though most covered employees are not State employees. There are 867 local school districts, 140 special districts, and 23 other State agencies that contribute to the TRS plan. At June 30, 2010, the TRS had outstanding receivables of \$396 thousand for payroll deduction agreements with members for optional services, refund repayments, and upgrade balances owed to the TRS.

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

The State of Illinois is legally mandated to make contributions to the TRS and SURS. Because the State contributes most of the TRS and SURS employer contributions, the single employer provisions of GASB Statement No. 27 have been followed for reporting those systems in the statewide CAFR. The TRS and SURS are governed by articles 16 and 15, respectively, of the Illinois Pension Code.

Effective January 1, 1998, legislation established an alternative defined benefit program known as the Portable Benefit Option Plan within the SURS. This option is offered in addition to the existing traditional benefit option. All members who are eligible for the traditional benefit option are eligible for the portable option. New and existing members are provided a window period in which to make an irrevocable election. The portable option provides an enhanced refund at termination for those who leave SURS with at least five years of service. Offsetting this additional cost is the elimination of the survivor benefit package. This program is designed to be cost-neutral in relation to the traditional option. Approximately 19 thousand of the approximately 83 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 83 thousand active members have chosen this option. \$719.980 million of the \$12.842 billion total

net assets relate to the Self-Managed Plan. Plan member contributions were \$48.571 million and the State contributions, along with employer consisting of grant reimbursements, were \$43.116 million for the year ended June 30, 2010.

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 changes the eligibility for normal retirement benefits to age 67 with 10 years of service. A member could 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 pensions 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.

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

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

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

State substantially met its funding requirement established by *statutory law* for the fiscal year ended June 30, 2010. Actual contributions varied slightly from contributions required by statute mainly because of differences between estimated and actual federal contributions, as well as, differences between estimated and actual bond proceeds, net of discounts.

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")	\$ 12,064	\$ 86,916	\$ 1,177,313	\$ 2,481,914	\$ 1,003,331
Plus: Interest on net pension obligation ("NPO")	4,684	33,076	154,234	1,016,090	572,406
Adjustment to the ARC	(3,314)	(23,401)	(117,247)	(616,102)	(362,553)
Annual pension cost ("APC")	13,434	96,591	1,214,300	2,881,902	1,213,184
Employer contributions	10,411	78,510	1,095,546	2,249,782	696,595
Increase in NPO	3,023	18,081	118,754	632,120	516,589
NPO at June 30, 2009	58,550	413,444	1,814,515	11,954,007	6,734,188
NPO at June 30, 2010	\$ 61,573	\$ 431,525	\$ 1,933,269	\$ 12,586,127	\$ 7,250,777

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")					
6/30/2010	\$ 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
6/30/2008	\$ 12,298	\$ 86,569	\$ 1,006,815	\$ 2,274,402	\$ 881,513
% of APC Contributed					
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%
6/30/2008	55.37%	54.27%	58.38%	51.43%	39.13%
Net Pension Obligation					
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
6/30/2008	\$ 55,447	\$ 389,260	\$ 1,554,625	\$ 11,075,702	\$ 6,121,021

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	6/30/2010	\$ 66,212	\$ 251,765	\$ 185,553	26.3%	\$ 14,775	1255.9%
JRS	6/30/2010	\$ 619,926	\$ 1,819,448	\$ 1,199,522	34.1%	\$ 161,164	744.3%
SERS	6/30/2010	\$ 10,961,540	\$ 29,309,464	\$ 18,347,924	37.4%	\$ 4,119,361	445.4%
TRS	6/30/2010	\$ 37,439,092	\$ 77,293,198	\$ 39,854,106	48.4%	\$ 9,251,139	430.8%
SURS	6/30/2010	\$ 13,966,643	\$ 30,120,427	\$ 16,153,784	46.4%	\$ 3,491,071	462.7%

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 *	\$ 10,454	\$ 78,832	\$ 1,093,072	\$ 2,217,053	\$ 696,595
Members	11.5%	11%	4%-12.5%	9.4%	8%-9.5%
Actuarial valuation date of the ARC	6/30/2008	6/30/2008	6/30/2008	6/30/2008	6/30/2009
Actuarial valuation date of the UAAL	6/30/2010	6/30/2010	6/30/2010	6/30/2010	6/30/2010
Actuarial cost method	Proj. Unit Credit				
Amortization method	Level % of pay				
Remaining amortization period	30 years. Open				
Asset valuation method **	5-Year Smoothed				
Actuarial assumptions:					
Investment rate of return ***	8%	8%	8.5%	8.5%	8.5%
Projected salary increases ***	5%	5%	4% - 8.35%	6% - 11.1% ****	5% - 10%
Postretirement benefit increases	3%	3%	3%	3%	3%
Inflation rate	4%	4%	3%	3.5%	3.75%
* Public Act 88-593 provides for 50-year funding including 15-year phase-in of employer contributions as a percentage of active member payroll increasing until fiscal year 2010, and remaining at that level until fiscal year 2045 when the Systems' funded ratios will be 90%. Public Act 94-004 amended Public Act 88-593 by reducing contributions for fiscal years 2006 and 2007 and requiring incremental increases for fiscal years 2008 through 2010 in order that the funded ratio in fiscal year 2011 will not be impacted.					
** The asset valuation method was changed during FY2009 from fair value to a methodology which smoothes investment gains and losses over a five year period.					
*** Includes inflation rate listed					
**** Composite, approximately 7.0%					
Note: The above actuarial assumptions are the actuarial assumptions used at June 30, 2008 to calculate the ARC for the year ended June 30, 2010. The actuarial assumptions used at June 30, 2010 to calculate the actuarial accrued liability as reported in the required supplementary information were the same except for the following:					
	JRS	SERS	TRS	SURS	
Investment rate of return	7%	7.75%			7.75%
Projected salary increases			6% - 11.2% ****		
***** Composite, approximately 7%					

17 POSTEMPLOYMENT BENEFITS

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

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

Funding Policy and Annual OPEB Cost. In accordance with the Act, the State contributes toward the cost of an annuitant’s coverage under the basic program of group health, dental, and vision benefits an amount equal to five percent of that cost for each full year of creditable service up to a maximum of one hundred percent for an annuitant with twenty or more years of creditable service. For fiscal year 2010, the annual cost of the basic program of group health, dental, and vision benefits before the State’s contribution was \$6,744.96 (\$3,528.24 if Medicare eligible) if the annuitant chose benefits provided by a health maintenance organization and \$9,683.76 (\$3,749.52 if Medicare eligible) if the annuitant chose other benefits. The State is not required to fund the plan other than the pay-as-you-go amount necessary to provide the current benefits to retirees.

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

Employee Annual Salary	Annual Employee Health, Dental, and Vision Contribution Requirements	
	Benefits Through a Health Maintenance Organization	Benefits Provided Through Other Than a Health Maintenance Organization
\$29,500 and below	\$696	\$996
\$29,501 - \$44,600	\$756	\$1,056
\$44,601 - \$59,300	\$786	\$1,086
\$59,301 - \$74,200	\$816	\$1,116
\$74,201 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")	\$ 1,907,421
Plus: Interest on net other postemployment benefits obligation ("NOPEBO")	111,341
Adjustment to the ARC	(82,475)
Annual other postemployment benefits cost	<u>1,936,287</u>
Benefits paid during the year	531,749
Increase in NOPEBO	<u>1,404,538</u>
NOPEBO at June 30, 2009	2,474,254
NOPEBO at June 30, 2010	<u>\$ 3,878,792</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.

Annual Other Postemployment Benefits Cost ("AOPEBC")	
6/30/2010	\$ 1,936,287
6/30/2009	\$ 1,839,728
6/30/2008	\$ 1,775,991
% of AOPEBC Contributed	
6/30/2010	27.46%
6/30/2009	32.81%
6/30/2008	30.29%
Net Other Postemployment Benefits Obligation	
6/30/2010	\$ 3,878,792
6/30/2009	\$ 2,474,254
6/30/2008	\$ 1,238,131

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

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

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

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

Table 17-5	
Actuarial valuation date of the actuarial required contribution	6/30/2009
Actuarial valuation date of the unfunded actuarial accrued liability	6/30/2009
Actuarial cost method	Proj. Unit Credit
Amortization method	Level % of pay
Remaining amortization period	30 years. Open
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return *	4.5%
Projected salary increases *	4.5%
Inflation rate	3.5%
Healthcare cost trend rate:	
Medical	9.0% grading down .5% per year over 8 years to 5.0%
Dental	8.0% grading down .5% per year over 6 years to 5.0%
Vision	6% grading down 3% with 3% for subsequent years
* Includes inflation rate listed	

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

The Teacher Health Insurance Security Fund was established to provide health insurance for retirees of school districts in Illinois (excluding Chicago) who are annuitants or dependent beneficiaries of the Teachers’ Retirement System (“TRS”). As of June 30, 2010, there were 1,007 school districts participating with 65,333 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 2010, contributors to TRS contributed .84% of salary and employers contributed .63% of wages. The Act also requires the State to contribute the amount of remaining funds estimated necessary to fund current expenditures as certified by the Director of the Department. At the time of the most recent amendments to the Act, this amount was expected to be approximately .84% of contributors' wages. The Director of the Department can amend the contribution rates of employers and employees annually subject to a limitation of 5% pursuant to the Act. The amount of the State's required contribution was \$79.007, \$75.474, and \$68.596 million for fiscal years 2010, 2009, and 2008 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, 2010, there were 38 community college districts (all of the State's districts except the City Colleges of Chicago District) and 1 community college association participating with 5,854 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 \$4.059, \$3.916, and \$4.740 million for fiscal years 2010, 2009, and 2008, respectively.

18 FUND DEFICITS

Primary Government - Governmental Activities

Major Governmental Funds

The State's General Fund, from which a significant portion of day to day operating expenditures are paid, has a GAAP deficit aggregating \$9.239 billion at June 30, 2010. 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, 2010, aggregating \$226.359 million, resulting from spending in excess of revenues recognized.

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, 2010, aggregating \$7.035 million and \$106 thousand, respectively, resulting from the recognition of fund liabilities in excess of accrued revenues on the modified accrual basis.

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 deficit at June 30, 2010, aggregating \$6.688 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 a liability in the General Fund in the amount of \$65 thousand. The remaining portion of the liability is included in the government-wide financial statements and is expected to be paid from future resources of the General Fund and Road Fund in the amount of \$1.994 million and \$12.420 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 \$536.805 million and \$132 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 \$486.301 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, 2010:

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:				
2009				
Auto Liability	\$ 12,206	\$ 5,344	\$ (3,150)	\$ 14,400
Workers' Compensation	354,496	146,405	(97,974)	402,927
Health Insurance	156,914	633,120	(506,945)	283,089
Total	<u>\$523,616</u>	<u>\$ 784,869</u>	<u>\$ (608,069)</u>	<u>\$ 700,416</u>
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>
Component Units, (Information for the Toll Highway Authority is as of December 31):				
2009				
Toll Highway Authority	\$ 10,689	\$ 5,439	\$ (5,250)	\$ 10,878
Southern Illinois University	15,688	11,610	(9,570)	17,728
University of Illinois	177,168	77,348	(72,689)	181,827
Total	<u>\$203,545</u>	<u>\$ 94,397</u>	<u>\$ (87,509)</u>	<u>\$ 210,433</u>
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>

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 \$16.023 million at December 31, 2009.

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 \$18.829 million at June 30, 2010.

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 \$206.829 million at June 30, 2010.

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

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

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

20 COMMITMENTS AND CONTINGENCIES

A. Construction Commitments

The Department of Transportation has outstanding construction commitments for highway improvement programs of \$2.628 billion as of June 30, 2010, which will be financed through State reappropriations. Also, the Capital Development Board has outstanding construction commitments for building and building additions and improvements of \$215.908 million as of June 30, 2010, 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 \$158.700 million as of December 31, 2009. Southern Illinois University and the University of Illinois have outstanding construction commitments for various building and building improvement projects of \$137.307 and \$68.196 million respectively as of June 30, 2010.

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, 2010 are as follows:

Year Ending June 30	Major Component Units				
	Primary Government	Housing Development Authority	Illinois State University	Northern Illinois University	University of Illinois
2011	\$ 138,969	\$ 869	\$ 1,453	\$ 981	\$ 11,578
2012	110,923	896	1,296	984	8,606
2013	88,986	922	1,161	975	7,069
2014	67,045	948	923	752	6,178
2015	44,780	974	840	699	4,746
2016-2020	58,469	1,001	900	1,397	8,251
2021-2025	--	--	--	--	78
2026-2030	--	--	--	--	8
Total minimum lease payments	<u>\$ 509,172</u>	<u>\$ 5,610</u>	<u>\$ 6,573</u>	<u>\$ 5,788</u>	<u>\$ 46,514</u>

Rental payments for operating leases charged to operations during the year ended June 30, 2010, aggregated \$311.625 million for the governmental and business-type activities and \$663 thousand

for fiduciary funds. Illinois Housing Development Authority, Toll Highway Authority, Illinois State University, Northern Illinois University, Southern Illinois University, and the University of Illinois (major component units) had rental payments charged to operations during the year ended June 30, 2010 of \$1.609 million, \$223 thousand, \$1.041 million, \$1.208 million, \$15.319 million, and \$12.754 million, respectively.

C. Tax Litigation

At June 30, 2010, the State of Illinois has \$346.283 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, 2010, there were no material questioned costs that have not been resolved with the federal awarding agencies. However, questioned costs could still be identified during audits to be conducted in the future. Management of the State believes there will be no material adjustments to the federal grants and, accordingly, has not recorded a provision for possible repayment.

E. Tobacco Settlement

A Master Settlement Agreement (“MSA”) was executed in November of 1998 between five tobacco companies and 46 states, including the State of Illinois. The MSA called for, among other things, the payment of more than \$200 billion allocated to the states in installments payable until the year 2025 with additional payments continuing thereafter in perpetuity. The payments are subject to various adjustments such as those for volume shipped, inflation, and the success of litigation by other governmental units and could amount to less than the expected amounts. Various aspects of the MSA have been challenged in court both locally and nationally. The State has received approximately \$3.3 billion in payments from the MSA through June 30, 2010. The State’s share was originally expected to be \$9.119 billion through 2025 before adjustments. However, the State’s cumulative adjusted payments have been 13.82% less than the original estimate. Because of the novelty of the MSA, the many related claims against various aspects of the MSA, and the uncertainty inherent in the calculation of payments under the MSA, it is not possible to accurately predict the amount of money that will actually be received by the State with reasonable certainty.

F. Legal Proceedings

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

The State, its units and employees are also party to numerous other legal proceedings, many of which normally recur, in governmental operations. In addition, the State and its units are involved in certain other legal proceedings, which, if decided adversely to the State, may require

the State to make material future expenditures for expanded services or capital facilities or may impair future revenue sources. It is neither possible to determine the outcome of these proceedings nor to estimate the possible effects adverse decisions may have on future expenditures or revenue sources.

G. *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 \$38.299 million, \$11.500 million and \$67.317 million, respectively, as of June 30, 2010.

H. *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, 2010, the outstanding balance of bonds, which the State is morally obligated to repay is \$312 thousand.

I. *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 2010, debt service requirements were \$31.6 million. However, the amount paid to the Authority based on their annual certification was \$31.2 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 \$139 million in fiscal year 2010, \$146 million in fiscal year 2011, \$153 million in fiscal year 2012, \$161 million in fiscal year 2013, \$170 million in fiscal year 2014, and graduating to \$350 million in fiscal year 2031 until fiscal year 2060. During fiscal year 2010, debt service requirements for these bonds were \$138.99 million. The amount paid to the Authority based on their annual certification was \$138.87 million. During fiscal year 2010, deposits from the Authority's taxes were not sufficient to pay for the debt service requirements; \$69.3 million in State sales tax was transferred for deposit into the McCormick Place Expansion Project Fund of which a net of \$57.2 million was not reimbursed by June 30, 2010.

J. 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 2010, the State provided \$122.9 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.

K. 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 2010 was \$34.341 million plus \$10 million for a total of \$44.341 million.

The ISFA's annual certification for fiscal year 2010 was in the amount of \$39.5 million, which is below the maximum amount authorized. Payments related to the annual certification, which are subject to appropriation by the General Assembly, were paid to the ISFA. The ISFA repaid the advance amount by the end of the fiscal year.

In future years, the advance amount increases by 105.615% of the preceding advance amount through fiscal year 2032. Including the additional \$10 million, the maximum which could be certified each year is \$46.270 million in fiscal year 2011, \$48.307 million in fiscal year 2012, \$50.458 million in fiscal year 2013, \$52.730 million in fiscal year 2014, and graduating to \$124.252 million in fiscal year 2032. Of these amounts, only \$5 million per year is the State's share.

L. 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 4.625% to 9.250% 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, 2010 the outstanding balance of bonds, which the State is morally obligated to repay, is \$34.3 million.

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

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

from a separate loan agreement between the UIRVDA and these companies. These bonds mature annually through 2030 and bear interest in varying rates between 5.90% and 8.85%. The State has accepted a moral obligation to repay the bonds in the event the UIRVDA and the companies are unable to meet the bonds' repayment commitments. At June 30, 2010 the outstanding balance, which the State is morally obligated to repay, is \$20.9 million.

N. Illinois Housing Development Authority Loans

The Illinois Housing Development Authority has entered into commitments aggregating \$39.5 million for the purchase of various home loans as of June 30, 2010.

O. 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, 2010 the outstanding balance of these bonds, which the State is morally obligated to repay, is \$40 million.

In addition, the IFA has issued revenue bonds on-behalf of municipalities as authorized by the Illinois Financially Distressed City Law (65 ILCS 5/8-12-1 et seq.) to assist the City of East St. Louis with its debt restructuring. These bonds bear interest at rates ranging from 2.75% to 5% and mature annually through 2013. The State has accepted a moral obligation to repay the bonds in the event the City of East St. Louis is unable to meet the bonds' repayment commitments. As of June 30, 2010 the outstanding balance of these bonds, which the State is morally obligated to repay, is \$7.1 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, 2010 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	\$ 93,399	\$ 7,449	\$ 157,490	\$ 249,605
Noncurrent assets:				
Capital assets, net of accumulated depreciation	251,196	34,804	946,022	151,578
Other noncurrent assets	6,276	362	19,892	3,795
Deferred outflow of resources				1,702
Total assets and deferred outflow of resources	350,871	42,615	1,123,404	406,680
Liabilities				
Current liabilities	35,125	1,820	93,150	129,698
Noncurrent liabilities	266,762	19,195	907,345	46,907
Total liabilities	301,887	21,015	1,000,495	176,605
Net Assets				
Invested in capital assets, net of related debt	(8,971)	17,066	9,907	83,327
Restricted-other expendable purposes	39,570	1,249	19,647	3,727
Unrestricted	18,385	3,285	93,355	143,021
Total net assets	\$ 48,984	\$ 21,600	\$ 122,909	\$ 230,075
Condensed Statement of Revenues, Expenses and Changes in Net Assets:				
Operating revenues	\$ 103,697	\$ 32,567	\$ 306,289	\$ 562,848
Operating expenses	(91,937)	(44,597)	(243,351)	(602,444)
Depreciation expense	(10,804)	(1,200)	(28,673)	(20,053)
Operating income (loss)	956	(13,230)	34,265	(59,649)
Nonoperating revenues (expenses)	26,117	12,260	(16,513)	120,558
Other revenues	1,410	412		
Increase (decrease) in net assets	28,483	(558)	17,752	60,909
Net assets, July 1, 2009	20,501	22,158	105,157	169,166
Net assets, June 30, 2010	\$ 48,984	\$ 21,600	\$ 122,909	\$ 230,075

22 SUBSEQUENT EVENTS**A. Debt Issues**

Subsequent to June 30, 2010, the State of Illinois' primary government and its major component units have issued the following debt instruments:

Table 22-1 (amounts expressed in millions)				
Series	Date of Issue	Amount of Issue	Interest Rates	Annual Maturity To
Primary Government:				
Governmental Activities:				
General obligation certificates: July, Series 2010	7/20/2010	\$ 1,300.0	3.0%	2011
General obligation bonds:				
Taxable Build America Bonds, Series 2010-4	7/1/2010	\$ 300.0	1.75%-7.10%	2035
Taxable Build America Bonds, Series 2010-5	7/21/2010	\$ 900.0	2.28%-7.35%	2035
February, Taxable Series 2011	3/10/2011	\$ 3,700.0	4.03%-5.88%	2019
Business-type Activities:				
Designated Account Purchase Program: Student Loan Asset-Backed Notes, Series 2010	10/27/2010	\$ 604.0	Variable	2045
Major Component Units:				
Revenue bonds:				
Illinois Housing Development Authority				
Multi-Family Initiative Bonds				
Series 2009B	11/18/2010	\$ 34.7	3.50%	2051
Series 2009C	12/16/2010	\$ 27.9	3.01%	2051
Homeowner Mortgage Revenue Bonds				
Series 2011 A-1	3/10/2011	\$ 6.1	1.60%-4.55%	2019
Series 2011 A-2	3/10/2011	\$ 4.9	2.00%-3.50%	2014
Series 2011 B	3/10/2011	\$ 14.0	1.20%-5.375%	2028
Series 2011 B-1	3/10/2011	\$ 21.0	3.70%	2041
Multi-Family Housing Revenue Bonds				
Series 2010 A (McKenzie Falls)	7/1/2010	\$ 3.5	Variable	2042
Series 2010 B (McKenzie Falls)	7/1/2010	\$ 4.2	Variable	2012
Series 2010 (Randolph Tower City Apartments)	12/22/2010	\$ 50.6	2.30%-5.375%	2028
Illinois State Toll Highway Authority*				
Series 2010 A-1 (Toll Highway Senior Refunding)	7/1/2010	\$ 279.3	3.50%-5.25%	2031
Northern Illinois University				
Series 2010 (Auxillary Facilities System)	12/16/2010	\$ 126.0	7.747-8.147%	2041
Series 2011 (Auxillary Facilities System Refunding)	1/6/2011	\$ 67.1	Variable	2028
University of Illinois				
Series 2010 A (Auxillary Facilities System)	7/21/2010	\$ 56.7	4.0 %-5.25%	2030
Certificates of Participation:				
Illinois State University				
Series 2011	5/18/2011	\$ 15.0	4.0%-5.375%	2032
University of Illinois				
ESCO Series 2010	12/16/2010	\$ 18.4	3.24%	2025

* Illinois State Toll Highway Authority fiscal year-end is 12/31/09

B. Cash Flow Deficits

As of June 30, 2010, liabilities reported in the financial statements include transactions totaling \$5.281 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, \$362.975 million related to intra-governmental transactions and \$944.099 million 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 were ultimately made by December 31, 2010.

Subsequent to year end, the legislature voted to raise the individual income tax rates from 3% to 5% and the corporate income tax rate from 4.8% to 7%, effective January 1, 2011. The legislation provides for decreases in these rates in 2015, and again in 2025. This legislation is expected to help relieve revenue pressures on the State.

The Emergency Budget Act of Fiscal Year 2011 (Public Act 96-0958) became effective July 1, 2010. The Legislative Intent and Purpose of the Act states “It is the purpose of this Act to authorize changes in State programs that are necessary to implement the State fiscal year 2011 budget. It is also the purpose of this Act to implement budget measures that prioritize the payment of vouchers that (i) were submitted to the State Comptroller prior to July 1, 2010 and (ii) are at least 60 days past due on the effective date of this Act.” Included in the legislation were the following significant changes:

- Establishment of the Railsplitter Tobacco Settlement Authority. The legislation authorized the Authority to issue bonds to be secured with future tobacco settlement receipts. On December 8, 2010, the Authority issued \$1.5 billion in bonds at an interest rate of 5.599%, with a maturity date of June 1, 2028. These funds were used to pay the remaining unpaid transactions from Fiscal Year 2010. The Railsplitter Tobacco Settlement Authority will be considered a nonmajor component unit of the State.
- Authorization of the payment of fiscal year 2010 liabilities and related interest charges to be paid out of expiring appropriations until December 31, 2010.
- Authorization of the Governor to borrow, for up to 18 months, from special funds of the State to the General Revenue and Common School Funds, in Fiscal Year 2011. As of June, 2011, borrowings of approximately \$496 million have occurred.

23 CONTRACTUAL VIOLATION

The Designated Account Purchase Program (“IDAPP”) was not in compliance with a debt covenant relating to a revolving credit agreement and with a debt covenant relating to a loan agreement. As a result of the violations, the banks involved with the agreements had certain remedies available, including the right to call the loan and take possession of the portion of the student loan portfolio provided as collateral for the loan. The bank providing the revolving credit agreement has acknowledged the violation and 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. The bank which provided the loan agreement granted IDAPP a deferment for exercising remedies in connection with the violation until July 31, 2010. An extension of the deferment was requested until the maturity of the loan agreement and the loan agreement was repaid on March 28, 2011.

The Deposit of State Moneys Act (Act) (15 ILCS 520/22.5), allows the Treasurer, with the approval of the Governor, to lend any securities acquired under the Act. The Act also sets forth that securities lent must be done in accordance with Federal Financial Institution Examination Council (FFIEC) guidelines. As of June 30, 2010, the Office of the Treasurer had not developed written policies and procedures covering each of the requirements listed in the FFIEC guidelines for securities lending, as required by the FFIEC guidelines. These policies and procedures were documented by the Office of the Treasurer subsequent to year end. In addition, during fiscal year 2010, the Office of the Treasurer did not obtain approval from the Governor to lend securities as required by the Act. The Office of the Treasurer stated they will work with the legislature and the Governor’s Office to statutorily correct this situation. At June 30, 2010, the Office of the Treasurer had approximately \$3.096 billion of securities on loan.

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Required Supplementary Information

State of Illinois

**Budgetary Comparison Schedule
Major Governmental Funds**

For the Year Ended June 30, 2010 (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	\$ 9,968,000	\$ 9,968,000	\$ 9,871,343	\$ (96,657)	\$ -	\$ -	\$ -	\$ -
Sales taxes	6,394,000	6,394,000	6,308,001	(85,999)	-	-	-	-
Public utility taxes	1,150,000	1,150,000	1,089,091	(60,909)	-	-	-	-
Federal government	7,355,000	7,355,000	5,837,402	(1,517,598)	3,065,384	3,065,384	1,783,799	(1,281,585)
Other	2,116,000	2,116,000	2,067,491	(48,509)	1,129,869	1,129,869	963,255	(166,614)
Less:								
Refunds	-	-	-	-	-	2,144	122	(2,022)
Total revenues	26,983,000	26,983,000	25,173,328	(1,809,672)	4,195,253	4,193,109	2,746,932	(1,446,177)
EXPENDITURES:								
Current:								
Health and social services	12,893,258	13,681,214	12,964,035	(717,179)	150,179	150,179	150,179	-
Education	10,509,181	10,507,831	10,452,269	(55,562)	-	-	-	-
General government	1,679,778	810,303	762,362	(47,941)	130,089	130,089	1,232	(128,857)
Employment and economic development	103,579	121,201	111,737	(9,464)	1,900	1,900	1,900	-
Transportation	33,142	78,042	74,119	(3,923)	6,326,023	2,482,522	2,389,458	(93,064)
Public protection and justice	1,956,603	1,924,059	1,867,012	(57,047)	121,547	-	-	-
Environment and business regulation	74,582	74,728	68,487	(6,241)	-	-	-	-
Capital outlays	-	-	-	-	62,133	39,716	35,288	(4,428)
Total expenditures	27,250,123	27,197,378	26,300,021	(897,357)	6,791,871	2,804,406	2,578,057	(226,349)
Excess (deficiency) of revenues over (under) expenditures	(267,123)	(214,378)	(1,126,693)	(912,315)	(2,596,618)	1,388,703	168,875	(1,219,828)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:								
Proceeds from short-term borrowings		1,250,000	1,250,000	-	-	-	-	-
Transfers-in	6,206,775	6,206,775	6,206,775	-	299,689	299,689	299,689	-
Transfers-out	(8,751,353)	(8,751,353)	(8,751,353)	-	(335,415)	(335,415)	(335,415)	-
Total other sources (uses) of financial resources	(2,544,578)	(1,294,578)	(1,294,578)	-	(35,726)	(35,726)	(35,726)	-
Budgetary funds-nonbudgeted accounts	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(2,811,701)	(1,508,956)	(2,421,271)	(912,315)	(2,632,344)	1,352,977	133,149	(1,219,828)
Budgetary fund balances, July 1, 2009	(3,672,828)	(3,672,828)	(3,672,828)	-	356,278	356,278	356,278	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (6,484,529)	\$ (5,181,784)	\$ (6,094,099)	\$ (912,315)	\$ (2,276,066)	\$ 1,709,255	\$ 489,427	\$ (1,219,828)

State Construction Account			
Original Budget	Final Budget	Actual	Variance Over (Under)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
502,300	502,300	463,991	(38,309)
-	-	-	-
502,300	502,300	463,991	(38,309)
-	-	-	-
-	-	-	-
-	-	-	-
1,689,696	731,980	731,806	(174)
-	-	-	-
-	-	-	-
-	-	-	-
1,689,696	731,980	731,806	(174)
(1,187,396)	(229,680)	(267,815)	(38,135)
-	-	-	-
219,316	219,316	219,316	-
(40)	(40)	(40)	-
219,276	219,276	219,276	-
-	-	-	-
(968,120)	(10,404)	(48,539)	(38,135)
172,146	172,146	172,146	-
\$ (795,974)	\$ 161,742	\$ 123,607	\$ (38,135)

Notes to Budgetary Comparison Schedule

– Major Governmental Funds

For the Year Ended June 30, 2010

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, 2010 is presented below for the major governmental funds (amounts expressed in thousands):

	<u>MAJOR GOVERNMENTAL FUNDS</u>		
	<u>General Fund</u>		<u>State Construction Account</u>
	<u>General Fund</u>	<u>Road Fund</u>	
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources (budgetary basis)	\$ (2,421,271)	\$ 133,149	\$ (48,539)
Reclassifications:			
Budgetary Special State Funds reported as part of the General Fund for GAAP reporting	(102,932)	-	-
Adjustments:			
To adjust revenues, related receivables and deferred revenue	(320,295)	(222,446)	(10,571)
To adjust expenditures and related liabilities	1,022,611	(176,300)	(5,336)
To adjust for lapse period expenditures which were not recorded as liabilities	<u>2,094</u>	<u>(4,348)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures/expenses and other sources (uses) of financial resources into financial resources (GAAP basis) - budgetary classifications	(1,819,793)	(269,945)	(64,446)
To record excess (deficiency) of revenues over (under) expenditures/expenses and other sources (uses) of financial resources for nonbudgeted accounts	<u>59</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources (GAAP basis)	<u><u>\$ (1,819,734)</u></u>	<u><u>\$ (269,945)</u></u>	<u><u>\$ (64,446)</u></u>

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

(Unaudited)

The following schedule of funding progress (dollar amounts in thousands) for the State of Illinois' retirement systems is provided for fiscal years ended June 30, 2010, 2009 and 2008.

	(a)	(b)	(c)	(d)	(e)	(f)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial 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						
6/30/2010	\$ 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%
6/30/2008	\$ 75,406	\$ 235,780	\$ 160,374	32.0%	\$ 12,871	1246.0%
Judges'						
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%
6/30/2008	\$ 612,681	\$ 1,457,336	\$ 844,655	42.0%	\$ 143,700	587.8%
State Employees'						
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%
6/30/2008	\$ 10,995,366	\$ 23,841,280	\$ 12,845,914	46.1%	\$ 3,967,704	323.8%
Teachers'						
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%
6/30/2008	\$ 38,430,723	\$ 68,632,367	\$ 30,201,644	56.0%	\$ 8,521,717	354.4%
State Universities						
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%
6/30/2008	\$ 14,586,325	\$ 24,917,677	\$ 10,331,352	58.5%	\$ 3,303,220	312.8%

For fiscal years prior to the year ended June 30, 2009, the State used fair value as the actuarial value of assets. For the fiscal year ended June 30, 2009, the State began using a valuation method that smoothes actuarial gains or losses in relation to expected investment return incurred in a fiscal year in order that the gains or losses are recognized in equal annual amounts over the five year period following the fiscal year.

Defined Benefit Other Postemployment Benefit Plans – Schedule of Funding Progress

(Unaudited)

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

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

The State performs actuarial valuations for postemployment retirement benefits biennially.

GENERAL FUND

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

SIGNIFICANT GENERAL FUND ACCOUNT DESCRIPTIONS

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

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

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

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

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

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

State of Illinois

Combining Schedule of Accounts

General Fund

June 30, 2010 (Expressed in Thousands)

	General Revenue Account	Education Assistance Account	Common School Account	Medicaid Provider Assessment Program	Eliminations	Total
ASSETS						
Cash equity with State Treasurer	\$ 886,585	\$ 12,220	\$ 138,138	\$ 90,507		\$ 1,127,450
Cash and cash equivalents	2,365					2,365
Securities lending collateral of State Treasurer	1,797,240		18,363	10,980		1,826,583
Receivables, net						
Taxes	870,393	20,015	97,973	4,722		993,103
Intergovernmental	1,593,393	41		224,763		1,818,197
Other	137,884		39	35		137,958
Due from other funds	153,010	5,469		26	\$ (6)	158,499
Due from component units	756					756
Inventories	27,169					27,169
Loans and notes receivable, net	6,337					6,337
Other assets	15,000					15,000
Total assets	\$ 5,490,132	\$ 37,745	\$ 254,513	\$ 331,033	\$ (6)	\$ 6,113,417
LIABILITIES						
Accounts payable and accrued liabilities	\$ 6,515,847	\$ 62,460	\$ 69,533	\$ 135,332		\$ 6,783,172
Intergovernmental payables	1,864,708			105,232		1,969,940
Due to other funds	2,691,426	6	80,104	43	\$ (6)	2,771,573
Due to component units	501,937			67,059		568,996
Unavailable revenue	824,697	6,723	11,040	131,892		974,352
Unearned revenue	435,068	22,949				458,017
Obligations under securities lending of State Treasurer	1,797,240		18,363	10,980		1,826,583
Matured portion of long-term liabilities	65					65
Total liabilities	14,630,988	92,138	179,040	450,538	(6)	15,352,698
FUND BALANCES						
Reserved for:						
Encumbrances	10,492		3	1		10,496
Long-term portion of loans and notes receivable	6,337					6,337
Inventories	27,169					27,169
Unreserved	(9,184,854)	(54,393)	75,470	(119,506)		(9,283,283)
Total fund balances (deficits)	(9,140,856)	(54,393)	75,473	(119,505)		(9,239,281)
Total liabilities and fund balances	\$ 5,490,132	\$ 37,745	\$ 254,513	\$ 331,033	\$ (6)	\$ 6,113,417

State of Illinois

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

For the Year Ended June 30, 2010 (Expressed in Thousands)

	General Revenue Account	Education Assistance Account	Common School Account	Medicaid Provider Assessment Program	Eliminations	Total
REVENUES						
Income taxes	\$ 8,610,436	\$ 713,190				\$ 9,323,626
Sales taxes	4,818,193		\$ 1,593,548			6,411,741
Public utility taxes	984,822		100,798			1,085,620
Hospital assessment taxes	898,814			\$ 71,350		970,164
Other taxes	1,346,713		116,367	167,141		1,630,221
Federal government	9,242,374			1,383,085		10,625,459
Licenses and fees	449,190		613	549		450,352
Interest and other investment income	27,562		228	385		28,175
Other	397,311	100		694,691		1,092,102
Total revenues	26,775,415	713,290	1,811,554	2,317,201		31,617,460
EXPENDITURES						
Current:						
Health and social services	16,054,310			2,357,051		18,411,361
Education	5,433,462	1,251,418	3,216,364			9,901,244
General government	903,204					903,204
Employment and economic development	118,274					118,274
Transportation	78,905					78,905
Public protection and justice	2,309,966					2,309,966
Environment and business regulations	102,125					102,125
Debt service:						
Principal	2,015					2,015
Interest	859					859
Capital outlays	16,712					16,712
Total expenditures	25,019,832	1,251,418	3,216,364	2,357,051		31,844,665
Excess (deficiency) of revenues over (under) expenditures	1,755,583	(538,128)	(1,404,810)	(39,850)		(227,205)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
General obligation bonds issued	246,095					246,095
Premiums on general obligation bonds issued	3,903					3,903
Transfers-in	2,821,149	405,334	1,188,869	60,000	\$ (665,171)	3,810,181
Transfers-out	(6,317,691)			(1,000)	665,171	(5,653,520)
Capital lease financing	812					812
Net other sources (uses) of financial resources	(3,245,732)	405,334	1,188,869	59,000	-- --	(1,592,529)
Net change in fund balances	(1,490,149)	(132,794)	(215,941)	19,150	-- --	(1,819,734)
Fund balances (deficits), July 1, 2009, as restated	(7,653,494)	78,401	291,414	(138,655)		(7,422,334)
Increase for changes in inventories	2,787					2,787
FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (9,140,856)	\$ (54,393)	\$ 75,473	\$ (119,505)	\$ -- --	\$ (9,239,281)

State of Illinois

Combining Schedule of Accounts - General Fund

Medicaid Provider Assessment Program

June 30, 2010 (Expressed in Thousands)

	University of Illinois Hospital Services Account	County Hospital Services Account	Long-Term Care Provider Account	Other Medicaid Provider Assessment Accounts	Total
ASSETS					
Cash equity with State Treasurer	\$ 34,614	\$ 1,304	\$ 48,480	\$ 6,109	\$ 90,507
Securities lending collateral of State Treasurer		762	8,422	1,796	10,980
Receivables, net					
Taxes			4,493	229	4,722
Intergovernmental	39,987	97,612	84,579	2,585	224,763
Other		2	18	15	35
Due from other funds			26		26
Total assets	\$ 74,601	\$ 99,680	\$ 146,018	\$ 10,734	\$ 331,033
LIABILITIES					
Accounts payable and accrued liabilities			\$ 131,245	\$ 4,087	\$ 135,332
Intergovernmental payables		\$ 98,918	6,313	1	105,232
Due to other funds			38	5	43
Due to component units	\$ 67,059				67,059
Unavailable revenue	30,387	67,665	31,323	2,517	131,892
Obligations under securities lending of State Treasurer		762	8,422	1,796	10,980
Total liabilities	97,446	167,345	177,341	8,406	450,538
FUND BALANCES					
Reserved for encumbrances			1		1
Unreserved	(22,845)	(67,665)	(31,324)	2,328	(119,506)
Total fund balances (deficits)	(22,845)	(67,665)	(31,323)	2,328	(119,505)
Total liabilities and fund balances	\$ 74,601	\$ 99,680	\$ 146,018	\$ 10,734	\$ 331,033

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, 2010 (Expressed in Thousands)

	University of Illinois Hospital Services Account	County Hospital Services Account	Long-Term Care Provider Account	Other Medicaid Provider Assessment Accounts	Total
REVENUES					
Hospital assessment taxes			\$ 52,329	\$ 19,021	\$ 71,350
Other taxes			167,141		167,141
Federal government	\$ 147,746	\$ 720,341	484,054	30,944	1,383,085
Licenses and fees				549	549
Interest and other investment income		23	323	39	385
Other	45,000	637,259	12,432		694,691
Total revenues	192,746	1,357,623	716,279	50,553	2,317,201
EXPENDITURES					
Current:					
Health and social services	226,624	1,401,121	684,940	44,366	2,357,051
Total expenditures	226,624	1,401,121	684,940	44,366	2,357,051
Excess (deficiency) of revenues over (under) expenditures	(33,878)	(43,498)	31,339	6,187	(39,850)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES					
Transfers-in	30,000		30,000		60,000
Transfers-out				(1,000)	(1,000)
Net other sources (uses) of financial resources	30,000		30,000	(1,000)	59,000
Net change in fund balances	(3,878)	(43,498)	61,339	5,187	19,150
Fund balances (deficits), July 1, 2009	(18,967)	(24,167)	(92,662)	(2,859)	(138,655)
FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (22,845)	\$ (67,665)	\$ (31,323)	\$ 2,328	\$ (119,505)

State of Illinois

Combining Balance Sheet -
Nonmajor Governmental Funds

June 30, 2010 (Expressed in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash equity with State Treasurer	\$ 2,162,364	\$ 897,019	\$ 2,231,561	\$ 493	\$ 5,291,437
Cash and cash equivalents	28,278	107,739	1,714	162	137,893
Securities lending collateral of State Treasurer	169,467	242,474			411,941
Investments	23,908	52,423		1,285	77,616
Receivables, net:					
Taxes	313,015				313,015
Intergovernmental	779,663		3,599		783,262
Other	293,186	1,022	21		294,229
Due from other funds	1,323,535	3,382	6,564		1,333,481
Due from component units	366,126				366,126
Inventories	14,569				14,569
Loans and notes receivable, net	37,156	14,621			51,777
Other assets	5,087				5,087
Total assets	\$ 5,516,354	\$ 1,318,680	\$ 2,243,459	\$ 1,940	\$ 9,080,433
LIABILITIES					
Accounts payable and accrued liabilities	\$ 467,057		\$ 133,436		\$ 600,493
Intergovernmental payables	2,175,747		36,009		2,211,756
Due to other funds	391,469		37,385	\$ 275	429,129
Due to component units	49,955				49,955
Unavailable revenue	450,578		10		450,588
Unearned revenue	271,490		164		271,654
Obligations under security lending of State Treasurer	169,467	\$ 242,474			411,941
Total liabilities	3,975,763	242,474	207,004	275	4,425,516
FUND BALANCES					
Reserved for:					
Encumbrances	26,965		2		26,967
Long-term portion of:					
Loans and notes receivable	37,156	14,621			51,777
Due from State of Illinois component units	345,798				345,798
Inventories	14,569				14,569
Other purposes	6,887			1,154	8,041
Unreserved:					
Designated for reappropriated accounts	32,663		950,796		983,459
Undesignated	1,076,553	1,061,585	1,085,657	511	3,224,306
Total fund balances	1,540,591	1,076,206	2,036,455	1,665	4,654,917
Total liabilities and fund balances	\$ 5,516,354	\$ 1,318,680	\$ 2,243,459	\$ 1,940	\$ 9,080,433

State of Illinois

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

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
REVENUES					
Income taxes	\$ 809,319				\$ 809,319
Sales taxes	2,408,460				2,408,460
Motor fuel taxes	1,302,000				1,302,000
Public utility taxes	479,346				479,346
Riverboat taxes	483,091				483,091
Other taxes	292,886				292,886
Federal government	8,925,708		\$ 34,293		8,960,001
Licenses and fees	539,047	\$ 165			539,212
Interest and other investment income	10,561	7,037		\$ 20	17,618
Other	744,693	16	29,583		774,292
Total revenues	15,995,111	7,218	63,876	20	16,066,225
EXPENDITURES					
Current:					
Health and social services	6,044,424			40	6,044,464
Education	5,464,497		159,286		5,623,783
General government	374,507	9,026	29,464		412,997
Employment and economic development	839,517	21	235,562		1,075,100
Transportation	1,343,667		93,859		1,437,526
Public protection and justice	693,404				693,404
Environment and business regulation	834,915		7,829		842,744
Debt service:					
Principal	1,370	921,890			923,260
Interest	133	1,072,440			1,072,573
Capital outlays	49,808		534,099		583,907
Intergovernmental	4,205,934				4,205,934
Total expenditures	19,852,176	2,003,377	1,060,099	40	22,915,692
Excess (deficiency) of revenues over (under) expenditures	(3,857,065)	(1,996,159)	(996,223)	(20)	(6,849,467)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES					
General and special obligation bonds issued	3,466,000		2,985,920		6,451,920
Premiums on general and special obligation bonds issued			38,937		38,937
General and special obligation refunding bonds issued		1,501,300	455,080		1,956,380
Premiums on general and special obligation refunding bonds issued		118,466	38,665		157,131
Transfers-in	2,498,142	4,508,815	45,586		7,052,543
Transfers-out	(2,369,372)	(2,310,272)	(55,965)	(320)	(4,735,929)
Payments to refunded bond escrow agent		(1,599,226)	(491,546)		(2,090,772)
Capital lease financing	189				189
Net other sources (uses) of financial resources	3,594,959	2,219,083	3,016,677	(320)	8,830,399
Net change in fund balances	(262,106)	222,924	2,020,454	(340)	1,980,932
Fund balances, July 1, 2009	1,805,345	853,282	16,001	2,005	2,676,633
(Decrease)for changes in inventories	(2,648)				(2,648)
FUND BALANCES, JUNE 30, 2010	\$ 1,540,591	\$ 1,076,206	\$ 2,036,455	\$ 1,665	\$ 4,654,917

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SPECIAL REVENUE FUNDS

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

SIGNIFICANT NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS DESCRIPTIONS

Treasurer

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

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

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

Department of 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.

Public Transportation Fund--to receive monthly transfers from the General Revenue Account in the General Fund representing statutory shares under various sales tax acts and distribute to the Regional Transportation Authority pursuant to a statutory formula.

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

Department of Children and Family Services

DCFS Childrens' Services Fund--to account for revenues and expenditures related to the federal Title IV-E foster care and adoption service program.

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 Natural Resources

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

Department of 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.

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.

Workers' Compensation Commission

Illinois Workers' Compensation Commission Operations Fund--to receive and record surcharges on workers' compensation premiums paid by employers to be spent for operations of the Workers' Compensation Commission.

Illinois Gaming Board

State Gaming Fund--to receive and record fees obtained from owners' license applications for riverboat gambling operations.

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State of Illinois

Combining Balance Sheet
Nonmajor Special Revenue Funds

June 30, 2010 (Expressed in Thousands)

	Treasurer	Revenue	Transportation	Other Departments	State Board of Education	Other Agencies, Boards and Authorities
ASSETS						
Cash equity with State Treasurer	\$ 77,219	\$ 494,331	\$ 116,712	\$ 226,467	\$ 1,810	\$ 83,893
Cash and cash equivalents				471		
Securities lending collateral of State Treasurer		40,725				
Investments						
Receivables, net						
Taxes		139,035	101,332	8,048		2,568
Intergovernmental	2,981			115,226	324,666	
Other	142,002	87		9,861	610	35,625
Due from other funds	343	595,565	439,383	13,944	244	
Due from component units		345,798			234	
Inventories					1,736	
Loans and notes receivable, net						
Other assets						
Total assets	\$ 222,545	\$ 1,615,541	\$ 657,427	\$ 374,017	\$ 329,300	\$ 122,086
LIABILITIES						
Accounts payable and accrued liabilities	\$ 20,186	\$ 23,597	\$ 11,219	\$ 57,352	\$ 4,675	\$ 1,779
Intergovernmental payables	1,904	1,146,414	446,487	15,264	314,145	9,027
Due to other funds	131	92,211	100,689	11,186	3,695	6,967
Due to component units	2,143			5,258	686	
Unavailable revenue	142,000	20,165	3,160	107,531	4,593	35,605
Unearned revenue		132,607				
Obligations under securities lending of State Treasurer		40,725				
Total liabilities	166,364	1,455,719	561,555	196,591	327,794	53,378
FUND BALANCES						
Reserved for:						
Encumbrances	7			3,266		198
Long-term portion of:						
Loans and notes receivable						
Due from State of Illinois component units		345,798				
Inventories					1,736	
Other						
Unreserved:						
Designated for reappropriated accounts				8,279		
Undesignated	56,174	(185,976)	95,872	165,881	(230)	68,510
Total fund balances	56,181	159,822	95,872	177,426	1,506	68,708
Total liabilities and fund balances	\$ 222,545	\$ 1,615,541	\$ 657,427	\$ 374,017	\$ 329,300	\$ 122,086

	Other	Total
\$	1,161,932	\$ 2,162,364
	27,807	28,278
	128,742	169,467
	23,908	23,908
	62,032	313,015
	336,790	779,663
	105,001	293,186
	274,056	1,323,535
	20,094	366,126
	12,833	14,569
	37,156	37,156
	5,087	5,087
\$	<u>2,195,438</u>	<u>\$ 5,516,354</u>
\$	348,249	\$ 467,057
	242,506	2,175,747
	176,590	391,469
	41,868	49,955
	137,524	450,578
	138,883	271,490
	128,742	169,467
	<u>1,214,362</u>	<u>3,975,763</u>
	23,494	26,965
	37,156	37,156
		345,798
	12,833	14,569
	6,887	6,887
	24,384	32,663
	876,322	1,076,553
	<u>981,076</u>	<u>1,540,591</u>
\$	<u>2,195,438</u>	<u>\$ 5,516,354</u>

State of Illinois

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

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Treasurer	Revenue	Transportation	Other Departments	State Board of Education	Other Agencies, Boards and Authorities
REVENUES						
Income taxes		\$ 809,319				
Sales taxes		1,859,360				
Motor fuel taxes			\$ 1,231,591			
Public utility taxes		179,130		\$ 118,811		
Riverboat taxes						\$ 483,091
Other taxes		112,280		13,487		
Federal government	\$ 351,996		148	3,205,744	\$ 2,579,954	
Licenses and fees		45	588			27,054
Interest and other investment income	44	2,570				
Other	407,878	10,408	26	21,764	1,073	2,411
Total revenues	759,918	2,973,112	1,232,353	3,359,806	2,581,027	512,556
EXPENDITURES						
Current:						
Health and social services	870,940	159		3,361,829		695
Education	2,647,543				2,580,225	
General government	137,761	18,936	53,478			
Employment and economic development	29,904	31,240				
Transportation	78,762		1,133,812			
Public protection and justice	305,036					
Environment and business regulations	46,205			26,354		21,847
Debt service:						
Principal					39	5
Interest					9	
Capital outlays			52		1,480	540
Intergovernmental		3,703,432				106,456
Total expenditures	4,116,151	3,753,767	1,187,342	3,388,183	2,581,753	129,543
Excess (deficiency) of revenues over (under) expenditures	(3,356,233)	(780,655)	45,011	(28,377)	(726)	383,013
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
General obligation bonds issued	3,466,000					
Transfers-in	409	1,169,622	582,035	59,531		
Transfers-out	(147,651)	(480,687)	(608,172)			(375,085)
Capital lease and installment purchase acquisitions						
Net other sources (uses) of financial resources	3,318,758	688,935	(26,137)	59,531		(375,085)
Net change in fund balances	(37,475)	(91,720)	18,874	31,154	(726)	7,928
Fund balances, July 1, 2009	93,656	251,542	76,998	146,272	1,921	60,780
Increase (decrease) for changes in inventories					311	
FUND BALANCES, JUNE 30, 2010	\$ 56,181	\$ 159,822	\$ 95,872	\$ 177,426	\$ 1,506	\$ 68,708

	Other	Total
	\$	\$ 809,319
\$	549,100	2,408,460
	70,409	1,302,000
	181,405	479,346
		483,091
	167,119	292,886
	2,787,866	8,925,708
	511,360	539,047
	7,947	10,561
	301,133	744,693
	<u>4,576,339</u>	<u>15,995,111</u>

	1,810,801	6,044,424
	236,729	5,464,497
	164,332	374,507
	778,373	839,517
	131,093	1,343,667
	388,368	693,404
	740,509	834,915
	1,326	1,370
	124	133
	47,736	49,808
	396,046	4,205,934
	<u>4,695,437</u>	<u>19,852,176</u>

(119,098)	(3,857,065)
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	3,466,000
	686,545
	(757,777)
	(2,369,372)
	189
	189
	(71,043)
	3,594,959

(190,141)	(262,106)
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	1,174,176	1,805,345
	(2,959)	(2,648)
	<u>\$ 981,076</u>	<u>\$ 1,540,591</u>

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Treasurer

June 30, 2010 (Expressed in Thousands)

	Pension Contribution Fund	Unclaimed Property Trust Fund	Tobacco Settlement Recovery Fund	Total
ASSETS				
Cash equity with State Treasurer		\$ 57,148	\$ 20,071	\$ 77,219
Receivables, net				
Intergovernmental			2,981	2,981
Other			142,002	142,002
Due from other funds			343	343
Total assets	\$ -- --	\$ 57,148	\$ 165,397	\$ 222,545
LIABILITIES				
Accounts payable and accrued liabilities	\$ 2,496		\$ 17,690	\$ 20,186
Intergovernmental payables			1,904	1,904
Due to other funds		128	3	131
Due to component units			2,143	2,143
Unavailable revenue			142,000	142,000
Total liabilities	\$ -- --	2,624	163,740	166,364
FUND BALANCES				
Reserved for encumbrances			7	7
Unreserved		54,524	1,650	56,174
Total fund balances		54,524	1,657	56,181
Total liabilities and fund balances	\$ -- --	\$ 57,148	\$ 165,397	\$ 222,545

State of Illinois

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

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Pension Contribution Fund	Unclaimed Property Trust Fund	Tobacco Settlement Recovery Fund	Total
REVENUES				
Federal government			\$ 351,996	\$ 351,996
Interest and other investment income			44	44
Other		\$ 123,957	283,921	407,878
Total revenues	\$ -- --	123,957	635,961	759,918
EXPENDITURES				
Current:				
Health and social services	221,512		649,428	870,940
Education	2,647,543			2,647,543
General government	137,038		723	137,761
Employment and economic development	29,904			29,904
Transportation	78,762			78,762
Public protection and justice	305,036			305,036
Environment and business regulations	46,205			46,205
Total expenditures	3,466,000	-- --	650,151	4,116,151
Excess (deficiency) of revenues over (under) expenditures	(3,466,000)	123,957	(14,190)	(3,356,233)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES				
General obligation bonds issued	3,466,000			3,466,000
Transfers-in		409		409
Transfers-out		(124,851)	(22,800)	(147,651)
Net other sources (uses) of financial resources	3,466,000	(124,442)	(22,800)	3,318,758
Net change in fund balances	-- --	(485)	(36,990)	(37,475)
Fund balances, July 1, 2009		55,009	38,647	93,656
FUND BALANCES, JUNE 30, 2010	\$ -- --	\$ 54,524	\$ 1,657	\$ 56,181

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Revenue

June 30, 2010 (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	\$ 263,803	\$ 12,154	\$ 29	\$ 206,219	\$ 12,126	\$ 494,331
Securities lending collateral of State Treasurer		3,786		29,895	7,044	40,725
Receivables, net						
Taxes	65,598			39,769	33,668	139,035
Other		8		64	15	87
Due from other funds		417	585,698		9,450	595,565
Due from component units		345,798				345,798
Total assets	\$ 329,401	\$ 362,163	\$ 585,727	\$ 275,947	\$ 62,303	\$ 1,615,541
LIABILITIES						
Accounts payable and accrued liabilities		\$ 1,802		\$ 5,734	\$ 16,061	\$ 23,597
Intergovernmental payables	\$ 329,401		\$ 585,102	231,911		1,146,414
Due to other funds			625	91,586		92,211
Unavailable revenue	7,035			10,573	2,557	20,165
Unearned revenue				132,607		132,607
Obligations under securities lending of State Treasurer		3,786		29,895	7,044	40,725
Total liabilities	336,436	5,588	585,727	502,306	25,662	1,455,719
FUND BALANCES						
Reserved for long-term portion of due from State of Illinois component units		345,798				345,798
Unreserved	(7,035)	10,777		(226,359)	36,641	(185,976)
Total fund balances (deficits)	(7,035)	356,575	-- --	(226,359)	36,641	159,822
Total liabilities and fund balances	\$ 329,401	\$ 362,163	\$ 585,727	\$ 275,947	\$ 62,303	\$ 1,615,541

State of Illinois

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

Revenue

For the Year Ended June 30, 2010 (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				\$ 809,319		\$ 809,319
Sales taxes	\$ 1,480,965				\$ 378,395	1,859,360
Public utility taxes				179,130		179,130
Other taxes		\$ 19,267			93,013	112,280
Licenses and fees		45				45
Interest and other investment income		2,051		407	112	2,570
Other		10,408				10,408
Total revenues	1,480,965	31,771	\$ -- --	988,856	471,520	2,973,112
EXPENDITURES						
Current:						
Health and social services		159				159
General government		18,936				18,936
Employment and economic development					31,240	31,240
Intergovernmental	1,483,623		1,132,691	1,087,118		3,703,432
Total expenditures	1,483,623	19,095	1,132,691	1,087,118	31,240	3,753,767
Excess (deficiency) of revenues over (under) expenditures	(2,658)	12,676	(1,132,691)	(98,262)	440,280	(780,655)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
Transfers-in			1,136,441	(6,285)	39,466	1,169,622
Transfers-out			(3,750)		(476,937)	(480,687)
Net other sources (uses) of financial resources	-- --	-- --	1,132,691	(6,285)	(437,471)	688,935
Net change in fund balances	(2,658)	12,676	-- --	(104,547)	2,809	(91,720)
Fund balances (deficits), July 1, 2009	(4,377)	343,899		(121,812)	33,832	251,542
FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (7,035)	\$ 356,575	\$ -- --	\$ (226,359)	\$ 36,641	\$ 159,822

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Transportation

June 30, 2010 (Expressed in Thousands)

	Motor Fuel Tax Fund	Public Transportation Fund	Downstate Public Transportation Fund	Total
ASSETS				
Cash equity with State Treasurer	\$ 116,616	\$ 39	\$ 57	\$ 116,712
Taxes receivable, net	101,332			101,332
Due from other funds		323,715	115,668	439,383
Total assets	\$ 217,948	\$ 323,754	\$ 115,725	\$ 657,427
LIABILITIES				
Accounts payable and accrued liabilities	\$ 11,219			\$ 11,219
Intergovernmental payables	103,293	\$ 323,341	\$ 19,853	446,487
Due to other funds	100,276	413		100,689
Unavailable revenue	3,160			3,160
Total liabilities	217,948	323,754	19,853	561,555
FUND BALANCES				
Unreserved			95,872	95,872
Total fund balances	-- --	-- --	95,872	95,872
Total liabilities and fund balances	\$ 217,948	\$ 323,754	\$ 115,725	\$ 657,427

State of Illinois

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

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Motor Fuel Tax Fund	Public Transportation Fund	Downstate Public Transportation Fund	Total
REVENUES				
Motor fuel taxes	\$ 1,231,591			\$ 1,231,591
Federal government	148			148
Licenses and fees	588			588
Other	26			26
Total revenues	1,232,353	\$ -- --	\$ -- --	1,232,353
EXPENDITURES				
Current:				
General government	53,478			53,478
Transportation	588,133	407,688	137,991	1,133,812
Capital outlays	52			52
Total expenditures	641,663	407,688	137,991	1,187,342
Excess (deficiency) of revenues over (under) expenditures	590,690	(407,688)	(137,991)	45,011
OTHER SOURCES (USES) OF FINANCIAL RESOURCES				
Transfers-in		407,688	174,347	582,035
Transfers-out	(590,690)		(17,482)	(608,172)
Net other sources (uses) of financial resources	(590,690)	407,688	156,865	(26,137)
Net change in fund balances	-- --	-- --	18,874	18,874
Fund balances, July 1, 2009			76,998	76,998
FUND BALANCES, JUNE 30, 2010	\$ -- --	\$ -- --	\$ 95,872	\$ 95,872

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Other Departments

June 30, 2010 (Expressed in Thousands)

	Children and Family Services	Commerce and Economic Opportunity	Natural Resources	Human Services	Healthcare and Family Services	Total
	DCFS Childrens' Services Fund	Supplemental Low Income Energy Assistance Fund	Open Space Lands Acquisition and Development Fund	Food Stamp and Commodity Fund	Child Support Administration Fund	
ASSETS						
Cash equity with State Treasurer	\$ 41,378	\$ 67,284	\$ 61,945		\$ 55,860	\$ 226,467
Cash and cash equivalents	471					471
Receivables, net						
Taxes		8,048				8,048
Intergovernmental	102,885				12,341	115,226
Other					9,861	9,861
Due from other funds					13,944	13,944
Total assets	\$ 144,734	\$ 75,332	\$ 61,945	\$ -- --	\$ 92,006	\$ 374,017
LIABILITIES						
Accounts payable and accrued liabilities	\$ 33,167	\$ 15,337	\$ 33		\$ 8,815	\$ 57,352
Intergovernmental payables	1,836	189	2		13,237	15,264
Due to other funds	618	33	17		10,518	11,186
Due to component units	5,258					5,258
Unavailable revenue	102,885				4,646	107,531
Total liabilities	143,764	15,559	52	\$ -- --	37,216	196,591
FUND BALANCES						
Reserved for encumbrances	3,242	24				3,266
Unreserved:						
Designated for reappropriated accounts			8,279			8,279
Undesignated	(2,272)	59,749	53,614		54,790	165,881
Total fund balances	970	59,773	61,893	-- --	54,790	177,426
Total liabilities and fund balances	\$ 144,734	\$ 75,332	\$ 61,945	\$ -- --	\$ 92,006	\$ 374,017

State of Illinois

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

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Children and Family Services	Commerce and Economic Opportunity	Natural Resources Open Space Lands Acquisition and Development Fund	Human Services Food Stamp and Commodity Fund	Healthcare and Family Services Child Support Administration Fund	Total
REVENUES						
Public utility taxes		\$ 118,811				\$ 118,811
Other taxes			\$ 13,487			13,487
Federal government	\$ 365,522			\$ 2,713,161	\$ 127,061	3,205,744
Other	3,769	1,181			16,814	21,764
Total revenues	369,291	119,992	13,487	2,713,161	143,875	3,359,806
EXPENDITURES						
Current:						
Health and social services	387,616	92,299		2,713,161	168,753	3,361,829
Environment and business regulations			26,354			26,354
Total expenditures	387,616	92,299	26,354	2,713,161	168,753	3,388,183
Excess (deficiency) of revenues over (under) expenditures	(18,325)	27,693	(12,867)	-- --	(24,878)	(28,377)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
Transfers-in	17,000				42,531	59,531
Net other sources (uses) of financial resources	17,000	-- --	-- --	-- --	42,531	59,531
Net change in fund balances	(1,325)	27,693	(12,867)	-- --	17,653	31,154
Fund balances, July 1, 2009	2,295	32,080	74,760		37,137	146,272
FUND BALANCES, JUNE 30, 2010	\$ 970	\$ 59,773	\$ 61,893	\$ -- --	\$ 54,790	\$ 177,426

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

State Board of Education

June 30, 2010 (Expressed in Thousands)

	SBE Federal Department of Agriculture Fund	SBE Federal Department of Education Fund	Total
ASSETS			
Cash equity with State Treasurer	\$ 437	\$ 1,373	\$ 1,810
Receivables, net			
Intergovernmental	60,409	264,257	324,666
Other	610		610
Due from other funds		244	244
Due from component units		234	234
Inventories	1,736		1,736
Total assets	\$ 63,192	\$ 266,108	\$ 329,300
LIABILITIES			
Accounts payable and accrued liabilities		\$ 4,675	\$ 4,675
Intergovernmental payables	\$ 56,743	257,402	314,145
Due to other funds	441	3,254	3,695
Due to component units		686	686
Unavailable revenue	4,396	197	4,593
Total liabilities	61,580	266,214	327,794
FUND BALANCES			
Reserved for inventories	1,736		1,736
Unreserved	(124)	(106)	(230)
Total fund balances (deficits)	1,612	(106)	1,506
Total liabilities and fund balances	\$ 63,192	\$ 266,108	\$ 329,300

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, 2010 (Expressed in Thousands)

	SBE Federal Department of Agriculture Fund	SBE Federal Department of Education Fund	Total
REVENUES			
Federal government	\$ 664,808	\$ 1,915,146	\$ 2,579,954
Other	38	1,035	1,073
Total revenues	664,846	1,916,181	2,581,027
EXPENDITURES			
Current:			
Education	664,302	1,915,923	2,580,225
Debt service:			
Principal	16	23	39
Interest	4	5	9
Capital outlays	829	651	1,480
Total expenditures	665,151	1,916,602	2,581,753
Excess (deficiency) of revenues over (under) expenditures	(305)	(421)	(726)
Net change in fund balances	(305)	(421)	(726)
Fund balances, July 1, 2009	1,606	315	1,921
Increase for changes in inventories	311		311
FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ 1,612	\$ (106)	\$ 1,506

State of Illinois

**Combining Balance Sheet - Nonmajor Special Revenue Funds
Other Agencies, Boards and Authorities**

June 30, 2010 (Expressed in Thousands)

	Workers' Compensation Commission	Illinois Gaming Board		
	Illinois Workers' Compensation Commission Operations Fund	State Gaming Fund	Total	
ASSETS				
Cash equity with State Treasurer	\$ 70,045	\$ 13,848	\$ 83,893	
Receivables, net				
Taxes		2,568	2,568	
Other	35,605	20	35,625	
Total assets	\$ 105,650	\$ 16,436	\$ 122,086	
LIABILITIES				
Accounts payable and accrued liabilities	\$ 788	\$ 991	\$ 1,779	
Intergovernmental payables	43	8,984	9,027	
Due to other funds	506	6,461	6,967	
Unavailable revenue	35,605		35,605	
Total liabilities	36,942	16,436	53,378	
FUND BALANCES				
Reserved for encumbrances		198	198	
Unreserved	68,708	(198)	68,510	
Total fund balances	68,708	-- --	68,708	
Total liabilities and fund balances	\$ 105,650	\$ 16,436	\$ 122,086	

State of Illinois

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

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Workers' Compensation Commission	Illinois Gaming Board	
	Illinois Workers' Compensation Commission Operations Fund	State Gaming Fund	Total
REVENUES			
Riverboat taxes		\$ 483,091	\$ 483,091
Licenses and fees	\$ 26,288	766	27,054
Other	2,410	1	2,411
Total revenues	28,698	483,858	512,556
EXPENDITURES			
Current:			
Health and social services		695	695
Environment and business regulations	20,765	1,082	21,847
Debt service:			
Principal	5		5
Capital outlays		540	540
Intergovernmental		106,456	106,456
Total expenditures	20,770	108,773	129,543
Excess (deficiency) of revenues over (under) expenditures	7,928	375,085	383,013
OTHER SOURCES (USES) OF FINANCIAL RESOURCES			
Transfers-out		(375,085)	(375,085)
Net other sources (uses) of financial resources	-- --	(375,085)	(375,085)
Net change in fund balances	7,928	-- --	7,928
Fund balances, July 1, 2009	60,780		60,780
FUND BALANCES, JUNE 30, 2010	\$ 68,708	\$ -- --	\$ 68,708

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DEBT SERVICE FUNDS

The Debt Service Funds are maintained to account for resources obtained and accumulated to pay interest and principal on general long-term obligations.

SIGNIFICANT NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS DESCRIPTIONS

Treasurer

General Obligation Bond Retirement and Interest Fund--to account for payments of principal and interest related to general obligation bonds. These bonds provide financing for the protection of the environment within the State; the acquisition, construction, reconstruction, extension, and improvement of highways; the acquisition, construction, reconstruction, and improvement of capital projects; the construction of facilities leased back to the State; and the development of mass transportation and aviation systems within the State.

Governor's Office of Management and Budget

Illinois Civic Center Bond Retirement and Interest Fund--to account for the payment of principal and interest upon bonds issued to finance the construction of local civic centers. Funding consists of transfers from the Metropolitan Exposition Auditorium and Office Building Fund and investment income.

Build Illinois Bond Retirement and Interest Fund--to account for the payment of principal and interest upon bonds issued to finance improvements related to existing or planned scientific research, manufacturing, or industrial development or expansion in Illinois. Funding consists of transfers from the Build Illinois Fund and investment income.

State of Illinois

Combining Balance Sheet
Nonmajor Debt Service Funds

June 30, 2010 (Expressed in Thousands)

	Treasurer General Obligation Bond Retirement and Interest Fund	Governor's Office of Management and Budget	Other	Total
ASSETS				
Cash equity with State Treasurer	\$ 885,265	\$ 11,754		\$ 897,019
Cash and cash equivalents	6,760	95,993	\$ 4,986	107,739
Securities lending collateral equity of State Treasurer	241,375	1,099		242,474
Investments		52,423		52,423
Other receivables, net	518	504		1,022
Due from other funds	3,382			3,382
Loans and notes receivable, net	14,621			14,621
Total assets	\$ 1,151,921	\$ 161,773	\$ 4,986	\$ 1,318,680
LIABILITIES				
Obligations under securities lending of State Treasurer	\$ 241,375	\$ 1,099		\$ 242,474
Total liabilities	241,375	1,099		242,474
FUND BALANCES				
Reserved for long-term portion of loans and notes receivable	14,621			14,621
Unreserved	895,925	160,674	\$ 4,986	1,061,585
Total fund balances	910,546	160,674	4,986	1,076,206
Total liabilities and fund balances	\$ 1,151,921	\$ 161,773	\$ 4,986	\$ 1,318,680

State of Illinois

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Treasurer General Obligation Bond Retirement and Interest Fund	Governor's Office of Management and Budget	Other	Total
REVENUES				
Licenses and fees	\$ 165			\$ 165
Interest and other investment income	5,074	\$ 1,963		7,037
Other	16			16
Total revenues	5,255	1,963		7,218
EXPENDITURES				
Current:				
General government	8,963	63		9,026
Employment and economic development		21		21
Debt service:				
Principal	750,985	165,775	\$ 5,130	921,890
Interest	946,739	122,805	2,896	1,072,440
Total expenditures	1,706,687	288,664	8,026	2,003,377
Excess (deficiency) of revenues over (under) expenditures	(1,701,432)	(286,701)	(8,026)	(1,996,159)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES				
General obligation refunding bonds issued	1,501,300			1,501,300
Premiums on general obligation refunding bonds issued	118,466			118,466
Transfers-in	4,200,757	300,026	8,032	4,508,815
Transfers-out	(2,281,302)	(28,970)		(2,310,272)
Payments to refunded bond escrow agent	(1,599,226)			(1,599,226)
Net other sources (uses) of financial resources	1,939,995	271,056	8,032	2,219,083
Net change in fund balances	238,563	(15,645)	6	222,924
Fund balances, July 1, 2009	671,983	176,319	4,980	853,282
FUND BALANCES, JUNE 30, 2010	\$ 910,546	\$ 160,674	\$ 4,986	\$ 1,076,206

State of Illinois

Combining Balance Sheet - Nonmajor Debt Service Funds

Governor's Office of Management and Budget

June 30, 2010 (Expressed in Thousands)

	Illinois Civic Center Bond Retirement and Interest Fund	Build Illinois Bond Retirement and Interest Fund	Total
ASSETS			
Cash equity with State Treasurer	\$ 8,703	\$ 3,051	\$ 11,754
Cash and cash equivalents	16,867	79,126	95,993
Securities lending collateral equity of State Treasurer		1,099	1,099
Investments		52,423	52,423
Other receivables, net		504	504
Total assets	\$ 25,570	\$ 136,203	\$ 161,773
LIABILITIES			
Obligations under securities lending of State Treasurer		\$ 1,099	\$ 1,099
Total liabilities		1,099	1,099
FUND BALANCES			
Unreserved	\$ 25,570	135,104	160,674
Total fund balances	25,570	135,104	160,674
Total liabilities and fund balances	\$ 25,570	\$ 136,203	\$ 161,773

State of Illinois

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Debt Service Funds
Governor's Office of Management and Budget**

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Illinois Civic Center Bond Retirement and Interest Fund	Build Illinois Bond Retirement and Interest Fund	Total
REVENUES			
Interest and other investment income	\$ 31	\$ 1,932	\$ 1,963
Total revenues	<u>31</u>	<u>1,932</u>	<u>1,963</u>
EXPENDITURES			
Current:			
General government		63	63
Employment and economic development	21		21
Debt service:			
Principal	8,595	157,180	165,775
Interest	5,253	117,552	122,805
Total expenditures	<u>13,869</u>	<u>274,795</u>	<u>288,664</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,838)</u>	<u>(272,863)</u>	<u>(286,701)</u>
OTHER SOURCES (USES) OF FINANCIAL RESOURCES			
Transfers-in	14,094	285,932	300,026
Transfers-out		(28,970)	(28,970)
Net other sources (uses) of financial resources	<u>14,094</u>	<u>256,962</u>	<u>271,056</u>
Net change in fund balances	<u>256</u>	<u>(15,901)</u>	<u>(15,645)</u>
Fund balances, July 1, 2009	25,314	151,005	176,319
FUND BALANCES, JUNE 30, 2010	<u>\$ 25,570</u>	<u>\$ 135,104</u>	<u>\$ 160,674</u>

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CAPITAL PROJECTS FUNDS

The Capital Projects Funds are maintained to account for the acquisition and/or construction of major capital facilities.

SIGNIFICANT NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS DESCRIPTIONS

Department of Commerce and Economic Opportunity

Coal Development Fund--to account for the financial support of coal research, demonstration, and commercialization activities.

Build Illinois Bond Fund--to account for the proceeds from bond issues of the Build Illinois Bond Program to finance improvements related to scientific research, manufacturing, and industrial development or expansion.

Department of 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.

State of Illinois

Combining Balance Sheet
 Nonmajor Capital Projects Funds

June 30, 2010 (Expressed in Thousands)

	Commerce and Economic Opportunity	Transportation	Capital Development Board	Other	Total
ASSETS					
Cash equity with State Treasurer	\$ 327,761	\$ 1,222,183	\$ 676,019	\$ 5,598	\$ 2,231,561
Cash and cash equivalents	10	280	1,413	11	1,714
Receivables, net					
Intergovernmental			3,599		3,599
Other	11	10			21
Due from other funds		5	5,856	703	6,564
Total assets	\$ 327,782	\$ 1,222,478	\$ 686,887	\$ 6,312	\$ 2,243,459
LIABILITIES					
Accounts payable and accrued liabilities	\$ 1,737	\$ 109,135	\$ 22,564		\$ 133,436
Intergovernmental payables		30,227	3,170	\$ 2,612	36,009
Due to other funds	35,005	1,920	460		37,385
Unavailable revenue		10			10
Unearned revenue			164		164
Total liabilities	36,742	141,292	26,358	2,612	207,004
FUND BALANCES					
Reserved for encumbrances			2		2
Unreserved:					
Designated for reappropriated accounts	38,515	733,209	178,973	99	950,796
Undesignated	252,525	347,977	481,554	3,601	1,085,657
Total fund balances	291,040	1,081,186	660,529	3,700	2,036,455
Total liabilities and fund balances	\$ 327,782	\$ 1,222,478	\$ 686,887	\$ 6,312	\$ 2,243,459

State of Illinois

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

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Commerce and Economic Opportunity	Transportation	Capital Development Board	Other	Total
REVENUES					
Federal government			\$ 34,293		\$ 34,293
Other	\$ 1		29,582		29,583
Total revenues	1		63,875		63,876
EXPENDITURES					
Current:					
Education	47,319		111,967		159,286
General government	4,994	\$ 2,293	22,177		29,464
Employment and economic development	222,467		13,095		235,562
Transportation		92,703		\$ 1,156	93,859
Environment and business regulations	130		6,249	1,450	7,829
Capital outlays	518	463,861	69,575	145	534,099
Total expenditures	275,428	558,857	223,063	2,751	1,060,099
Excess (deficiency) of revenues over (under) expenditures	(275,427)	(558,857)	(159,188)	(2,751)	(996,223)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES					
General and special obligation bonds issued	549,920	1,615,300	818,200	2,500	2,985,920
Premiums on general and special obligation bonds issued	24,357	13,506	978	96	38,937
Special obligation refunding bonds issued	455,080				455,080
Premiums on special obligation refunding bonds issued	38,665				38,665
Transfers-in		40,407	3,738	1,441	45,586
Transfers-out	(31,513)	(23,952)	(79)	(421)	(55,965)
Payments to refunded bond escrow agent	(491,546)				(491,546)
Net other sources (uses) of financial resources	544,963	1,645,261	822,837	3,616	3,016,677
Net change in fund balances	269,536	1,086,404	663,649	865	2,020,454
Fund balances (deficits), July 1, 2009	21,504	(5,218)	(3,120)	2,835	16,001
FUND BALANCES, JUNE 30, 2010	\$ 291,040	\$ 1,081,186	\$ 660,529	\$ 3,700	\$ 2,036,455

State of Illinois

Combining Balance Sheet - Nonmajor Capital Projects Funds

Commerce and Economic Opportunity

June 30, 2010 (Expressed in Thousands)

	Coal Development Fund	Build Illinois Bond Fund	Total
ASSETS			
Cash equity with State Treasurer	\$ 745	\$ 327,016	\$ 327,761
Cash and cash equivalents		10	10
Other receivables, net		11	11
Total assets	\$ 745	\$ 327,037	\$ 327,782
LIABILITIES			
Accounts payable and accrued liabilities		\$ 1,737	\$ 1,737
Due to other funds	\$ 5	35,000	35,005
Total liabilities	5	36,737	36,742
FUND BALANCES			
Unreserved:			
Designated for reappropriated accounts		38,515	38,515
Undesignated	740	251,785	252,525
Total fund balances	740	290,300	291,040
Total liabilities and fund balances	\$ 745	\$ 327,037	\$ 327,782

State of Illinois

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

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Coal Development Fund	Build Illinois Bond Fund	Total
REVENUES			
Other		\$ 1	\$ 1
Total revenues		<u>1</u>	<u>1</u>
EXPENDITURES			
Current:			
Education		47,319	47,319
General government		4,994	4,994
Employment and economic development	\$ 25,038	197,429	222,467
Environment and business regulations		130	130
Capital outlays		518	518
Total expenditures	<u>25,038</u>	<u>250,390</u>	<u>275,428</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,038)</u>	<u>(250,389)</u>	<u>(275,427)</u>
OTHER SOURCES (USES) OF FINANCIAL RESOURCES			
General and special obligation bonds issued	20,000	529,920	549,920
Premiums on general and special obligation bonds issued	767	23,590	24,357
Special obligation refunding bonds issued		455,080	455,080
Premiums on special obligation refunding bonds issued		38,665	38,665
Transfers-out	(20,513)	(11,000)	(31,513)
Payments to refunded bond escrow agent		(491,546)	(491,546)
Net other sources (uses) of financial resources	<u>254</u>	<u>544,709</u>	<u>544,963</u>
Net change in fund balances	<u>(24,784)</u>	<u>294,320</u>	<u>269,536</u>
Fund balances (deficits), July 1, 2009	<u>25,524</u>	<u>(4,020)</u>	<u>21,504</u>
FUND BALANCES, JUNE 30, 2010	<u>\$ 740</u>	<u>\$ 290,300</u>	<u>\$ 291,040</u>

State of Illinois

Combining Balance Sheet - Nonmajor Capital Projects Funds

Transportation

June 30, 2010 (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	\$ 641,102	\$ 207,219	\$ 373,862	\$ 1,222,183
Cash and cash equivalents	280			280
Other receivables, net	10			10
Due from other funds		5		5
Total assets	\$ 641,392	\$ 207,224	\$ 373,862	\$ 1,222,478
LIABILITIES				
Accounts payable and accrued liabilities	\$ 82,258	\$ 1,109	\$ 25,768	\$ 109,135
Intergovernmental payables		9,878	20,349	30,227
Due to other funds			1,920	1,920
Unavailable revenue	10			10
Total liabilities	82,268	10,987	48,037	141,292
FUND BALANCES				
Unreserved:				
Designated for reappropriated accounts	384,543	73,940	274,726	733,209
Undesignated	174,581	122,297	51,099	347,977
Total fund balances	559,124	196,237	325,825	1,081,186
Total liabilities and fund balances	\$ 641,392	\$ 207,224	\$ 373,862	\$ 1,222,478

State of Illinois

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

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Transportation Bond Series A Fund	Transportation Bond Series B Fund	Transportation Bond Series D Fund	Total
EXPENDITURES				
Current:				
General government			\$ 2,293	\$ 2,293
Transportation	\$ 35,333	\$ 17,008	40,362	92,703
Capital outlays	419,291	1,036	43,534	463,861
Total expenditures	454,624	18,044	86,189	558,857
Excess (deficiency) of revenues over (under) expenditures	(454,624)	(18,044)	(86,189)	(558,857)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES				
General obligation bonds issued	1,003,500	220,000	391,800	1,615,300
Premiums on general obligation bonds issued	12,930	576		13,506
Transfers-in	20,193		20,214	40,407
Transfers-out	(20,214)	(3,738)		(23,952)
Net other sources (uses) of financial resources	1,016,409	216,838	412,014	1,645,261
Net change in fund balances	561,785	198,794	325,825	1,086,404
Fund balances (deficits), July 1, 2009	(2,661)	(2,557)		(5,218)
FUND BALANCES, JUNE 30, 2010	\$ 559,124	\$ 196,237	\$ 325,825	\$ 1,081,186

State of Illinois

Combining Balance Sheet - Nonmajor Capital Projects Funds

Capital Development Board

June 30, 2010 (Expressed in Thousands)

	Capital Development Fund	School Construction Fund	CDB Contributory Trust Fund	Total
ASSETS				
Cash equity with State Treasurer	\$ 274,307	\$ 400,517	\$ 1,195	\$ 676,019
Cash and cash equivalents	1,413			1,413
Intergovernmental receivables, net			3,599	3,599
Due from other funds			5,856	5,856
Total assets	\$ 275,720	\$ 400,517	\$ 10,650	\$ 686,887
LIABILITIES				
Accounts payable and accrued liabilities	\$ 12,581		\$ 9,983	\$ 22,564
Intergovernmental payables	250	\$ 2,920		3,170
Due to other funds	158		302	460
Unearned revenue			164	164
Total liabilities	12,989	2,920	10,449	26,358
FUND BALANCES				
Reserved for encumbrances	2			2
Unreserved:				
Designated for reappropriated accounts	160,517	18,456		178,973
Undesignated	102,212	379,141	201	481,554
Total fund balances	262,731	397,597	201	660,529
Total liabilities and fund balances	\$ 275,720	\$ 400,517	\$ 10,650	\$ 686,887

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, 2010 (Expressed in Thousands)

	Capital Development Fund	School Construction Fund	CDB Contributory Trust Fund	Total
REVENUES				
Federal government			\$ 34,293	\$ 34,293
Other	\$ 10		29,572	29,582
Total revenues	10		63,865	63,875
EXPENDITURES				
Current:				
Education	61,586	\$ 21,374	29,007	111,967
General government	19,268	2,909		22,177
Employment and economic development	13,095			13,095
Environment and business regulations	6,249			6,249
Capital outlays	34,887		34,688	69,575
Total expenditures	135,085	24,283	63,695	223,063
Excess (deficiency) of revenues over (under) expenditures	(135,075)	(24,283)	170	(159,188)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES				
General obligation bonds issued	398,200	420,000		818,200
Premiums on general obligation bonds issued	978			978
Transfers-in	3,738			3,738
Transfers-out			(79)	(79)
Net other sources (uses) of financial resources	402,916	420,000	(79)	822,837
Net change in fund balances	267,841	395,717	91	663,649
Fund balances (deficits), July 1, 2009	(5,110)	1,880	110	(3,120)
FUND BALANCES, JUNE 30, 2010	\$ 262,731	\$ 397,597	\$ 201	\$ 660,529

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ENTERPRISE FUNDS

Enterprise Funds are maintained to account for the operations where the intent of the State is to provide services to the general public in a manner similar to private business enterprises.

SIGNIFICANT NONMAJOR ENTERPRISE FUNDS DESCRIPTIONS

Department of Revenue

State Lottery Fund--to account for all receipts and expenses from the operation of the State Lottery. The net proceeds are transferred to the Common School Account in the General Fund.

Workers' Compensation Commission

Self Insurers' Security Fund--to account for receipts of fees from self-insurers and to pay claims of injured workers of self-insured businesses that become insolvent.

Student Assistance Commission

Federal Student Loan Fund--to account for the Federal Family Education Loan Program which funds the repayment of guaranteed loans that have gone into default to lenders.

State of Illinois

Combining Statement of Net Assets
Nonmajor Enterprise Funds

June 30, 2010 (Expressed in Thousands)

	Revenue	Workers' Compensation Commission	Student Assistance Commission		
	State Lottery Fund	Self-Insurers' Security Fund	Federal Student Loan Fund	Other	Total
ASSETS					
Cash equity with State Treasurer	\$ 60,847	\$ 31,703	\$ 43,694	\$ 34,354	\$ 170,598
Cash and cash equivalents	6,518			3,666	10,184
Securities lending collateral of State Treasurer		12,303	13,177	11,101	36,581
Investments	59			29,070	29,129
Receivables, net:					
Intergovernmental			37,551	1,264	38,815
Other	5,676	215	94	8,212	14,197
Due from other funds	80,021		3,488	5,375	88,884
Due from component units					
Inventories	657				657
Prepaid expenses	68			257	325
Total current assets	153,846	44,221	98,004	93,299	389,370
Investments	500			5,544	6,044
Capital assets not being depreciated				190	190
Capital assets being depreciated, net	411			3,004	3,415
Total noncurrent assets	911			8,738	9,649
Total assets	154,757	44,221	98,004	102,037	399,019
LIABILITIES					
Accounts payable and accrued liabilities	79,352	654	22,714	11,079	113,799
Intergovernmental payables	31		8,335	32	8,398
Due to other funds	35,609	16	1,200	4,028	40,853
Due to component units	3				3
Unearned revenue	2,939	11,314		13,698	27,951
Obligations under security lending of State Treasurer		12,303	13,177	11,101	36,581
Current portion of long-term obligations	132	1,357		630	2,119
Total current liabilities	118,066	25,644	45,426	40,568	229,704
Noncurrent portion of long-term obligations	1,800	7,432		5,317	14,549
Total liabilities	119,866	33,076	45,426	45,885	244,253
NET ASSETS					
Invested in capital assets, net of related debt	411			3,194	3,605
Net assets restricted for education	34,480		52,578		87,058
Unrestricted		11,145		52,958	64,103
Total net assets	\$ 34,891	\$ 11,145	\$ 52,578	\$ 56,152	\$ 154,766

State of Illinois

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

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Revenue	Workers' Compensation Commission	Student Assistance Commission Federal		Total
	State Lottery Fund	Self-Insurers' Security	Student Loan Fund	Other	
OPERATING REVENUES					
Charges for sales and services	\$ 2,191,421	\$ (10,118)	\$ 22,451	\$ 129,248	\$ 2,333,002
Interest and other investment income				2	2
Other	4,894				4,894
Total operating revenues	2,196,315	(10,118)	22,451	129,250	2,337,898
OPERATING EXPENSES					
Cost of sales and services	158,709		214,905	27,085	400,699
Benefit payments and refunds		2,866		57,240	60,106
Prizes and claims	1,313,229				1,313,229
General and administrative	72,098	232		39,987	112,317
Depreciation	160			343	503
Other				12,578	12,578
Total operating expenses	1,544,196	3,098	214,905	137,233	1,899,432
Operating income (loss)	652,119	(13,216)	(192,454)	(7,983)	438,466
NONOPERATING REVENUES (EXPENSES)					
Interest and investment income	4	147	262	683	1,096
Federal government			207,134	156	207,290
Other expenses	(2)			(23)	(25)
Income (loss) before transfers	652,121	(13,069)	14,942	(7,167)	646,827
Transfers-in			3,850	21,874	25,724
Transfers-out	(652,133)		(21,874)	(10,389)	(684,396)
Net income (loss)	(12)	(13,069)	(3,082)	4,318	(11,845)
Net assets, July 1, 2009	34,903	24,214	55,660	51,834	166,611
NET ASSETS, JUNE 30, 2010	\$ 34,891	\$ 11,145	\$ 52,578	\$ 56,152	\$ 154,766

State of Illinois

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Revenue	Workers' Compensation Commission	Student Assistance Commission		
	State Lottery Fund	Self-Insurers' Security Fund	Federal Student Loan Fund	Other	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from sales and services		\$ 5,830	\$ 96,770	\$ 122,997	\$ 225,597
Cash received from lottery sales (net of \$971,927 cash prizes paid by agents and \$110,219 commissions retained by agents)	\$ 1,126,558				1,126,558
Cash payments to suppliers for goods and services		(9)		(65,024)	(65,033)
Cash payments to employees for services	(113,214)	(207)		(58,078)	(171,499)
Cash payments for lottery prizes	(344,034)				(344,034)
Cash receipts from other operating activities	4,894			671	5,565
Cash payments for other operating activities	(209)	(6,509)	(286,668)	(13,406)	(306,792)
Net cash provided (used) by operating activities	673,995	(895)	(189,898)	(12,840)	470,362
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grants received			204,902	162	205,064
Transfers-in from other funds			3,649	21,401	25,050
Transfers-out to other funds	(629,240)		(21,401)	(10,191)	(660,832)
Net cash provided (used) by noncapital financing activities	(629,240)		187,150	11,372	(430,718)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(71)			(697)	(768)
Net cash (used) by capital and related financing activities	(71)			(697)	(768)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities				(41,899)	(41,899)
Proceeds from sales and maturities of investment securities				38,796	38,796
Interest and dividends on investments	4	142	261	771	1,178
Net cash provided (used) by investing activities	4	142	261	(2,332)	(1,925)
Net increase (decrease) in cash and cash equivalents	44,688	(753)	(2,487)	(4,497)	36,951
Cash and cash equivalents, July 1, 2009	22,677	32,456	46,181	42,517	143,831
CASH AND CASH EQUIVALENTS, JUNE 30, 2010	\$ 67,365	\$ 31,703	\$ 43,694	\$ 38,020	\$ 180,782
Reconciliation of cash and cash equivalents to the statement of net assets:					
Total cash and cash equivalents per statement of net assets	\$ 6,518			\$ 3,666	\$ 10,184
Add: cash equity with State Treasurer	60,847	\$ 31,703	\$ 43,694	34,354	170,598
CASH AND CASH EQUIVALENTS, JUNE 30, 2010	\$ 67,365	\$ 31,703	\$ 43,694	\$ 38,020	\$ 180,782

(continued)

State of Illinois

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended June 30, 2010 (Expressed in Thousands)

(continued)

	Revenue	Workers' Compensation Commission	Student Assistance Commission		
	State Lottery Fund	Self-Insurers' Security	Federal Student Loan Fund	Other	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
OPERATING INCOME (LOSS)	\$ 652,119	\$ (13,216)	\$ (192,454)	\$ (7,983)	\$ 438,466
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	160			343	503
Provision for uncollectible accounts	337				337
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	15,718	113	70	(3,347)	12,554
(Increase) decrease in intergovernmental receivables				409	409
(Increase) decrease in due from other funds	48		22	(679)	(609)
(Increase) decrease in inventory	(209)				(209)
(Increase) decrease in prepaid expenses	10			(10)	-
Increase (decrease) in accounts payable and accrued liabilities	7,580	556	6,478	(5,304)	9,310
Increase (decrease) in intergovernmental payables	(8)		(2,297)	(1)	(2,306)
Increase (decrease) in due to other funds	(1,684)	13	(1,717)	50	(3,338)
Increase (decrease) in due to component units	3				3
Increase (decrease) in unearned revenue	(88)	11,314		3,775	15,001
Increase (decrease) in other liabilities	9	325		(93)	241
Total adjustments	21,876	12,321	2,556	(4,857)	31,896
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 673,995	\$ (895)	\$ (189,898)	\$ (12,840)	\$ 470,362
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Transfer of assets to/from other state funds	\$ (2)			\$ (23)	\$ (25)

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INTERNAL SERVICE FUNDS

Internal Service Funds are maintained to account for the operations of State agencies which render services to other State agencies or governmental units on a cost-reimbursement basis.

SIGNIFICANT INTERNAL SERVICE FUNDS DESCRIPTIONS

Office of the Auditor General

Audit Expense Fund--to account for the costs in association with conducting audits in accordance with State Auditing Act .

Department of Central Management Services

Statistical Services Revolving Fund--to account for the purchase, maintenance, and operation of electronic data processing and information devices used by State agencies. Revenues consist of charges from the user agencies.

Communications Revolving Fund--to account for the expenses related to telecommunications services for State agencies. Revenues consist of charges from user agencies.

Facilities Management Fund--to account for rental, maintenance, and other expenses related to the use of buildings by State agencies. Revenues consist of charges from user agencies.

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, 2010 (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	\$ 11,596	\$ 35,625	\$ 2,110	\$ 35,683	\$ 6,561	\$ 91,575
Cash and cash equivalents		3,766		31,164		34,930
Securities lending collateral of State Treasurer		4,548		20,097	961	25,606
Receivables, net:						
Intergovernmental		1,193	18	10,047	41	11,299
Other		1,958	1,145	25,878	10,073	39,054
Due from other funds	4,410	757,450	7,568	881,971	14,655	1,666,054
Due from component units	1,077	863	1	25,355	763	28,059
Inventories			7,720		1,679	9,399
Prepaid expenses			1			1
Total current assets	17,083	805,403	18,563	1,030,195	34,733	1,905,977
Capital assets not being depreciated		38,369				38,369
Capital assets being depreciated, net		226,636	2,083	14	302	229,035
Total noncurrent assets	-- --	265,005	2,083	14	302	267,404
Total assets	17,083	1,070,408	20,646	1,030,209	35,035	2,173,381
LIABILITIES						
Accounts payable and accrued liabilities	4,236	100,053	2,045	1,008,738	13,348	1,128,420
Intergovernmental payables		12,154	39	9	50	12,252
Due to other funds	2	30,962	2,461	852	13,052	47,329
Due to component units		483	1			484
Unearned revenue		1,429			1	1,430
Obligations under security lending of State Treasurer		4,548		20,097	961	25,606
Current portion of long-term liabilities		150,657	95	140	297	151,189
Total current liabilities	4,238	300,286	4,641	1,029,836	27,709	1,366,710
Noncurrent portion of long-term liabilities		433,978	1,308	373	2,508	438,167
Total liabilities	4,238	734,264	5,949	1,030,209	30,217	1,804,877
NET ASSETS						
Invested in capital assets, net of related debt		227,780	2,083	14	(95)	229,782
Restricted for debt service		3,766				3,766
Unrestricted	12,845	104,598	12,614	(14)	4,913	134,956
Total net assets	\$ 12,845	\$ 336,144	\$ 14,697	\$ -- --	\$ 4,818	\$ 368,504

State of Illinois

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

For the Year Ended June 30, 2010 (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	\$ 23,766	\$ 719,224	\$ 44,453	\$ 1,986,540	\$ 75,503	\$ 2,849,486
Other					30	30
Total operating revenues	23,766	719,224	44,453	1,986,540	75,533	2,849,516
OPERATING EXPENSES						
Cost of sales and services	17,950	396,994	23,078		66,818	504,840
Benefit payments and refunds		260,963		1,917,069		2,178,032
Interest				38,535		38,535
General and administrative		18,856	19,897	69,239	8,337	116,329
Depreciation		30,562	732	9	312	31,615
Other		12,118			264	12,382
Total operating expenses	17,950	719,493	43,707	2,024,852	75,731	2,881,733
Operating income (loss)	5,816	(269)	746	(38,312)	(198)	(32,217)
NONOPERATING REVENUES (EXPENSES)						
Interest and investment income		171		448	109	728
Interest expense		(4,900)				(4,900)
Federal government				37,864		37,864
Other revenues			557			557
Other expenses		(387)	(7)			(394)
Income (loss) before contributions and transfers	5,816	(5,385)	1,296	-- --	(89)	1,638
Contributions of capital assets		6,710	4			6,714
Transfers-out	(5,972)		(6,450)		(3,500)	(15,922)
Net income (loss)	(156)	1,325	(5,150)	-- --	(3,589)	(7,570)
Net assets, July 1, 2009	13,001	334,819	19,847		8,407	376,074
NET ASSETS, JUNE 30, 2010	\$ 12,845	\$ 336,144	\$ 14,697	\$ -- --	\$ 4,818	\$ 368,504

State of Illinois

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

For the Year Ended June 30, 2010 (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	\$ 2,156	\$ 15,113	\$ 10,915	\$ 123,494	\$ 549	\$ 152,227	
Cash received from transactions with other funds	17,434	529,960	35,042	1,462,849	80,706	2,125,991	
Cash payments to suppliers for goods and services	(16,228)	(287,910)	(31,248)	(1,637,123)	(58,968)	(2,031,477)	
Cash payments to employees for services	(1,310)	(111,846)	(8,913)	(4,395)	(23,777)	(150,241)	
Cash payments for workers compensation		(118,626)				(118,626)	
Cash receipts from other operating activities			335	44,442	29	44,806	
Net cash provided (used) by operating activities	2,052	26,691	6,131	(10,733)	(1,461)	22,680	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Grants received				37,852		37,852	
Transfers-out to other funds	(5,972)		(4,837)		(3,500)	(14,309)	
Other noncapital financing activities		(2,525)				(2,525)	
Net cash provided (used) by noncapital financing activities	(5,972)	(2,525)	(4,837)	37,852	(3,500)	21,018	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition and construction of capital assets		(3,814)	(64)	(17)		(3,895)	
Principal paid on capital debt		(9,069)	(11)		(309)	(9,389)	
Interest paid on capital debt		(2,080)				(2,080)	
Proceeds from sales of capital assets			9			9	
Net cash (used) by capital and related financing activities	-- --	(14,963)	(66)	(17)	(309)	(15,355)	
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest and dividends on investments		170		444	114	728	
Net cash provided by investing activities	-- --	170	-- --	444	114	728	
Net increase (decrease) in cash and cash equivalents	(3,920)	9,373	1,228	27,546	(5,156)	29,071	
Cash and cash equivalents, July 1, 2009	15,516	30,018	882	39,301	11,717	97,434	
CASH AND CASH EQUIVALENTS, JUNE 30, 2010	\$ 11,596	\$ 39,391	\$ 2,110	\$ 66,847	\$ 6,561	\$ 126,505	
Reconciliation of cash and cash equivalents to the statement of net assets:							
Total cash and cash equivalents per statement of net assets		\$ 3,766		\$ 31,164		\$ 34,930	
Add: cash equity with State Treasurer	\$ 11,596	35,625	\$ 2,110	35,683	\$ 6,561	91,575	
CASH AND CASH EQUIVALENTS, JUNE 30, 2010	\$ 11,596	\$ 39,391	\$ 2,110	\$ 66,847	\$ 6,561	\$ 126,505	

(continued)

State of Illinois

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2010 (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)	\$ 5,816	\$ (269)	\$ 746	\$ (38,312)	\$ (198)	\$ (32,217)	
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation		30,562	732	9	312	31,615	
Provision for uncollectible accounts		57				57	
Cash receipts from other nonoperating income			335			335	
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable		(61)	(165)	(17,087)	(5,500)	(22,813)	
(Increase) decrease in intergovernmental receivables	3	(209)	(18)		(7)	(231)	
(Increase) decrease in due from other funds	(4,116)	(170,314)	1,627	(390,781)	1,180	(562,404)	
(Increase) decrease in due from component units	(63)	205	3	(9,410)	(277)	(9,542)	
(Increase) decrease in inventories			2,577		(109)	2,468	
Increase (decrease) in accounts payable and accrued liabilities	412	19,971	(168)	448,987	(342)	468,860	
Increase (decrease) in intergovernmental payables		(5,291)	9	(1)	(8)	(5,291)	
Increase (decrease) in due to other funds		13,018	168	715	3,592	17,493	
Increase (decrease) in due to component units		(1,000)	1		(1)	(1,000)	
Increase (decrease) in unearned revenue		1,051			(1)	1,050	
Increase (decrease) in other liabilities		138,971	284	(4,853)	(102)	134,300	
Total adjustments	(3,764)	26,960	5,385	27,579	(1,263)	54,897	
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 2,052	\$ 26,691	\$ 6,131	\$ (10,733)	\$ (1,461)	\$ 22,680	

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Cost of installment purchases	\$ 1,949					\$ 1,949
Loss on disposal of capital assets	\$ (387)	\$ (7)				\$ (394)
Transfer of assets from other state funds	\$ 6,710	\$ 4				\$ 6,714

State of Illinois

Combining Statement of Net Assets - Internal Service Funds

Central Management Services

June 30, 2010 (Expressed in Thousands)

	Statistical Services Revolving Fund	Communications Revolving Fund	Facilities Management Fund	Workers' Compensation Revolving Fund	Total
ASSETS					
Cash equity with State Treasurer	\$ 9,882	\$ 6,500	\$ 10,228	\$ 9,015	\$ 35,625
Cash and cash equivalents			3,766		3,766
Securities lending collateral of					
State Treasurer			1,858	2,690	4,548
Receivables, net:					
Intergovernmental		1,193			1,193
Other		1,941	11	6	1,958
Due from other funds	62,325	56,988	109,955	528,182	757,450
Due from component units	157	695	11		863
Total current assets	72,364	67,317	125,829	539,893	805,403
Capital assets not being depreciated			38,369		38,369
Capital assets being depreciated, net	10,181	13,761	202,694		226,636
Total noncurrent assets	10,181	13,761	241,063	-- --	265,005
Total assets	82,545	81,078	366,892	539,893	1,070,408
LIABILITIES					
Accounts payable and accrued liabilities	14,755	20,178	65,045	75	100,053
Intergovernmental payables	7,263	3,114	1,774	3	12,154
Due to other funds	26,847	1,075	2,970	70	30,962
Due to component units		13	470		483
Unearned revenue	3		1,426		1,429
Obligations under security lending of					
State Treasurer			1,858	2,690	4,548
Current portion of long-term liabilities	2,870	1,209	3,000	143,578	150,657
Total current liabilities	51,738	25,589	76,543	146,416	300,286
Noncurrent portion of long-term liabilities	9,332	3,388	27,781	393,477	433,978
Total liabilities	61,070	28,977	104,324	539,893	734,264
NET ASSETS					
Invested in capital assets, net of related debt	4,048	10,732	213,000		227,780
Restricted for debt service			3,766		3,766
Unrestricted	17,427	41,369	45,802		104,598
Total net assets	\$ 21,475	\$ 52,101	\$ 262,568	\$ -- --	\$ 336,144

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, 2010 (Expressed in Thousands)

	Statistical Services Revolving Fund	Communications Revolving Fund	Facilities Management Fund	Workers' Compensation Revolving Fund	Total
OPERATING REVENUES					
Charges for sales and services	\$ 135,881	\$ 116,320	\$ 206,165	\$ 260,858	\$ 719,224
Total operating revenues	135,881	116,320	206,165	260,858	719,224
OPERATING EXPENSES					
Cost of sales and services	126,475	81,268	189,251		396,994
Benefit payments and refunds				260,963	260,963
General and administrative	2,423	9,267	7,166		18,856
Depreciation	8,122	9,326	13,114		30,562
Other		12,118			12,118
Total operating expenses	137,020	111,979	209,531	260,963	719,493
Operating income (loss)	(1,139)	4,341	(3,366)	(105)	(269)
NONOPERATING REVENUES (EXPENSES)					
Interest and investment income			66	105	171
Interest expense	(766)	(200)	(3,934)		(4,900)
Other expenses	(387)				(387)
Income (loss) before contributions	(2,292)	4,141	(7,234)	-- --	(5,385)
Contributions of capital assets	306		6,404		6,710
Net income (loss)	(1,986)	4,141	(830)	-- --	1,325
Net assets, July 1, 2009	23,461	47,960	263,398		334,819
NET ASSETS, JUNE 30, 2010	\$ 21,475	\$ 52,101	\$ 262,568	\$ -- --	\$ 336,144

State of Illinois

Combining Statement of Cash Flows - Internal Service Funds

Central Management Services

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Statistical Services Revolving Fund	Communications Revolving Fund	Facilities Management Fund	Workers' Compensation Revolving Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from sales and services		\$ 14,372	\$ 741		\$ 15,113
Cash received from transactions with other funds	\$ 137,719	84,992	180,366	\$ 126,883	529,960
Cash payments to suppliers for goods and services	(60,923)	(77,063)	(146,483)	(3,441)	(287,910)
Cash payments to employees for services	(66,566)	(17,153)	(28,127)		(111,846)
Cash payments for workers compensation				(118,626)	(118,626)
Net cash provided (used) by operating activities	10,230	5,148	6,497	4,816	26,691
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Other noncapital financing activities	(506)	(103)	(1,916)		(2,525)
Net cash (used) by noncapital financing activities	(506)	(103)	(1,916)	--	(2,525)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(2,418)	(1,225)	(171)		(3,814)
Principal paid on bond maturities and equipment contracts	(4,011)	(2,324)	(2,734)		(9,069)
Interest paid on bond maturities and equipment contracts	(234)	(97)	(1,749)		(2,080)
Net cash (used) by capital and related financing activities	(6,663)	(3,646)	(4,654)	--	(14,963)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends on investments			68	102	170
Net cash provided by investing activities	--	--	68	102	170
Net increase (decrease) in cash and cash equivalents	3,061	1,399	(5)	4,918	9,373
Cash and cash equivalents, July 1, 2009	6,821	5,101	13,999	4,097	30,018
CASH AND CASH EQUIVALENTS, JUNE 30, 2010	\$ 9,882	\$ 6,500	\$ 13,994	\$ 9,015	\$ 39,391
Reconciliation of cash and cash equivalents to the statement of net assets:					
Total cash and cash equivalents per statement of net assets			\$ 3,766		\$ 3,766
Add: cash equity with State Treasurer	\$ 9,882	\$ 6,500	10,228	\$ 9,015	35,625
CASH AND CASH EQUIVALENTS, JUNE 30, 2010	\$ 9,882	\$ 6,500	\$ 13,994	\$ 9,015	\$ 39,391
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
OPERATING INCOME (LOSS)	\$ (1,139)	\$ 4,341	\$ (3,366)	\$ (105)	\$ (269)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	8,122	9,326	13,114		30,562
Provision for uncollectible accounts		57			57
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable		(54)	(7)		(61)
(Increase) decrease in intergovernmental receivables		(209)			(209)
(Increase) decrease in due from other funds	5,002	(15,072)	(26,269)	(133,975)	(170,314)
(Increase) decrease in due from component units	(142)	352	(5)		205
Increase (decrease) in accounts payable and accrued liabilities	(9,252)	7,919	21,293	11	19,971
Increase (decrease) in intergovernmental payables	(2,850)	(2,032)	(408)	(1)	(5,291)
Increase (decrease) in due to other funds	10,621	505	1,920	(28)	13,018
Increase (decrease) in due to component units		(59)	(941)		(1,000)
Increase (decrease) in unearned revenue	(172)		1,223		1,051
Increase (decrease) in other liabilities	40	74	(57)	138,914	138,971
Total adjustments	11,369	807	9,863	4,921	26,960
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 10,230	\$ 5,148	\$ 6,497	\$ 4,816	\$ 26,691
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Cost of installment purchases	\$ 411	\$ 1,538			\$ 1,949
Loss on disposal of capital assets	\$ (387)				\$ (387)
Transfer of assets from other state funds	\$ 306		\$ 6,404		\$ 6,710

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 121 for description of retirement systems.

State of Illinois

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

June 30, 2010 (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	\$ 4,422	\$ 48,028	\$ 1,201	\$ 3,099	\$ 16,645	\$ 49,913
Cash and cash equivalents	3,367	7,644	413			
Securities lending collateral of State Treasurer	1,646	15,131	679	1,143	6,242	22,587
Investments:						
Equities	1,734,792					
Fixed income	282,852					
Private equity						
Real estate						
Other	721,934					
Equity in Illinois State Board of Investments				51,639	506,464	9,120,602
Securities lending collateral						
Receivables, net:						
Members		4,685	184	47	161	8,988
Employers		3,514	184			
Investment income	303	32	1	2	13	48
Intergovernmental		6,276	608			
Pending investment sales						
Other	441	10,162	1,134	1	21	12,993
Due from other funds					65	18
Due from primary government funds						17,286
Due from component units						
Prepaid expenses						
Capital assets not being depreciated						954
Capital assets being depreciated, net				2	4	1,854
Total assets	2,749,757	95,472	4,404	55,933	529,615	9,235,243
LIABILITIES						
Accounts payable and accrued liabilities	973	40,864	10,382	11	41	6,530
Intergovernmental payables	1	3	1			
Due to other funds	6	10	3	67	7	
Due to primary government funds	52	144	20		1	3,413
Obligations under securities lending of State Treasurer	1,646	15,131	679	1,143	6,242	22,587
Payable to brokers for unsettled trades						
Security lending collateral						
Long term obligations:						
Due within one year						2
Due subsequent to one year	111	97	7	21	48	880
Total liabilities	2,789	56,249	11,092	1,242	6,339	33,412
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS						
	\$ 2,746,968	\$ 39,223	\$ (6,688)	\$ 54,691	\$ 523,276	\$ 9,201,831

**State Universities Retirement
System**

Teachers' Retirement System	Defined Benefit	Defined Contribution	Total
\$ 11,878			\$ 135,186
145,801	\$ 758,436		915,661
34,329			81,757
14,411,660	7,601,044	\$ 370,631	24,118,127
6,509,526	3,405,448	178,708	10,376,534
2,990,955			2,990,955
3,252,463	265,951	3,923	3,522,337
4,171,739	320,836	163,469	5,377,978
			9,678,705
3,467,075	1,940,730		5,407,805
51,351	12,524	2,034	79,974
18,699	1,964	1,215	25,576
94,799	37,970		133,168
			6,884
1,907,591	583,076		2,490,667
	926		25,678
10			93
	31		17,317
	283		283
5,611	22		5,633
238	532		1,724
3,794	5,877		11,531
37,077,519	14,935,650	719,980	65,403,573
68,132	25,834		152,767
			5
			93
42			3,672
34,329			81,757
2,182,540	851,863		3,034,403
3,467,075	1,935,312		5,402,387
	115		117
1,617	984		3,765
5,753,735	2,814,108		8,678,966
\$ 31,323,784	\$ 12,121,542	\$ 719,980	\$ 56,724,607

State of Illinois

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

For the Year Ended June 30, 2010 (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		\$ 67,780	\$ 3,966	\$ 10,411	\$ 78,510	\$ 1,095,546
Members:						
Employees	\$ 161,752	90,340	3,966	1,681	16,002	246,173
Retirees		151,057	12,504			
Federal Medicare Part D		23,897	2,267			
Other	2,590	98				
Total contributions	164,342	412,179	26,762	12,092	94,512	1,341,719
Investment income:						
Interest and other investment income	54,263	231	12	1,386	12,962	236,521
Net increase in fair value of investments	268,773			3,591	31,523	598,900
Reimbursements of expenses not separable from investment income	2,116					
Less investment expense	(542)			(207)	(1,953)	(35,525)
Net investment income	324,610	231	12	4,770	42,532	799,896
Total additions	488,952	412,410	26,774	16,862	137,044	2,141,615
DEDUCTIONS						
Benefit payments	132,142	425,409	34,255	16,769	91,570	1,390,641
Refunds	62			222	511	15,274
Depreciation				1	1	274
General and administration	3,194	2,381	653	271	562	11,447
Total deductions	135,398	427,790	34,908	17,263	92,644	1,417,636
Change in fiduciary net assets held in trust for pension and other employee benefits	353,554	(15,380)	(8,134)	(401)	44,400	723,979
Net assets held in trust for pension and other employee benefits, July 1, 2009	2,393,414	54,603	1,446	55,092	478,876	8,477,852
NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS, JUNE 30, 2010	\$ 2,746,968	\$ 39,223	\$ (6,688)	\$ 54,691	\$ 523,276	\$ 9,201,831

**State Universities Retirement
System**

Teachers' Retirement System	Defined Benefit	Defined Contribution	Total
\$ 170,654	\$ 34,166	\$ 5,335	\$ 370,822
2,079,129	662,429	37,781	3,957,951
899,401	275,000	48,571	1,742,886
			163,561
2,367			26,164
3,151,551	971,595	91,687	6,266,439
906,845	478,505		1,690,725
2,999,370	1,229,525	71,483	5,203,165
			2,116
(226,572)	(54,177)		(318,976)
3,679,643	1,653,853	71,483	6,577,030
6,831,194	2,625,448	163,170	12,843,469
3,927,838	1,477,486	6,254	7,502,364
60,350	47,284	10,183	133,886
539	972		1,787
16,412	11,137	348	46,405
4,005,139	1,536,879	16,785	7,684,442
2,826,055	1,088,569	146,385	5,159,027
28,497,729	11,032,973	573,595	51,565,580
\$ 31,323,784	\$ 12,121,542	\$ 719,980	\$ 56,724,607

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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, 2010 (Expressed in Thousands)

	Treasurer Public Treasurers' External Investment Pool Fund	Revenue Deferred Prize Winners' Trust Fund	Total
ASSETS			
Cash equity with State Treasurer		\$ 526	\$ 526
Cash and cash equivalents	\$ 3,248,860		3,248,860
Fixed income investments	702,647	431,968	1,134,615
Investment income receivables, net	476		476
Total assets	3,951,983	432,494	4,384,477
LIABILITIES			
Accounts payable and accrued liabilities	144		144
Due to primary government funds	260	120	380
Other liabilities		406	406
Total liabilities	404	526	930
NET ASSETS HELD IN TRUST FOR POOL PARTICIPANTS	\$ 3,951,579	\$ 431,968	\$ 4,383,547

State of Illinois

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

For the Year Ended June 30, 2010 (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	\$ 8,790	\$ 25,583	\$ 34,373
Net increase in fair value of investments		2,939	2,939
Less investment expense	(3,644)		(3,644)
Net investment income	5,146	28,522	33,668
Capital share and individual account transactions:			
Shares sold	2,068,767	34,780	2,103,547
Reinvested distributions	5,146		5,146
Shares redeemed	(2,744,547)	(116,759)	(2,861,306)
Net capital share and individual account transactions	(670,634)	(81,979)	(752,613)
Total additions	(665,488)	(53,457)	(718,945)
DEDUCTIONS			
Distribution to pool investors	5,146		5,146
Total deductions	5,146	--	5,146
Change in net assets held in trust for pool participants	(670,634)	(53,457)	(724,091)
Net assets held in trust for pool participants, July 1, 2009	4,622,213	485,425	5,107,638
NET ASSETS HELD IN TRUST FOR POOL PARTICIPANTS, JUNE 30, 2010	\$ 3,951,579	\$ 431,968	\$ 4,383,547

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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, 2010 (Expressed in Thousands)

	<u>Treasurer</u>		
	<u>College Savings Pool Fund</u>	<u>Other</u>	<u>Total</u>
ASSETS			
Cash equity with State Treasurer		\$ 707	\$ 707
Cash and cash equivalents	\$ 174,843	20	174,863
Investments:			
Equities	2,941,973	211	2,942,184
Fixed income		138	138
Other		18	18
Securities lending collateral of State Treasurer		253	253
Receivables, net			
Investment income	6,716		6,716
Other		4	4
Due from other funds		504	504
Loans and notes receivable, net		44	44
Total assets	<u>3,123,532</u>	<u>1,899</u>	<u>3,125,431</u>
LIABILITIES			
Accounts payable and accrued liabilities	1,057	4	1,061
Obligations under securities lending of State Treasurer		253	253
Other liabilities	4,638		4,638
Total liabilities	<u>5,695</u>	<u>257</u>	<u>5,952</u>
NET ASSETS			
Net assets held in trust for other purposes	<u>\$ 3,117,837</u>	<u>\$ 1,642</u>	<u>\$ 3,119,479</u>

State of Illinois

Combining Statement of Changes in Net Fiduciary Assets

Private-Purpose Trust Funds

For the Year Ended June 30, 2010 (Expressed in Thousands)

	<u>Treasurer</u>		
	<u>College Savings Pool Fund</u>	<u>Other</u>	<u>Total</u>
ADDITIONS			
Contributions:			
Participants	\$ 1,334,741		\$ 1,334,741
Other		\$ 7	7
Total contributions	<u>1,334,741</u>	<u>7</u>	<u>1,334,748</u>
Investment income:			
Interest and other investment income	18,027	8	18,035
Net increase in fair value of investments	230,786	39	230,825
Net investment income	<u>248,813</u>	<u>47</u>	<u>248,860</u>
Total additions	<u>1,583,554</u>	<u>54</u>	<u>1,583,608</u>
DEDUCTIONS			
Payments in accordance with trust agreements	948,237		948,237
General and administrative	11,358	9	11,367
Allowance for uncollectables		35	35
Total deductions	<u>959,595</u>	<u>44</u>	<u>959,639</u>
Change in net assets held in trust for individuals, organizations, and other governments	623,959	10	623,969
Net assets held in trust for individuals, organizations, and other governments, July 1, 2009	<u>2,493,878</u>	<u>1,632</u>	<u>2,495,510</u>
NET ASSETS HELD IN TRUST FOR INDIVIDUALS, ORGANIZATIONS, AND OTHER GOVERNMENTS, JUNE 30, 2010	<u>\$ 3,117,837</u>	<u>\$ 1,642</u>	<u>\$ 3,119,479</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.

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, 2010 (Expressed in Thousands)

	Insurance	Healthcare and Family Services	Child Support Enforcement	Trust	Revenue	Other	Total
	Security Deposit Fund	Administrative Fund					
ASSETS							
Cash equity with State Treasurer		\$ 15,637			\$ 341,042	\$ 93,394	\$ 450,073
Cash and cash equivalents	\$ 4,870	156				18,496	23,522
Securities lending collateral of State Treasurer					71,442	17,434	88,876
Investments	893,351					34,538	927,889
Receivables, net							
Taxes					110,015	40,406	150,421
Intergovernmental						406	406
Other		216,276			153	2,033	218,462
Due from primary government funds		1			57,968	4,725	62,694
Other assets						143	143
Total assets	\$ 898,221	\$ 232,070			\$ 580,620	\$ 211,575	\$ 1,922,486
LIABILITIES							
Accounts payable and accrued liabilities		\$ 18,638			\$ 5,841	\$ 18,489	\$ 42,968
Intergovernmental payables					503,337	111,079	614,416
Due to component units						49	49
Obligations under securities lending of State Treasurer					71,442	17,434	88,876
Depository and other liabilities	\$ 898,221	213,432				64,524	1,176,177
Total liabilities	\$ 898,221	\$ 232,070			\$ 580,620	\$ 211,575	\$ 1,922,486

State of Illinois

Combining Statement of Changes in Assets and Liabilities
Agency Funds

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Balance at July 1, 2009	Additions	Deletions	Balance at June 30, 2010
Agency/Fund				
Insurance:				
Security Deposit Fund				
Assets				
Cash and cash equivalents	\$ 3,380	\$ 42,024	\$ 40,534	\$ 4,870
Investments	872,827	224,694	204,170	893,351
Total assets	\$ 876,207	\$ 266,718	\$ 244,704	\$ 898,221
Liabilities				
Depository and other liabilities	\$ 876,207	\$ 266,718	\$ 244,704	\$ 898,221
Total liabilities	\$ 876,207	\$ 266,718	\$ 244,704	\$ 898,221
Healthcare and Family Services:				
Child Support Enforcement Trust				
Administrative Fund				
Assets				
Cash equity with State Treasurer	\$ 14,854	\$ 225,964	\$ 225,181	\$ 15,637
Cash and cash equivalents	227	62,122	62,193	156
Other receivables, net	217,914	224,324	225,962	216,276
Due from primary government funds	-	3	2	1
Total assets	\$ 232,995	\$ 512,413	\$ 513,338	\$ 232,070
Liabilities				
Accounts payable and accrued liabilities	\$ 17,531	\$ 60,305	\$ 59,198	\$ 18,638
Depository and other liabilities	215,464	226,144	228,176	213,432
Total liabilities	\$ 232,995	\$ 286,449	\$ 287,374	\$ 232,070
Revenue:				
Assets				
Cash equity with State Treasurer	\$ 393,912	\$ 2,602,645	\$ 2,655,515	\$ 341,042
Securities lending collateral of State Treasurer	35,937	1,022,042	986,537	71,442
Taxes receivable, net	103,784	2,500,475	2,494,244	110,015
Other receivables, net	166	1,519	1,532	153
Due from primary government funds	35,528	129,309	106,869	57,968
Total assets	\$ 569,327	\$ 6,255,990	\$ 6,244,697	\$ 580,620
Liabilities				
Accounts payable and accrued liabilities	\$ 7,726	\$ 69,226	\$ 71,111	\$ 5,841
Intergovernmental payables	525,664	2,562,077	2,584,404	503,337
Obligations under securities lending of State Treasurer	35,937	1,022,042	986,537	71,442
Total liabilities	\$ 569,327	\$ 3,653,345	\$ 3,642,052	\$ 580,620
Other:				
Assets				
Cash equity with State Treasurer	\$ 89,452	\$ 1,937,586	\$ 1,933,644	\$ 93,394
Cash and cash equivalents	50,029	1,114,978	1,146,511	18,496
Securities lending collateral of State Treasurer	8,329	223,570	214,465	17,434
Investments	33,661	8,120	7,243	34,538
Taxes receivable, net	24,106	435,654	419,354	40,406
Intergovernmental receivables, net	318	19,160	19,072	406
Other receivables, net	1,712	4,883	4,562	2,033
Due from primary government funds	4,020	9,112	8,407	4,725
Other assets	186	-	43	143
Total assets	\$ 211,813	\$ 3,753,063	\$ 3,753,301	\$ 211,575
Liabilities				
Accounts payable and accrued liabilities	\$ 17,903	\$ 1,149,272	\$ 1,148,686	\$ 18,489
Intergovernmental payables	93,810	1,593,699	1,576,430	111,079
Due to component units	51	391	393	49
Obligations under securities lending of State Treasurer	8,329	223,570	214,465	17,434
Depository and other liabilities	91,720	302,845	330,041	64,524
Total liabilities	\$ 211,813	\$ 3,269,777	\$ 3,270,015	\$ 211,575

State of Illinois

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Balance at July 1, 2009	Additions	Deletions	Balance at June 30, 2010
Total - All Funds				
Assets				
Cash equity with State Treasurer	\$ 498,218	\$ 4,766,195	\$ 4,814,340	\$ 450,073
Cash and cash equivalents	53,636	1,219,124	1,249,238	23,522
Securities lending collateral of State Treasurer	44,266	1,245,612	1,201,002	88,876
Investments	906,488	232,814	211,413	927,889
Taxes receivable, net	127,890	2,936,129	2,913,598	150,421
Intergovernmental receivables, net	318	19,160	19,072	406
Other receivables, net	219,792	230,726	232,056	218,462
Due from primary government funds	39,548	138,424	115,278	62,694
Other assets	186	-	43	143
Total assets	\$ 1,890,342	\$ 10,788,184	\$ 10,756,040	\$ 1,922,486
Liabilities				
Accounts payable and accrued liabilities	\$ 43,160	\$ 1,278,803	\$ 1,278,995	\$ 42,968
Intergovernmental payables	619,474	4,155,776	4,160,834	614,416
Due to component units	51	391	393	49
Obligations under securities lending of State Treasurer	44,266	1,245,612	1,201,002	88,876
Depository and other liabilities	1,183,391	795,707	802,921	1,176,177
Total liabilities	\$ 1,890,342	\$ 7,476,289	\$ 7,444,145	\$ 1,922,486

State of Illinois

Combining Statement of Fiduciary Net Assets - Agency Funds

Revenue

June 30, 2010 (Expressed in Thousands)

	Home Rule Municipal Retailers Occupation Tax Fund	Home Rule County Retailers Occupation Tax Fund	Municipal Telecommunications Fund	RTA Sales Tax Trust Fund	Total
ASSETS					
Cash equity with State Treasurer	\$ 97,050	\$ 91,188	\$ 37,515	\$ 115,289	\$ 341,042
Securities lending collateral of State Treasurer	23,388	21,746		26,308	71,442
Receivables, net					
Taxes	38,455	26,036	5,330	40,194	110,015
Other	50	47		56	153
Due from primary government funds			31,413	26,555	57,968
Total assets	\$ 158,943	\$ 139,017	\$ 74,258	\$ 208,402	\$ 580,620
LIABILITIES					
Accounts payable and accrued liabilities	\$ 1,752		\$ 4,089		\$ 5,841
Intergovernmental payables	133,803	\$ 117,271	70,169	\$ 182,094	503,337
Obligations under securities lending of State Treasurer	23,388	21,746		26,308	71,442
Total liabilities	\$ 158,943	\$ 139,017	\$ 74,258	\$ 208,402	\$ 580,620

State of Illinois

Combining Statement of Changes in Assets and Liabilities

Agency Funds - Revenue

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Balance at July 1, 2009	Additions	Deletions	Balance at June 30, 2010
Home Rule Municipal Retailers				
Occupation Tax Fund				
Assets				
Cash equity with State Treasurer	\$ 91,813	\$ 710,813	\$ 705,576	\$ 97,050
Securities lending collateral of State Treasurer	9,241	275,070	260,923	23,388
Taxes receivable, net	36,655	712,206	710,406	38,455
Other receivables, net	43	414	407	50
Total assets	\$ 137,752	\$ 1,698,503	\$ 1,677,312	\$ 158,943
Liabilities				
Accounts payable and accrued liabilities	\$ 1,165	\$ 1,549	\$ 962	\$ 1,752
Intergovernmental payables	127,346	711,071	704,614	133,803
Obligations under securities lending of State Treasurer	9,241	275,070	260,923	23,388
Total liabilities	\$ 137,752	\$ 987,690	\$ 966,499	\$ 158,943
Home Rule County Retailers				
Occupation Tax Fund				
Assets				
Cash equity with State Treasurer	\$ 116,796	\$ 646,740	\$ 672,348	\$ 91,188
Securities lending collateral of State Treasurer	12,817	371,900	362,971	21,746
Taxes receivable, net	18,853	653,361	646,178	26,036
Other receivables, net	59	550	562	47
Total assets	\$ 148,525	\$ 1,672,551	\$ 1,682,059	\$ 139,017
Liabilities				
Intergovernmental payables	\$ 135,708	\$ 653,911	\$ 672,348	\$ 117,271
Obligations under securities lending of State Treasurer	12,817	371,900	362,971	21,746
Total liabilities	\$ 148,525	\$ 1,025,811	\$ 1,035,319	\$ 139,017
Municipal Telecommunications Fund				
Assets				
Cash equity with State Treasurer	\$ 53,044	\$ 275,763	\$ 291,292	\$ 37,515
Taxes receivable, net	18,737	262,356	275,763	5,330
Due from primary government funds	9,783	21,630	-	31,413
Total assets	\$ 81,564	\$ 559,749	\$ 567,055	\$ 74,258
Liabilities				
Accounts payable and accrued liabilities	\$ 6,561	\$ 67,677	\$ 70,149	\$ 4,089
Intergovernmental payables	75,003	216,309	221,143	70,169
Total liabilities	\$ 81,564	\$ 283,986	\$ 291,292	\$ 74,258
RTA Sales Tax Trust Fund				
Assets				
Cash equity with State Treasurer	\$ 132,259	\$ 969,329	\$ 986,299	\$ 115,289
Securities lending collateral of State Treasurer	13,879	375,072	362,643	26,308
Taxes receivable, net	29,539	872,552	861,897	40,194
Other receivables, net	64	555	563	56
Due from primary government funds	25,745	107,679	106,869	26,555
Total assets	\$ 201,486	\$ 2,325,187	\$ 2,318,271	\$ 208,402
Liabilities				
Intergovernmental payables	\$ 187,607	\$ 980,786	\$ 986,299	\$ 182,094
Obligations under securities lending of State Treasurer	13,879	375,072	362,643	26,308
Total liabilities	\$ 201,486	\$ 1,355,858	\$ 1,348,942	\$ 208,402
Total - All Funds				
Assets				
Cash equity with State Treasurer	\$ 393,912	\$ 2,602,645	\$ 2,655,515	\$ 341,042
Securities lending collateral of State Treasurer	35,937	1,022,042	986,537	71,442
Taxes receivable, net	103,784	2,500,475	2,494,244	110,015
Other receivables, net	166	1,519	1,532	153
Due from primary government funds	35,528	129,309	106,869	57,968
Total assets	\$ 569,327	\$ 6,255,990	\$ 6,244,697	\$ 580,620
Liabilities				
Accounts payable and accrued liabilities	\$ 7,726	\$ 69,226	\$ 71,111	\$ 5,841
Intergovernmental payables	525,664	2,562,077	2,584,404	503,337
Obligations under securities lending of State Treasurer	35,937	1,022,042	986,537	71,442
Total liabilities	\$ 569,327	\$ 3,653,345	\$ 3,642,052	\$ 580,620

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, 2010 (Expressed in Thousands)

	Illinois Literacy Foundation	Illinois Grain Insurance Corporation	Illinois Conservation Foundation	Illinois Arts Council Foundation	Comprehensive Health Insurance Plan Board	East St. Louis Financial Advisory Authority	Illinois Finance Authority
ASSETS							
Cash and cash equivalents	\$ 33	\$ 6,716	\$ 426	\$ 4	\$ 65,118	\$ 287	\$ 38,370
Investments			2,530	77		6,437	2,598
Receivables, net:							
Intergovernmental			19		8,808		
Other		7	15			10	227
Due from component units							53,588
Due from primary government		49			16,261	2	75,505
Prepaid expenses			7		3		56
Unamortized bond issuance costs							481
Loans and notes receivable, net							24,176
Restricted assets:							
Cash equity with State Treasurer							17,570
Cash and cash equivalents							10,893
Investments							108,171
Securities lending collateral of State Treasurer							6,326
Other receivables, net							2,001
Loans and notes receivable, net							67,080
Capital assets not being depreciated							
Capital assets being depreciated, net					44		49
Other assets							
Total assets	33	6,772	2,997	81	90,234	6,736	407,091
LIABILITIES							
Accounts payable and accrued liabilities			37		3,071	5	5,537
Due to component units							
Due to primary government					5		20,342
Obligations under securities lending of State Treasurer							6,326
Unearned revenue					16,718		1,225
Short-term notes payable							57
Other liabilities					27,645		
Long-term obligations:							
Due within one year							26,490
Due subsequent to one year					291	3	258,872
Total liabilities			37		47,730	8	318,849
NET ASSETS							
Invested in capital assets, net of related debt					44		49
Restricted for:							
Debt service							3,418
Nonexpendable purposes			50		42,460		
Other purposes		6,772	1,239				21,060
Unrestricted	33		1,671	81		6,728	63,715
Total net assets	\$ 33	\$ 6,772	\$ 2,960	\$ 81	\$ 42,504	\$ 6,728	\$ 88,242

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
\$ 691 3,135	\$ 57	\$ 386	\$ 3,586	\$ 1	\$ 43 524	\$ 6	\$ 841 2,683	\$ 116,565 17,984
								8,827
77			2,461				60	2,857
31,709								85,297
1,274							212	93,303
36			3				3	108
674								1,155
			2,996					27,172
								17,570
323								11,216
			191					108,362
								6,326
								2,001
41,801		2	100					67,080
19,340			340					41,903
28								19,773
99,088	57	388	9,677	1	567	6	3,799	627,527
814			12	\$ 18			33	9,527
34,120								34,120
								20,347
								6,326
			2,400				6	20,349
3,000								3,057
								27,645
731								27,221
26,005								285,171
64,670			2,412	18			39	433,763
24,665		2	440					25,200
								3,418
							45	42,555
323			4,828				1,269	35,491
9,430	57	386	1,997	(17)	567	6	2,446	87,100
\$ 34,418	\$ 57	\$ 388	\$ 7,265	\$ (17)	\$ 567	\$ 6	\$ 3,760	\$ 193,764

State of Illinois

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

For the Year Ended June 30, 2010 (Expressed in Thousands)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program revenues</u>			<u>Net (expense) revenue</u>
		<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>	
Illinois Literacy Foundation	\$ 257		\$ 111		\$ (146)
Illinois Grain Insurance Corporation	17	\$ 507			490
Illinois Conservation Foundation	1,965	48	1,760	\$ 11	(146)
Illinois Arts Council Foundation	1		2		1
Comprehensive Health Insurance Plan Board	182,611	116,435	4,857		(61,319)
East St. Louis Financial Advisory Authority	249				(249)
Illinois Finance Authority	19,164	16,067			(3,097)
Illinois Medical District Commission	8,019	3,253			(4,766)
Quad Cities Regional Economic Development Authority	54	12			(42)
Western Illinois Economic Development Authority	89				(89)
Southwestern Illinois Development Authority	390	187	400		197
Southeastern Illinois Economic Development Authority	38	20			(18)
Upper Illinois River Valley Development Authority	270	224			(46)
Will-Kankakee Regional Development Authority	31	13			(18)
IMSA Fund for Advancement of Education	1,453	20	887		(546)
Total	\$ 214,608	\$ 136,786	\$ 8,017	\$ 11	\$ (69,794)

<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, 2009</u>	<u>Net assets, June 30, 2010</u>
<u>State appropriations</u>	<u>Interest and investment income</u>	<u>Other</u>					
\$ 147				\$ 147	\$ 1	\$ 32	\$ 33
16	\$ 8			24	514	6,258	6,772
91	269			360	214	2,746	2,960
	1			1	2	79	81
29,261	32	\$ 54,591		83,884	22,565	19,939	42,504
120	194			314	65	6,663	6,728
	2,267			2,267	(830)	89,072	88,242
13	1,587			1,600	(3,166)	37,584	34,418
	4			4	(38)	95	57
	4			4	(85)	473	388
	72	69		141	338	6,927	7,265
					(18)	1	(17)
	2			2	(44)	611	567
					(18)	24	6
259	325		\$ 6	590	44	3,716	3,760
<u>\$ 29,907</u>	<u>\$ 4,765</u>	<u>\$ 54,660</u>	<u>\$ 6</u>	<u>\$ 89,338</u>	<u>\$ 19,544</u>	<u>\$ 174,220</u>	<u>\$ 193,764</u>

State of Illinois

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

June 30, 2010 (Expressed in Thousands)

	Chicago State University	Eastern Illinois University	Governors State University	Northeastern Illinois University	Western Illinois University
ASSETS					
Cash and cash equivalents	\$ 10,575	\$ 11,920	\$ 28,838	\$ 30,810	\$ 46,337
Investments		1,694	427	982	20,262
Receivables, net:					
Intergovernmental			7,334	5,042	301
Other	18,814	10,982	3,177	14,076	9,247
Due from component units					17
Due from primary government	453	13,427	550	108	17,947
Inventories	54	1,782	34	12	2,359
Prepaid expenses	286	418	476	795	75
Unamortized bond issuance costs		2,267	633	690	1,133
Loans and notes receivable, net	1,032	6,255	3,036	2,212	1,855
Restricted assets:					
Cash and cash equivalents	373	62,750	9,219	4,304	199
Investments	3,003	51,134		4,521	18,090
Other receivables		1,777			
Other assets					2,255
Other assets		459		19	579
Capital assets not being depreciated	11,946	73,097	3,195	9,147	20,511
Capital assets being depreciated, net	132,772	198,606	73,338	94,307	134,526
Total assets	179,308	436,568	130,257	167,025	275,693
LIABILITIES					
Accounts payable and accrued liabilities	12,259	19,774	4,844	6,138	19,535
Intergovernmental payables			3,074	120	
Due to component units	23				
Due to primary government	116	5		121	127
Unearned revenue	849	3,851	4,612	4,092	5,374
Assets held for others		5,898		126	
Short-term notes payable		1,491	390		
Other liabilities		5,721			266
Long-term obligations:					
Due within one year	2,025	8,868	1,792	1,813	6,957
Due subsequent to one year	24,217	142,468	34,175	38,174	66,021
Total liabilities	39,489	188,076	48,887	50,584	98,280
NET ASSETS					
Invested in capital assets, net of related debt	125,565	162,584	51,632	83,044	107,918
Restricted for:					
Debt service		2,070	648	3,452	
Nonexpendable purposes	1,881	34,636	1,134	3,527	14,306
Other expendable purposes	4,791	16,835	1,110	4,713	9,769
Unrestricted	7,582	32,367	26,846	21,705	45,420
Total net assets	\$ 139,819	\$ 248,492	\$ 81,370	\$ 116,441	\$ 177,413

Total

\$ 128,480
23,365
12,677
56,296
17
32,485
4,241
2,050
4,723
14,390
76,845
76,748
1,777
2,255
1,057
117,896
633,549
1,188,851

62,550
3,194
23
369
18,778
6,024
1,881
5,987
21,455
305,055
425,316

530,743

6,170
55,484
37,218
133,920
\$ 763,535

State of Illinois

Combining Statement of Activities
Component Units - Other Universities

For the Year Ended June 30, 2010 (Expressed in Thousands)

Functions/Programs	Expenses	Program revenues			Net (expense) revenue
		Charges for service	Operating grants and contributions	Capital grants and contributions	
Chicago State University	\$ 132,393	\$ 43,647	\$ 15,360		\$ (73,386)
Eastern Illinois University	238,114	116,262	26,780	\$ 450	(94,622)
Governors State University	87,899	39,562	6,976		(41,361)
Northeastern Illinois University	150,857	59,090	36,592		(55,175)
Western Illinois University	265,716	131,538	18,687		(115,491)
Total	<u>\$ 874,979</u>	<u>\$ 390,099</u>	<u>\$ 104,395</u>	<u>\$ 450</u>	<u>\$ (380,035)</u>

General revenues			Additions to permanent endowments	Total general revenues and additions to permanent endowments	Change in net assets	Net assets, July 1, 2009, as restated	Net assets, June 30, 2010
State appropriations	Interest and investment income	Other					
\$ 64,572	\$ 181	\$ 18,148		\$ 82,901	\$ 9,515	\$ 130,304	\$ 139,819
93,583	5,593	13,906	1,076	114,158	19,536	228,956	248,492
43,349	189	8,548	81	52,167	10,806	70,564	81,370
69,589	606	70	460	70,725	15,550	100,891	116,441
113,352	2,454	19,001	1,345	136,152	20,661	156,752	177,413
<u>\$ 384,445</u>	<u>\$ 9,023</u>	<u>\$ 59,673</u>	<u>\$ 2,962</u>	<u>\$ 456,103</u>	<u>\$ 76,068</u>	<u>\$ 687,467</u>	<u>\$ 763,535</u>

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Budgetary Schedules

The following budgetary schedules for the State have been prepared in accordance with the terminology and classifications of funds used by the State in the Statewide Accounting Management System (“SAMS”) budgetary purposes. SAMS establishes the following budgetary fund groups to account for the State’s budgetary activities:

- General** – funds established to account for those services traditionally provided by a state government which are not required to be accounted for in other funds;
- Highway** – funds established to receive and distribute assessments related to transportation, and to support the construction and maintenance of transportation facilities and activities of the State;
- Special State** – funds designated by statute as special funds in the State Treasury and not elsewhere classified;
- Bond Financed** – funds established to receive and administer the proceeds of various bond issues of the State;
- Debt Service** – funds established to finance and account for the payment of principal and interest generally associated with the general and special obligation bond issues of the State;
- Federal Trust** – funds established pursuant to grants and contracts or under statutory authority between State agencies and the federal government;
- Revolving** – funds established to finance and account for intra-governmental services; and
- State Trust** – funds established by statute or under statutory authority for nonfederal programs which are not deemed to be a traditional governmental activity or elsewhere classified.

During the year ended June 30, 2010, the fund group has been reclassified for certain funds. The budgetary fund balances as of July 1, 2009, reflects those reclassifications, with no effect on the total amount reported.

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 Debt Service Funds: Matured Bond and Coupon Fund Capital Projects Fund Special State Funds: Budget Stabilization Fund Community Mental Health Medicaid Trust Fund University of Illinois Hospital Services Fund County Hospital Services Fund Care Provider for Persons with Developmental Disabilities Fund Long-Term Care Provider Fund Hospital Provider Fund Special Education Medicaid Matching Fund Health and Human Services Medicaid Trust Fund Family Care Fund Drug Rebate Fund Healthcare Provider Relief Fund Income Tax Refund Fund and 14 funds included as other special state funds Federal Trust Funds: Community Developmental Disabilities Services Medicaid 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, 2010 (Expressed in Thousands)

	General Funds			Highway Funds		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes	\$ 9,968,000	\$ 9,871,343	\$ (96,657)			
Sales taxes	6,394,000	6,308,001	(85,999)			
Motor fuel taxes				\$ 1,395,000	\$ 1,268,412	\$ (126,588)
Public utility taxes	1,150,000	1,089,091	(60,909)			
Federal government	7,355,000	5,837,402	(1,517,598)	3,065,384	1,783,899	(1,281,485)
Other	2,116,000	2,067,491	(48,509)	1,632,169	1,427,865	(204,304)
Less:						
Refunds				23,160	21,138	(2,022)
Total revenues	26,983,000	25,173,328	(1,809,672)	6,069,393	4,459,038	(1,610,355)
EXPENDITURES:						
Current:						
Health and social services	13,681,214	12,964,035	(717,179)	150,179	150,179	-
Education	10,507,831	10,452,269	(55,562)			
General government	810,303	762,362	(47,941)	218,982	59,255	(159,727)
Employment and economic development	121,201	111,737	(9,464)	1,900	1,900	-
Transportation	78,042	74,119	(3,923)	3,876,222	3,735,958	(140,264)
Public protection and justice	1,924,059	1,867,012	(57,047)			
Environment and business regulation	74,728	68,487	(6,241)			
Debt service:						
Principal						
Interest						
Capital outlays				39,744	35,295	(4,449)
Total expenditures	27,197,378	26,300,021	(897,357)	4,287,027	3,982,587	(304,440)
Excess (deficiency) of revenues over (under) expenditures	(214,378)	(1,126,693)	(912,315)	1,782,366	476,451	(1,305,915)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues	1,250,000	1,250,000	-			
Operating transfers-in	6,206,775	6,206,775	-	1,126,454	1,126,454	-
Operating transfers-out	(8,751,353)	(8,751,353)	-	(1,499,626)	(1,499,626)	-
Total other sources (uses) of financial resources	(1,294,578)	(1,294,578)	-	(373,172)	(373,172)	-
Budgetary funds-nonbudgeted accounts						
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(1,508,956)	(2,421,271)	(912,315)	1,409,194	103,279	(1,305,915)
Budgetary fund balances (deficits), July 1, 2009, as previously reported	(3,672,828)	(3,672,828)	-	582,460	582,460	-
Reclassifications between budgetary/nonbudgetary funds-net						
Budgetary fund balances (deficits), July 1, 2009, as reclassified	(3,672,828)	(3,672,828)	-	582,460	582,460	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (5,181,784)	\$ (6,094,099)	\$ (912,315)	\$ 1,991,654	\$ 685,739	\$ (1,305,915)

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)
\$ 2,220,587	\$ 2,219,767	\$ (820)						
824,894	793,456	(31,438)				\$ -	\$ 39,000	\$ 39,000
73,403	70,816	(2,587)						
468,269	478,527	10,258						
5,037,150	5,718,874	681,724						
7,098,860	6,762,976	(335,884)	\$ -	\$ 11	\$ 11	86,958	190,014	103,056
1,350,103	1,338,404	(11,699)						
14,373,060	14,706,012	332,952	-	11	11	86,958	229,014	142,056
11,605,608	9,741,005	(1,864,603)						
236,707	213,657	(23,050)	14,660	14,660	-			
3,435,673	3,176,967	(258,706)	38,051	37,296	(755)			
983,743	659,853	(323,890)	274,406	235,523	(38,883)			
634,770	548,422	(86,348)	538,552	438,552	(100,000)			
243,040	130,312	(112,728)						
1,221,299	903,499	(317,800)	58,856	8,826	(50,030)			
			491,546	491,546	-	4,819,191	4,775,502	(43,689)
						1,122,646	1,099,141	(23,505)
71,973	39,032	(32,941)	129,758	101,353	(28,405)			
18,432,813	15,412,747	(3,020,066)	1,545,829	1,327,756	(218,073)	5,941,837	5,874,643	(67,194)
(4,059,753)	(706,735)	3,353,018	(1,545,829)	(1,327,745)	218,084	(5,854,879)	(5,645,629)	209,250
3,701,193	3,701,193	-	3,488,948	3,488,948	-	1,610,803	1,610,803	-
3,688,010	3,688,010	-	44,145	44,145	-	4,455,203	4,455,203	-
(7,196,646)	(7,196,646)	-	(44,465)	(44,465)	-	(154,564)	(154,564)	-
192,557	192,557	-	3,488,628	3,488,628	-	5,911,442	5,911,442	-
(33,353)	(33,353)	-						
(3,900,549)	(547,531)	3,353,018	1,942,799	2,160,883	218,084	56,563	265,813	209,250
1,989,568	1,989,568	-	65,013	65,013	-	653,918	653,918	-
1,989,568	1,989,568	-	65,013	65,013	-	653,918	653,918	-
\$ (1,910,981)	\$ 1,442,037	\$ 3,353,018	\$ 2,007,812	\$ 2,225,896	\$ 218,084	\$ 710,481	\$ 919,731	\$ 209,250

(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, 2010 (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	\$ 6,126,705	\$ 4,699,752	\$ (1,426,953)	\$ 3,021	\$ 1,211	\$ (1,810)
Other	288,808	247,585	(41,223)	565,162	524,881	(40,281)
Less:						
Refunds	2,859	72	(2,787)	13,547	13,522	(25)
Total revenues	6,412,654	4,947,265	(1,465,389)	554,636	512,570	(42,066)
EXPENDITURES:						
Current:						
Health and social services	2,011,604	1,199,432	(812,172)			
Education	4,017,201	2,822,606	(1,194,595)			
General government	387,691	19,244	(368,447)	835,291	622,405	(212,886)
Employment and economic development	2,252,548	767,735	(1,484,813)			
Transportation	102,132	102,132	-	1,000	586	(414)
Public protection and justice	643,776	211,215	(432,561)	42,613	39,788	(2,825)
Environment and business regulation	230,605	107,473	(123,132)			
Debt service:						
Principal						
Interest						
Capital outlays	12,041	1,231	(10,810)	2,136	693	(1,443)
Total expenditures	9,657,598	5,231,068	(4,426,530)	881,040	663,472	(217,568)
Excess (deficiency) of revenues over (under) expenditures	(3,244,944)	(283,803)	2,961,141	(326,404)	(150,902)	175,502
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues						
Operating transfers-in	52,669	52,669	-	131,740	131,740	-
Operating transfers-out	(43,989)	(43,989)	-	(15,531)	(15,531)	-
Total other sources (uses) of financial resources	8,680	8,680	-	116,209	116,209	-
Budgetary funds-nonbudgeted accounts	(21,501)	(21,501)	-			
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(3,257,765)	(296,624)	2,961,141	(210,195)	(34,693)	175,502
Budgetary fund balances (deficits), July 1, 2009, as previously reported	(73,458)	(73,458)	-	(35,806)	(35,806)	-
Reclassifications between budgetary/nonbudgetary funds-net	96	96	-			
Budgetary fund balances (deficits), July 1, 2009, as reclassified	(73,362)	(73,362)	-	(35,806)	(35,806)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (3,331,127)	\$ (369,986)	\$ 2,961,141	\$ (246,001)	\$ (70,499)	\$ 175,502

State Trust Funds			Total (Memorandum Only)		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 721,257	\$ 721,257	\$ -	\$ 12,188,587	\$ 12,091,110	\$ (97,477)
31,503	31,503	-	7,940,151	7,861,714	(78,437)
277,617	277,617	-	1,499,906	1,370,731	(129,175)
90,578	114,351	23,773	1,895,886	1,845,235	(50,651)
1,857,916	2,200,813	342,897	21,677,838	18,155,489	(3,522,349)
			13,645,873	13,421,636	(224,237)
312	237	(75)	1,389,981	1,373,373	(16,608)
2,978,559	3,345,304	366,745	57,458,260	53,372,542	(4,085,718)
238,460	185,307	(53,153)	27,687,065	24,239,958	(3,447,107)
17,259	4,558	(12,701)	14,793,658	13,507,750	(1,285,908)
421,815	121,403	(300,412)	6,147,806	4,798,932	(1,348,874)
25	5	(20)	3,633,823	1,776,753	(1,857,070)
			5,230,718	4,899,769	(330,949)
2,950	1,082	(1,868)	2,856,438	2,249,409	(607,029)
30,955	5,159	(25,796)	1,616,443	1,093,444	(522,999)
			5,310,737	5,267,048	(43,689)
			1,122,646	1,099,141	(23,505)
2,000	1	(1,999)	257,652	177,605	(80,047)
713,464	317,515	(395,949)	68,656,986	59,109,809	(9,547,177)
2,265,095	3,027,789	762,694	(11,198,726)	(5,737,267)	5,461,459
			10,050,944	10,050,944	-
1,289,291	1,289,291	-	16,994,287	16,994,287	-
(261,182)	(261,182)	-	(17,967,356)	(17,967,356)	-
1,028,109	1,028,109	-	9,077,875	9,077,875	-
(3,646,301)	(3,646,301)	-	(3,701,155)	(3,701,155)	-
(353,097)	409,597	762,694	(5,822,006)	(360,547)	5,461,459
387,750	387,750	-	(103,383)	(103,383)	-
73,055	73,055	-	73,151	73,151	-
460,805	460,805	-	(30,232)	(30,232)	-
\$ 107,708	\$ 870,402	\$ 762,694	\$ (5,852,238)	\$ (390,779)	\$ 5,461,459

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, 2010 (Expressed in Thousands)

	General Revenue			Common School Special Account		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes	\$ 9,240,000	\$ 9,150,845	\$ (89,155)			
Sales taxes	4,777,000	4,720,205	(56,795)	\$ 1,617,000	\$ 1,587,796	\$ (29,204)
Public utility taxes	1,039,000	983,950	(55,050)			
Federal government	7,355,000	5,837,402	(1,517,598)			
Other	1,994,000	1,946,556	(47,444)			
Total revenues	24,405,000	22,638,958	(1,766,042)	1,617,000	1,587,796	(29,204)
EXPENDITURES:						
Current:						
Health and social services	13,681,214	12,964,035	(717,179)			
Education	5,203,007	5,150,008	(52,999)			
General government	810,303	762,362	(47,941)			
Employment and economic development	121,201	111,737	(9,464)			
Transportation	78,042	74,119	(3,923)			
Public protection and justice	1,924,059	1,867,012	(57,047)			
Environment and business regulation	74,728	68,487	(6,241)			
Total expenditures	21,892,554	20,997,760	(894,794)			
Excess (deficiency) of revenues over (under) expenditures	2,512,446	1,641,198	(871,248)	1,617,000	1,587,796	(29,204)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues	1,250,000	1,250,000	-			
Operating transfers-in	2,062,230	2,062,230	-			
Operating transfers-out	(7,055,260)	(7,055,260)	-	(1,695,807)	(1,695,807)	-
Total other sources (uses) of financial resources	(3,743,030)	(3,743,030)	-	(1,695,807)	(1,695,807)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(1,230,584)	(2,101,832)	(871,248)	(78,807)	(108,011)	(29,204)
Budgetary fund balances (deficits), July 1, 2009	(4,039,952)	(4,039,952)	-	185,242	185,242	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$(5,270,536)	\$(6,141,784)	\$ (871,248)	\$ 106,435	\$ 77,231	\$ (29,204)

Education Assistance			Common School			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 728,000	\$ 720,498	\$ (7,502)				\$ 9,968,000	\$ 9,871,343	\$ (96,657)
			\$ 111,000	\$ 105,141	\$ (5,859)	6,394,000	6,308,001	(85,999)
						1,150,000	1,089,091	(60,909)
						7,355,000	5,837,402	(1,517,598)
	100	100	122,000	120,835	(1,165)	2,116,000	2,067,491	(48,509)
728,000	720,598	(7,402)	233,000	225,976	(7,024)	26,983,000	25,173,328	(1,809,672)
						13,681,214	12,964,035	(717,179)
1,253,285	1,251,139	(2,146)	4,051,539	4,051,122	(417)	10,507,831	10,452,269	(55,562)
						810,303	762,362	(47,941)
						121,201	111,737	(9,464)
						78,042	74,119	(3,923)
						1,924,059	1,867,012	(57,047)
						74,728	68,487	(6,241)
1,253,285	1,251,139	(2,146)	4,051,539	4,051,122	(417)	27,197,378	26,300,021	(897,357)
(525,285)	(530,541)	(5,256)	(3,818,539)	(3,825,146)	(6,607)	(214,378)	(1,126,693)	(912,315)
						1,250,000	1,250,000	-
414,946	414,946	-	3,729,599	3,729,599	-	6,206,775	6,206,775	-
(83)	(83)	-	(203)	(203)	-	(8,751,353)	(8,751,353)	-
414,863	414,863	-	3,729,396	3,729,396	-	(1,294,578)	(1,294,578)	-
(110,422)	(115,678)	(5,256)	(89,143)	(95,750)	(6,607)	(1,508,956)	(2,421,271)	(912,315)
53,237	53,237	-	128,645	128,645	-	(3,672,828)	(3,672,828)	-
\$ (57,185)	\$ (62,441)	\$ (5,256)	\$ 39,502	\$ 32,895	\$ (6,607)	\$ (5,181,784)	\$ (6,094,099)	\$ (912,315)

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, 2010 (Expressed in Thousands)

	Road			Motor Fuel Tax - State		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Motor fuel taxes				\$ 1,395,000	\$ 1,268,412	\$ (126,588)
Federal government	\$ 3,065,384	\$ 1,783,799	\$(1,281,585)	-	100	100
Other	1,129,869	963,255	(166,614)	-	593	593
Less:						
Refunds	2,144	122	(2,022)	21,016	21,016	-
Total revenues	4,193,109	2,746,932	(1,446,177)	1,373,984	1,248,089	(125,895)
EXPENDITURES:						
Current:						
Health and social services	150,179	150,179	-			
General government	130,089	1,232	(128,857)	88,893	58,023	(30,870)
Employment and economic development	1,900	1,900	-			
Transportation	2,482,522	2,389,458	(93,064)	11,977	10,270	(1,707)
Capital outlays	39,716	35,288	(4,428)	28	7	(21)
Total expenditures	2,804,406	2,578,057	(226,349)	100,898	68,300	(32,598)
Excess (deficiency) of revenues over (under) expenditures	1,388,703	168,875	(1,219,828)	1,273,086	1,179,789	(93,297)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	299,689	299,689	-	6	6	-
Operating transfers-out	(335,415)	(335,415)	-	(1,161,109)	(1,161,109)	-
Total other sources (uses) of financial resources	(35,726)	(35,726)	-	(1,161,103)	(1,161,103)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	1,352,977	133,149	(1,219,828)	111,983	18,686	(93,297)
Budgetary fund balances (deficits), July 1, 2009	356,278	356,278	-	86,709	86,709	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ 1,709,255	\$ 489,427	\$(1,219,828)	\$ 198,692	\$ 105,395	\$ (93,297)

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)
						\$ -	\$ 26	\$ 26
						-	26	26
\$ 26,743	\$ 25,493	\$ (1,250)	\$ 218,100	\$ 202,675	\$ (15,425)	305,950	284,268	(21,682)
26,743	25,493	(1,250)	218,100	202,675	(15,425)	305,950	284,268	(21,682)
(26,743)	(25,493)	1,250	(218,100)	(202,675)	15,425	(305,950)	(284,242)	21,708
40,750	40,750	-	198,399	198,399	-	278,246	278,246	-
(3,062)	(3,062)	-						
37,688	37,688	-	198,399	198,399	-	278,246	278,246	-
10,945	12,195	1,250	(19,701)	(4,276)	15,425	(27,704)	(5,996)	21,708
740	740	-	(11,698)	(11,698)	-	(16,406)	(16,406)	-
\$ 11,685	\$ 12,935	\$ 1,250	\$ (31,399)	\$ (15,974)	\$ 15,425	\$ (44,110)	\$ (22,402)	\$ 21,708

(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, 2010 (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				\$ 502,300	\$ 463,991	\$ (38,309)
Less:						
Refunds						
Total revenues				502,300	463,991	(38,309)
EXPENDITURES:						
Current:						
Health and social services						
General government						
Employment and economic development						
Transportation	\$ 98,950	\$ 91,988	\$ (6,962)	731,980	731,806	(174)
Capital outlays						
Total expenditures	98,950	91,988	(6,962)	731,980	731,806	(174)
Excess (deficiency) of revenues over (under) expenditures	(98,950)	(91,988)	6,962	(229,680)	(267,815)	(38,135)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	90,048	90,048	-	219,316	219,316	-
Operating transfers-out				(40)	(40)	-
Total other sources (uses) of financial resources	90,048	90,048	-	219,276	219,276	-
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of nonbudgeted accounts	(8,902)	(1,940)	6,962	(10,404)	(48,539)	(38,135)
Budgetary fund balances (deficits), July 1, 2009	(5,309)	(5,309)	-	172,146	172,146	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (14,211)	\$ (7,249)	\$ 6,962	\$ 161,742	\$ 123,607	\$ (38,135)

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 1,395,000	\$ 1,268,412	\$ (126,588)	
3,065,384	1,783,899	(1,281,485)	
1,632,169	1,427,865	(204,304)	
23,160	21,138	(2,022)	
6,069,393	4,459,038	(1,610,355)	
150,179	150,179	-	
218,982	59,255	(159,727)	
1,900	1,900	-	
3,876,222	3,735,958	(140,264)	
39,744	35,295	(4,449)	
4,287,027	3,982,587	(304,440)	
1,782,366	476,451	(1,305,915)	
1,126,454	1,126,454	-	
(1,499,626)	(1,499,626)	-	
(373,172)	(373,172)	-	
1,409,194	103,279	(1,305,915)	
582,460	582,460	-	
\$ 1,991,654	\$ 685,739	\$(1,305,915)	

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, 2010 (Expressed in Thousands)

	Elected Officials			Code Departments		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes				\$ 2,220,587	\$ 2,219,767	\$ (820)
Sales taxes				803,568	774,675	(28,893)
Motor fuel taxes						
Public utility taxes				280,871	300,940	20,069
Federal government	\$ 439,709	\$ 367,791	\$ (71,918)	3,836,912	5,100,997	1,264,085
Other	317,948	283,978	(33,970)	5,678,533	5,448,395	(230,138)
Less:						
Refunds				1,347,415	1,337,023	(10,392)
Total revenues	757,657	651,769	(105,888)	11,473,056	12,507,751	1,034,695
EXPENDITURES:						
Current:						
Health and social services	771,459	645,043	(126,416)	10,592,831	8,962,850	(1,629,981)
Education	139,000	139,000	-			
General government	9,807	7,433	(2,374)	3,004,214	2,928,990	(75,224)
Employment and economic development				759,348	531,979	(227,369)
Transportation				573,226	542,208	(31,018)
Public protection and justice				59,000	9,692	(49,308)
Environment and business regulation				128,950	111,218	(17,732)
Capital outlays	31	23	(8)	47,644	28,793	(18,851)
Total expenditures	920,297	791,499	(128,798)	15,165,213	13,115,730	(2,049,483)
Excess (deficiency) of revenues over (under) expenditures	(162,640)	(139,730)	22,910	(3,692,157)	(607,979)	3,084,178
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues	3,451,606	3,451,606	-	249,587	249,587	-
Operating transfers-in	988,065	988,065	-	2,289,949	2,289,949	-
Operating transfers-out	(4,607,332)	(4,607,332)	-	(2,074,143)	(2,074,143)	-
Total other sources (uses) of financial resources	(167,661)	(167,661)	-	465,393	465,393	-
Budgetary funds-nonbudgeted accounts				(32,875)	(32,875)	-
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(330,301)	(307,391)	22,910	(3,259,639)	(175,461)	3,084,178
Budgetary fund balances (deficits), July 1, 2009	344,519	344,519	-	555,044	555,044	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ 14,218	\$ 37,128	\$ 22,910	\$(2,704,595)	\$ 379,583	\$ 3,084,178

Agencies, Boards & Commissions			Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 21,326	\$ 18,781	\$ (2,545)	\$ 2,220,587	\$ 2,219,767	\$ (820)
\$ 73,403	\$ 70,816	\$ (2,587)				824,894	793,456	(31,438)
171,168	162,285	(8,883)	16,230	15,302	(928)	73,403	70,816	(2,587)
628,983	154,655	(474,328)	131,546	95,431	(36,115)	468,269	478,527	10,258
307,794	289,861	(17,933)	794,585	740,742	(53,843)	5,037,150	5,718,874	681,724
						7,098,860	6,762,976	(335,884)
100	58	(42)	2,588	1,323	(1,265)	1,350,103	1,338,404	(11,699)
1,181,248	677,559	(503,689)	961,099	868,933	(92,166)	14,373,060	14,706,012	332,952
1,646	1,129	(517)	239,672	131,983	(107,689)	11,605,608	9,741,005	(1,864,603)
2,566	2,554	(12)	95,141	72,103	(23,038)	236,707	213,657	(23,050)
55,290	24,233	(31,057)	366,362	216,311	(150,051)	3,435,673	3,176,967	(258,706)
31,600	31,240	(360)	192,795	96,634	(96,161)	983,743	659,853	(323,890)
			61,544	6,214	(55,330)	634,770	548,422	(86,348)
26,229	20,086	(6,143)	157,811	100,534	(57,277)	243,040	130,312	(112,728)
644,431	509,944	(134,487)	447,918	282,337	(165,581)	1,221,299	903,499	(317,800)
777	30	(747)	23,521	10,186	(13,335)	71,973	39,032	(32,941)
762,539	589,216	(173,323)	1,584,764	916,302	(668,462)	18,432,813	15,412,747	(3,020,066)
418,709	88,343	(330,366)	(623,665)	(47,369)	576,296	(4,059,753)	(706,735)	3,353,018
						3,701,193	3,701,193	-
125,654	125,654	-	284,342	284,342	-	3,688,010	3,688,010	-
(246,465)	(246,465)	-	(268,706)	(268,706)	-	(7,196,646)	(7,196,646)	-
(120,811)	(120,811)	-	15,636	15,636	-	192,557	192,557	-
			(478)	(478)	-	(33,353)	(33,353)	-
297,898	(32,468)	(330,366)	(608,507)	(32,211)	576,296	(3,900,549)	(547,531)	3,353,018
470,080	470,080	-	619,925	619,925	-	1,989,568	1,989,568	-
\$ 767,978	\$ 437,612	\$ (330,366)	\$ 11,418	\$ 587,714	\$ 576,296	\$(1,910,981)	\$ 1,442,037	\$ 3,353,018

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, 2010 (Expressed in Thousands)

	Comptroller			Treasurer		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government				\$ 439,709	\$ 367,791	\$ (71,918)
Other				317,948	283,978	(33,970)
Total revenues				757,657	651,769	(105,888)
EXPENDITURES:						
Current:						
Health and social services				771,459	645,043	(126,416)
Education				139,000	139,000	-
General government				9,807	7,433	(2,374)
Capital outlays				31	23	(8)
Total expenditures				920,297	791,499	(128,798)
Excess (deficiency) of revenues over (under) expenditures				(162,640)	(139,730)	22,910
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues	\$ 3,451,606	\$ 3,451,606	\$ -			
Operating transfers-in	870,000	870,000	-	118,065	118,065	-
Operating transfers-out	(4,597,310)	(4,597,310)	-	(10,022)	(10,022)	-
Total other sources (uses) of financial resources	(275,704)	(275,704)	-	108,043	108,043	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(275,704)	(275,704)	-	(54,597)	(31,687)	22,910
Budgetary fund balances (deficits), July 1, 2009	275,704	275,704	-	68,815	68,815	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ -	\$ -	\$ -	\$ 14,218	\$ 37,128	\$ 22,910

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 439,709	\$ 367,791	\$ (71,918)	
317,948	283,978	(33,970)	
757,657	651,769	(105,888)	

771,459	645,043	(126,416)
139,000	139,000	-
9,807	7,433	(2,374)
31	23	(8)
920,297	791,499	(128,798)

(162,640)	(139,730)	22,910
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3,451,606	3,451,606	-
988,065	988,065	-
(4,607,332)	(4,607,332)	-
(167,661)	(167,661)	-

(330,301)	(307,391)	22,910
344,519	344,519	-
\$ 14,218	\$ 37,128	\$ 22,910

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, 2010 (Expressed in Thousands)

	Pension Contribution			Budget Stabilization		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Other						
Total revenues						
EXPENDITURES:						
Current:						
Health and social services						
Education						
General government						
Employment and economic development						
Transportation						
Public protection and justice						
Environment and business regulation						
Capital outlays						
Total expenditures						
Excess (deficiency) of revenues over (under) expenditures						
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues	\$ 3,451,606	\$ 3,451,606	\$ -	\$ 870,000	\$ 870,000	\$ -
Operating transfers-in						
Operating transfers-out	(3,451,606)	(3,451,606)	-	(1,145,704)	(1,145,704)	-
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, 2009	-	-	-	275,704	275,704	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Final Budget	Total Actual	Variance Over (Under)

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\$ 3,451,606	\$ 3,451,606	\$ -
870,000	870,000	-
(4,597,310)	(4,597,310)	-
(275,704)	(275,704)	-

(275,704)	(275,704)	-
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275,704	275,704	-
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\$ -	\$ -	\$ -
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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 - State Treasurer

For the Year Ended June 30, 2010 (Expressed in Thousands)

	State Pensions			Tobacco Settlement Recovery		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government				\$ 439,709	\$ 367,791	\$ (71,918)
Other				317,948	283,978	(33,970)
Total revenues				757,657	651,769	(105,888)
EXPENDITURES:						
Current:						
Health and social services				771,459	645,043	(126,416)
Education	\$ 139,000	\$ 139,000	\$ -			
General government	8,513	6,460	(2,053)	1,294	973	(321)
Capital outlays	31	23	(8)			
Total expenditures	147,544	145,483	(2,061)	772,753	646,016	(126,737)
Excess (deficiency) of revenues over (under) expenditures	(147,544)	(145,483)	2,061	(15,096)	5,753	20,849
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	118,064	118,064	-	1	1	-
Operating transfers-out				(10,022)	(10,022)	-
Total other sources (uses) of financial resources	118,064	118,064	-	(10,021)	(10,021)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(29,480)	(27,419)	2,061	(25,117)	(4,268)	20,849
Budgetary fund balances (deficits), July 1, 2009	56,954	56,954	-	11,861	11,861	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ 27,474	\$ 29,535	\$ 2,061	\$ (13,256)	\$ 7,593	\$ 20,849

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 439,709	\$ 367,791	\$ (71,918)	
317,948	283,978	(33,970)	
757,657	651,769	(105,888)	

771,459	645,043	(126,416)
139,000	139,000	-
9,807	7,433	(2,374)
31	23	(8)
920,297	791,499	(128,798)

(162,640)	(139,730)	22,910
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118,065	118,065	-
(10,022)	(10,022)	-
108,043	108,043	-

(54,597)	(31,687)	22,910
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68,815	68,815	-
\$ 14,218	\$ 37,128	\$ 22,910

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, 2010 (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	\$ 101,162	\$ 121,231	\$ 20,069			
Federal government	309,000	250,218	(58,782)	\$ 12,497	\$ 16,083	\$ 3,586
Other	1,828	2,213	385	56,678	58,037	1,359
Less:						
Refunds				1,150	625	(525)
Total revenues	411,990	373,662	(38,328)	68,025	73,495	5,470
EXPENDITURES:						
Current:						
Health and social services						
General government	147	147	-	28	28	-
Employment and economic development	582,843	355,596	(227,247)			
Transportation						
Public protection and justice						
Environment and business regulation				100,311	86,621	(13,690)
Capital outlays	111	78	(33)	2,897	1,166	(1,731)
Total expenditures	583,101	355,821	(227,280)	103,236	87,815	(15,421)
Excess (deficiency) of revenues over (under) expenditures	(171,111)	17,841	188,952	(35,211)	(14,320)	20,891
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues						
Operating transfers-in	73,715	73,715	-	111	111	-
Operating transfers-out	(43,514)	(43,514)	-	(66)	(66)	-
Total other sources (uses) of financial resources	30,201	30,201	-	45	45	-
Budgetary funds-nonbudgeted accounts						
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(140,910)	48,042	188,952	(35,166)	(14,275)	20,891
Budgetary fund balances (deficits), July 1, 2009	25,757	25,757	-	92,769	92,769	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (115,153)	\$ 73,799	\$ 188,952	\$ 57,603	\$ 78,494	\$ 20,891

Financial and Professional Regulation			Human Services			Healthcare and Family Services		
Professions Indirect Cost								
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 150	\$ 28	\$ (122)	\$ 91,500	\$ 117,805	\$ 26,305	\$ 2,981,887	\$ 4,302,610	\$ 1,320,723
			31,334	29,943	(1,391)	3,917,556	3,659,541	(258,015)
			100	2	(98)	9,750	33	(9,717)
150	28	(122)	122,734	147,746	25,012	6,889,693	7,962,118	1,072,425
			152,405	109,086	(43,319)	10,022,033	8,474,355	(1,547,678)
13	13	-	104	104	-	24,487	20,659	(3,828)
28,639	24,597	(4,042)						
123	3	(120)				779	29	(750)
28,775	24,613	(4,162)	152,509	109,190	(43,319)	10,047,299	8,495,043	(1,552,256)
(28,625)	(24,585)	4,040	(29,775)	38,556	68,331	(3,157,606)	(532,925)	2,624,681
26,881	26,881	-	2	2	-	249,587	249,587	-
(2,287)	(2,287)	-	(35,373)	(35,373)	-	346,622	346,622	-
24,594	24,594	-	(35,371)	(35,371)	-	(161,573)	(161,573)	-
434,636	434,636	-				434,636	434,636	-
(4,031)	9	4,040	(65,146)	3,185	68,331	(2,722,970)	(98,289)	2,624,681
1,911	1,911	-	38,664	38,664	-	58,579	58,579	-
\$ (2,120)	\$ 1,920	\$ 4,040	\$ (26,482)	\$ 41,849	\$ 68,331	\$(2,664,391)	\$ (39,710)	\$ 2,624,681

(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, 2010 (Expressed in Thousands)

(continued)

	Revenue			Transportation		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes	\$ 2,220,587	\$ 2,219,767	\$ (820)			
Sales taxes	803,568	774,675	(28,893)			
Public utility taxes	179,709	179,709	-			
Federal government	16,212	16,212	-			
Other	1,653,450	1,678,762	25,312			
Less:						
Refunds	1,336,415	1,336,363	(52)			
Total revenues	3,537,111	3,532,762	(4,349)			
EXPENDITURES:						
Current:						
Health and social services	960	838	(122)			
General government	2,977,690	2,906,687	(71,003)			
Employment and economic development	176,505	176,383	(122)			
Transportation				\$ 573,226	\$ 542,208	\$ (31,018)
Public protection and justice						
Environment and business regulation						
Capital outlays	734	627	(107)			
Total expenditures	3,155,889	3,084,535	(71,354)	573,226	542,208	(31,018)
Excess (deficiency) of revenues over (under) expenditures	381,222	448,227	67,005	(573,226)	(542,208)	31,018
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues						
Operating transfers-in	1,255,123	1,255,123	-	570,482	570,482	-
Operating transfers-out	(1,811,991)	(1,811,991)	-	(18,039)	(18,039)	-
Total other sources (uses) of financial resources	(556,868)	(556,868)	-	552,443	552,443	-
Budgetary funds-nonbudgeted accounts	(32,875)	(32,875)	-			
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(208,521)	(141,516)	67,005	(20,783)	10,235	31,018
Budgetary fund balances (deficits), July 1, 2009	315,899	315,899	-	42,468	42,468	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ 107,378	\$ 174,383	\$ 67,005	\$ 21,685	\$ 52,703	\$ 31,018

Other Code Departments			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 2,220,587	\$ 2,219,767	\$ (820)
			803,568	774,675	(28,893)
			280,871	300,940	20,069
\$ 425,816	\$ 398,069	\$ (27,747)	3,836,912	5,100,997	1,264,085
17,537	19,871	2,334	5,678,533	5,448,395	(230,138)
			1,347,415	1,337,023	(10,392)
443,353	417,940	(25,413)	11,473,056	12,507,751	1,034,695
417,433	378,571	(38,862)	10,592,831	8,962,850	(1,629,981)
1,745	1,352	(393)	3,004,214	2,928,990	(75,224)
			759,348	531,979	(227,369)
			573,226	542,208	(31,018)
59,000	9,692	(49,308)	59,000	9,692	(49,308)
			128,950	111,218	(17,732)
43,000	26,890	(16,110)	47,644	28,793	(18,851)
521,178	416,505	(104,673)	15,165,213	13,115,730	(2,049,483)
(77,825)	1,435	79,260	(3,692,157)	(607,979)	3,084,178
			249,587	249,587	-
17,013	17,013	-	2,289,949	2,289,949	-
(1,300)	(1,300)	-	(2,074,143)	(2,074,143)	-
15,713	15,713	-	465,393	465,393	-
			(32,875)	(32,875)	-
(62,112)	17,148	79,260	(3,259,639)	(175,461)	3,084,178
(21,003)	(21,003)	-	555,044	555,044	-
\$ (83,115)	\$ (3,855)	\$ 79,260	\$(2,704,595)	\$ 379,583	\$ 3,084,178

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, 2010 (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				\$ 101,162	\$ 121,231	\$ 20,069
Federal government						
Other				1,820	2,181	361
Total revenues				102,982	123,412	20,430
EXPENDITURES:						
Current:						
General government				28	28	-
Employment and economic development				110,686	92,028	(18,658)
Capital outlays						
Total expenditures				110,714	92,056	(18,658)
Excess (deficiency) of revenues over (under) expenditures				(7,732)	31,356	39,088
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	\$ 37,923	\$ 37,923	\$ -			
Operating transfers-out	(24,094)	(24,094)	-			
Total other sources (uses) of financial resources	13,829	13,829	-			
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	13,829	13,829	-	(7,732)	31,356	39,088
Budgetary fund balances (deficits), July 1, 2009	16,870	16,870	-	20,578	20,578	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ 30,699	\$ 30,699	\$ -	\$ 12,846	\$ 51,934	\$ 39,088

Tourism Promotion			Federal Workforce Training			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 309,000	\$ 250,218	\$ (58,782)	\$ 101,162	\$ 121,231	\$ 20,069
			8	32	24	309,000	250,218	(58,782)
			309,008	250,250	(58,758)	411,990	373,662	(38,328)
\$ 119	\$ 119	\$ -				147	147	-
37,157	31,862	(5,295)	435,000	231,706	(203,294)	582,843	355,596	(227,247)
111	78	(33)				111	78	(33)
37,387	32,059	(5,328)	435,000	231,706	(203,294)	583,101	355,821	(227,280)
(37,387)	(32,059)	5,328	(125,992)	18,544	144,536	(171,111)	17,841	188,952
35,792	35,792	-				73,715	73,715	-
(15,079)	(15,079)	-	(4,341)	(4,341)	-	(43,514)	(43,514)	-
20,713	20,713	-	(4,341)	(4,341)	-	30,201	30,201	-
(16,674)	(11,346)	5,328	(130,333)	14,203	144,536	(140,910)	48,042	188,952
29,097	29,097	-	(40,788)	(40,788)	-	25,757	25,757	-
\$ 12,423	\$ 17,751	\$ 5,328	\$ (171,121)	\$ (26,585)	\$ 144,536	\$ (115,153)	\$ 73,799	\$ 188,952

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, 2010 (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	\$ 12,497	\$ 16,083	\$ 3,586			
Other	40,122	43,924	3,802	\$ 16,556	\$ 14,113	\$ (2,443)
Less:						
Refunds	1,150	625	(525)			
Total revenues	51,469	59,382	7,913	16,556	14,113	(2,443)
EXPENDITURES:						
Current:						
General government	28	28	-			
Environment and business regulation	73,748	60,319	(13,429)	26,563	26,302	(261)
Capital outlays	2,897	1,166	(1,731)			
Total expenditures	76,673	61,513	(15,160)	26,563	26,302	(261)
Excess (deficiency) of revenues over (under) expenditures	(25,204)	(2,131)	23,073	(10,007)	(12,189)	(2,182)
OTHER (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	98	98	-	13	13	-
Operating transfers-out	(8)	(8)	-	(58)	(58)	-
Total other (uses) of financial resources	90	90	-	(45)	(45)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(25,114)	(2,041)	23,073	(10,052)	(12,234)	(2,182)
Budgetary fund balances (deficits), July 1, 2009	18,840	18,840	-	73,929	73,929	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (6,274)	\$ 16,799	\$ 23,073	\$ 63,877	\$ 61,695	\$ (2,182)

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 12,497	\$ 16,083	\$ 3,586	
56,678	58,037	1,359	
1,150	625	(525)	
68,025	73,495	5,470	
28	28	-	
100,311	86,621	(13,690)	
2,897	1,166	(1,731)	
103,236	87,815	(15,421)	
(35,211)	(14,320)	20,891	
111	111	-	
(66)	(66)	-	
45	45	-	
(35,166)	(14,275)	20,891	
92,769	92,769	-	
\$ 57,603	\$ 78,494	\$ 20,891	

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, 2010 (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	\$ 12,000	\$ 7,416	\$ (4,584)	\$ 79,500	\$ 110,389	\$ 30,889
Other	30,948	29,838	(1,110)	386	105	(281)
Less:						
Refunds	100	2	(98)			
Total revenues	42,848	37,252	(5,596)	79,886	110,494	30,608
EXPENDITURES:						
Current:						
Health and social services	36,715	25,042	(11,673)	115,690	84,044	(31,646)
General government	104	104	-			
Total expenditures	36,819	25,146	(11,673)	115,690	84,044	(31,646)
Excess (deficiency) of revenues over (under) expenditures	6,029	12,106	6,077	(35,804)	26,450	62,254
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in				2	2	-
Operating transfers-out	(34,313)	(34,313)	-	(1,060)	(1,060)	-
Total other sources (uses) of financial resources	(34,313)	(34,313)	-	(1,058)	(1,058)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(28,284)	(22,207)	6,077	(36,862)	25,392	62,254
Budgetary fund balances (deficits), July 1, 2009	32,348	32,348	-	6,316	6,316	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ 4,064	\$ 10,141	\$ 6,077	\$ (30,546)	\$ 31,708	\$ 62,254

Total		
Final Budget	Actual	Variance Over (Under)
\$ 91,500	\$ 117,805	\$ 26,305
31,334	29,943	(1,391)
100	2	(98)
122,734	147,746	25,012
152,405	109,086	(43,319)
104	104	-
152,509	109,190	(43,319)
(29,775)	38,556	68,331
2	2	-
(35,373)	(35,373)	-
(35,371)	(35,371)	-
(65,146)	3,185	68,331
38,664	38,664	-
\$ (26,482)	\$ 41,849	\$ 68,331

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, 2010 (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	\$ 163,296	\$ 165,288	\$ 1,992	\$ 721,018	\$ 744,514	\$ 23,496
Other	82,004	45,000	(37,004)	652,606	629,250	(23,356)
Less:						
Refunds				1,000	-	(1,000)
Total revenues	245,300	210,288	(35,012)	1,372,624	1,373,764	1,140
EXPENDITURES:						
Current:						
Health and social services	375,000	193,055	(181,945)	1,981,619	1,399,565	(582,054)
General government						
Capital outlays						
Total expenditures	375,000	193,055	(181,945)	1,981,619	1,399,565	(582,054)
Excess (deficiency) of revenues over (under) expenditures	(129,700)	17,233	146,933	(608,995)	(25,801)	583,194
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues						
Operating transfers-in	30,000	30,000	-			
Operating transfers-out	(22,105)	(22,105)	-			
Total other sources (uses) of financial resources	7,895	7,895	-			
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(121,805)	25,128	146,933	(608,995)	(25,801)	583,194
Budgetary fund balances (deficits), July 1, 2009	(7,733)	(7,733)	-	(2,843)	(2,843)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (129,538)	\$ 17,395	\$ 146,933	\$ (611,838)	\$ (28,644)	\$ 583,194

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)
\$ 29,095	\$ 34,016	\$ 4,921	\$ 378,964	\$ 469,739	\$ 90,775	\$ 1,121,952	\$ 1,203,260	\$ 81,308
18,963	19,130	167	214,938	236,479	21,541	896,846	875,487	(21,359)
1,000	-	(1,000)	2,750	33	(2,717)	5,000	-	(5,000)
47,058	53,146	6,088	591,152	706,185	115,033	2,013,798	2,078,747	64,949
50,131	50,033	(98)	859,664	785,354	(74,310)	1,925,000	1,908,766	(16,234)
1	1	-						
50,132	50,034	(98)	859,664	785,354	(74,310)	1,925,000	1,908,766	(16,234)
(3,074)	3,112	6,186	(268,512)	(79,169)	189,343	88,798	169,981	81,183
1	1	-	30,024	30,024	-			
(15)	(15)	-	(2)	(2)	-	(130,000)	(130,000)	-
(14)	(14)	-	30,022	30,022	-	(130,000)	(130,000)	-
(3,088)	3,098	6,186	(238,490)	(49,147)	189,343	(41,202)	39,981	81,183
2,222	2,222	-	8,852	8,852	-	94,049	94,049	-
\$ (866)	\$ 5,320	\$ 6,186	\$ (229,638)	\$ (40,295)	\$ 189,343	\$ 52,847	\$ 134,030	\$ 81,183

(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, 2010 (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	\$ 155,568	\$ 123,519	\$ (32,049)			
Other				\$ 1,500	\$ 248	\$ (1,252)
Less:						
Refunds						
Total revenues	155,568	123,519	(32,049)	1,500	248	(1,252)
EXPENDITURES:						
Current:						
Health and social services	200,000	151,981	(48,019)	52,415	46,764	(5,651)
General government						
Capital outlays						
Total expenditures	200,000	151,981	(48,019)	52,415	46,764	(5,651)
Excess (deficiency) of revenues over (under) expenditures	(44,432)	(28,462)	15,970	(50,915)	(46,516)	4,399
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues						
Operating transfers-in				20,000	20,000	-
Operating transfers-out				(6,923)	(6,923)	-
Total other sources (uses) of financial resources				13,077	13,077	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(44,432)	(28,462)	15,970	(37,838)	(33,439)	4,399
Budgetary fund balances (deficits), July 1, 2009	(13,566)	(13,566)	-	52,610	52,610	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (57,998)	\$ (42,028)	\$ 15,970	\$ 14,772	\$ 19,171	\$ 4,399

Family Care			Drug Rebate Fund		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ -	\$ 4,750	\$ 4,750	\$ 267,918	\$ 300,535	\$ 32,617
30,609	33,293	2,684	1,076	188	(888)
30,609	38,043	7,434	268,994	300,723	31,729
40,000	32,016	(7,984)	500,000	499,361	(639)
40,000	32,016	(7,984)	500,000	499,361	(639)
(9,391)	6,027	15,418	(231,006)	(198,638)	32,368
			236,597	236,597	-
			236,597	236,597	-
(9,391)	6,027	15,418	5,591	37,959	32,368
(2,934)	(2,934)	-	(2,774)	(2,774)	-
\$ (12,325)	\$ 3,093	\$ 15,418	\$ 2,817	\$ 35,185	\$ 32,368

(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, 2010 (Expressed in Thousands)

(continued)

	Child Support Administrative			Healthcare Provider Relief		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 109,719	\$ 120,410	\$ 10,691	\$ -	\$ 1,097,959	\$ 1,097,959
Other	33,361	32,653	(708)	-	2,141	2,141
Less:						
Refunds						
Total revenues	143,080	153,063	9,983	-	1,100,100	1,100,100
EXPENDITURES:						
Current:						
Health and social services	193,980	167,728	(26,252)	1,800,000	1,466,943	(333,057)
General government	1,097	1,062	(35)			
Capital outlays	779	29	(750)			
Total expenditures	195,856	168,819	(27,037)	1,800,000	1,466,943	(333,057)
Excess (deficiency) of revenues over (under) expenditures	(52,776)	(15,756)	37,020	(1,800,000)	(366,843)	1,433,157
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues				249,587	249,587	-
Operating transfers-in	30,000	30,000	-			
Operating transfers-out	(2,528)	(2,528)	-			
Total other sources (uses) of financial resources	27,472	27,472	-	249,587	249,587	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(25,304)	11,716	37,020	(1,550,413)	(117,256)	1,433,157
Budgetary fund balances (deficits), July 1, 2009	(14,662)	(14,662)	-	-	-	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (39,966)	\$ (2,946)	\$ 37,020	\$ (1,550,413)	\$ (117,256)	\$ 1,433,157

Health Insurance Reserve			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 34,357	\$ 38,620	\$ 4,263	\$ 2,981,887	\$ 4,302,610	\$ 1,320,723
1,985,653	1,785,672	(199,981)	3,917,556	3,659,541	(258,015)
			9,750	33	(9,717)
2,020,010	1,824,292	(195,718)	6,889,693	7,962,118	1,072,425
2,044,224	1,772,789	(271,435)	10,022,033	8,474,355	(1,547,678)
23,389	19,596	(3,793)	24,487	20,659	(3,828)
			779	29	(750)
2,067,613	1,792,385	(275,228)	10,047,299	8,495,043	(1,552,256)
(47,603)	31,907	79,510	(3,157,606)	(532,925)	2,624,681
			249,587	249,587	-
			346,622	346,622	-
			(161,573)	(161,573)	-
			434,636	434,636	-
(47,603)	31,907	79,510	(2,722,970)	(98,289)	2,624,681
(54,642)	(54,642)	-	58,579	58,579	-
\$ (102,245)	\$ (22,735)	\$ 79,510	\$(2,664,391)	\$ (39,710)	\$ 2,624,681

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, 2010 (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				\$ 250,151	\$ 230,108	\$ (20,043)
Public utility taxes						
Federal government						
Other	\$ 549,579	\$ 478,632	\$ (70,947)			
Less:						
Refunds	50	10	(40)			
Total revenues	549,529	478,622	(70,907)	250,151	230,108	(20,043)
EXPENDITURES:						
Current:						
Health and social services	960	838	(122)			
General government	127,652	107,520	(20,132)	53,804	48,016	(5,788)
Employment and economic development						
Capital outlays	635	542	(93)			
Total expenditures	129,247	108,900	(20,347)	53,804	48,016	(5,788)
Excess (deficiency) of revenues over (under) expenditures	420,282	369,722	(50,560)	196,347	182,092	(14,255)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in						
Operating transfers-out	(383,004)	(383,004)	-	(183,057)	(183,057)	-
Total other sources (uses) of financial resources	(383,004)	(383,004)	-	(183,057)	(183,057)	-
Budgetary funds-nonbudgeted accounts						
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources and budgetary funds-non-budgeted accounts	37,278	(13,282)	(50,560)	13,290	(965)	(14,255)
Budgetary fund balances (deficits), July 1, 2009	9,145	9,145	-	37,332	37,332	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ 46,423	\$ (4,137)	\$ (50,560)	\$ 50,622	\$ 36,367	\$ (14,255)

Illinois Sports Facilities			Income Tax Refund			McCormick Place Expansion Project		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 1,385,179	\$ 1,384,867	\$ (312)	\$ 176,340	\$ 167,530	\$ (8,810)
			16,212	16,212	-			
\$ 37,513	\$ 38,250	\$ 737						
			1,336,317	1,336,317	-			
37,513	38,250	737	65,074	64,762	(312)	176,340	167,530	(8,810)
37,513	37,513	-	-	(10,584)	(10,584)	138,992	138,870	(122)
37,513	37,513	-	-	(10,584)	(10,584)	138,992	138,870	(122)
-	737	737	65,074	75,346	10,272	37,348	28,660	(8,688)
			11,165	11,165	-			
			(85,372)	(85,372)	-	(27,278)	(27,278)	-
			(74,207)	(74,207)	-	(27,278)	(27,278)	-
-	737	737	(9,133)	1,139	10,272	10,070	1,382	(8,688)
1,987	1,987	-	1,015	1,015	-	7,710	7,710	-
\$ 1,987	\$ 2,724	\$ 737	\$ (8,118)	\$ 2,154	\$ 10,272	\$ 17,780	\$ 9,092	\$ (8,688)

(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, 2010 (Expressed in Thousands)

(continued)

	Local Government Distributive			State Lottery		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes						
Sales taxes						
Public utility taxes						
Federal government						
Other				\$ 974,256	\$ 1,069,778	\$ 95,522
Less:						
Refunds				48	36	(12)
Total revenues				<u>974,208</u>	<u>1,069,742</u>	<u>95,534</u>
EXPENDITURES:						
Current:						
Health and social services						
General government	\$ 1,212,406	\$ 1,198,574	\$ (13,832)	421,427	401,982	(19,445)
Employment and economic development						
Capital outlays				85	72	(13)
Total expenditures	<u>1,212,406</u>	<u>1,198,574</u>	<u>(13,832)</u>	<u>421,512</u>	<u>402,054</u>	<u>(19,458)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,212,406)</u>	<u>(1,198,574)</u>	<u>13,832</u>	<u>552,696</u>	<u>667,688</u>	<u>114,992</u>
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	1,106,226	1,106,226	-	200	200	-
Operating transfers-out	(42)	(42)	-	(625,011)	(625,011)	-
Total other sources (uses) of financial resources	<u>1,106,184</u>	<u>1,106,184</u>	<u>-</u>	<u>(624,811)</u>	<u>(624,811)</u>	<u>-</u>
Budgetary funds-nonbudgeted accounts				<u>(32,875)</u>	<u>(32,875)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources and budgetary funds-non-budgeted accounts	<u>(106,222)</u>	<u>(92,390)</u>	<u>13,832</u>	<u>(104,990)</u>	<u>10,002</u>	<u>114,992</u>
Budgetary fund balances (deficits), July 1, 2009	72,616	72,616	-	(22,962)	(22,962)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	<u>\$ (33,606)</u>	<u>\$ (19,774)</u>	<u>\$ 13,832</u>	<u>\$ (127,952)</u>	<u>\$ (12,960)</u>	<u>\$ 114,992</u>

Personal Property Tax Replacement			Build Illinois			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 835,408	\$ 834,900	\$ (508)	\$ 377,077	\$ 377,037	\$ (40)	\$ 2,220,587	\$ 2,219,767	\$ (820)
179,709	179,709	-				803,568	774,675	(28,893)
						179,709	179,709	-
						16,212	16,212	-
428	428	-	91,674	91,674	-	1,653,450	1,678,762	25,312
						1,336,415	1,336,363	(52)
1,015,545	1,015,037	(508)	468,751	468,711	(40)	3,537,111	3,532,762	(4,349)
						960	838	(122)
1,162,401	1,161,179	(1,222)				2,977,690	2,906,687	(71,003)
						176,505	176,383	(122)
14	13	(1)				734	627	(107)
1,162,415	1,161,192	(1,223)				3,155,889	3,084,535	(71,354)
(146,870)	(146,155)	715	468,751	468,711	(40)	381,222	448,227	67,005
98,066	98,066	-	39,466	39,466	-	1,255,123	1,255,123	-
(49)	(49)	-	(508,178)	(508,178)	-	(1,811,991)	(1,811,991)	-
98,017	98,017	-	(468,712)	(468,712)	-	(556,868)	(556,868)	-
						(32,875)	(32,875)	-
(48,853)	(48,138)	715	39	(1)	(40)	(208,521)	(141,516)	67,005
209,056	209,056	-	-	-	-	315,899	315,899	-
\$ 160,203	\$ 160,918	\$ 715	\$ 39	\$ (1)	\$ (40)	\$ 107,378	\$ 174,383	\$ 67,005

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) Special State Funds - Department of Transportation

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Public Transportation			Downstate Public Transportation		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
EXPENDITURES:						
Current:						
General government	\$ 417,300	\$ 404,338	\$ (12,962)	\$ 155,926	\$ 137,870	\$ (18,056)
Total expenditures	417,300	404,338	(12,962)	155,926	137,870	(18,056)
Excess (deficiency) of revenues over (under) expenditures	(417,300)	(404,338)	12,962	(155,926)	(137,870)	18,056
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	403,426	403,426	-	167,056	167,056	-
Operating transfers-out	(435)	(435)	-	(17,604)	(17,604)	-
Total other sources (uses) of financial resources	402,991	402,991	-	149,452	149,452	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(14,309)	(1,347)	12,962	(6,474)	11,582	18,056
Budgetary fund balances (deficits), July 1, 2009	(731)	(731)	-	43,199	43,199	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (15,040)	\$ (2,078)	\$ 12,962	\$ 36,725	\$ 54,781	\$ 18,056

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 573,226	\$ 542,208	\$ (31,018)	
573,226	542,208	(31,018)	
(573,226)	(542,208)	31,018	
570,482	570,482	-	
(18,039)	(18,039)	-	
552,443	552,443	-	
(20,783)	10,235	31,018	
42,468	42,468	-	
\$ 21,685	\$ 52,703	\$ 31,018	

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, 2010 (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	\$ 387,921	\$ 377,727	\$ (10,194)	\$ 37,895	\$ 20,342	\$ (17,553)
Other	2,800	3,831	1,031	14,737	16,040	1,303
Total revenues	390,721	381,558	(9,163)	52,632	36,382	(16,250)
EXPENDITURES:						
Current:						
Health and social services	417,433	378,571	(38,862)			
General government	1,732	1,339	(393)	13	13	-
Public protection and justice				59,000	9,692	(49,308)
Capital outlays				43,000	26,890	(16,110)
Total expenditures	419,165	379,910	(39,255)	102,013	36,595	(65,418)
Excess (deficiency) of revenues over (under) expenditures	(28,444)	1,648	30,092	(49,381)	(213)	49,168
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	17,007	17,007	-	6	6	-
Operating transfers-out	(663)	(663)	-	(637)	(637)	-
Total other sources (uses) of financial resources	16,344	16,344	-	(631)	(631)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(12,100)	17,992	30,092	(50,012)	(844)	49,168
Budgetary fund balances (deficits), July 1, 2009	(20,275)	(20,275)	-	(728)	(728)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (32,375)	\$ (2,283)	\$ 30,092	\$ (50,740)	\$ (1,572)	\$ 49,168

Total		
Final Budget	Actual	Variance Over (Under)
\$ 425,816	\$ 398,069	\$ (27,747)
17,537	19,871	2,334
443,353	417,940	(25,413)

417,433	378,571	(38,862)
1,745	1,352	(393)
59,000	9,692	(49,308)
43,000	26,890	(16,110)
521,178	416,505	(104,673)

(77,825)	1,435	79,260
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17,013	17,013	-
(1,300)	(1,300)	-
15,713	15,713	-

(62,112)	17,148	79,260
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(21,003)	(21,003)	-
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\$ (83,115)	\$ (3,855)	\$ 79,260
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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, 2010 (Expressed in Thousands)

	Environmental Protection Agency			Illinois Commerce Commission		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Motor fuel taxes	\$ 73,403	\$ 70,816	\$ (2,587)			
Public utility taxes				\$ 76,260	\$ 69,073	\$ (7,187)
Federal government	622,600	153,682	(468,918)	6,383	973	(5,410)
Other	153,446	169,456	16,010	22,219	5,816	(16,403)
Less:						
Refunds	67	54	(13)	27	-	(27)
Total revenues	849,382	393,900	(455,482)	104,835	75,862	(28,973)
EXPENDITURES:						
Current:						
Health and social services						
Education						
General government	5,000	4,175	(825)	15	15	-
Employment and economic development						
Public protection and justice	4,008	2,738	(1,270)			
Environment and business regulation	533,384	405,287	(128,097)	111,047	104,657	(6,390)
Capital outlays	333	5	(328)	61	1	(60)
Total expenditures	542,725	412,205	(130,520)	111,123	104,673	(6,450)
Excess (deficiency) of revenues over (under) expenditures	306,657	(18,305)	(324,962)	(6,288)	(28,811)	(22,523)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	30,030	30,030	-	3,515	3,515	-
Operating transfers-out	(19,010)	(19,010)	-	(1,001)	(1,001)	-
Total other sources (uses) of financial resources	11,020	11,020	-	2,514	2,514	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	317,677	(7,285)	(324,962)	(3,774)	(26,297)	(22,523)
Budgetary fund balances (deficits), July 1, 2009	418,901	418,901	-	25,657	25,657	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ 736,578	\$ 411,616	\$ (324,962)	\$ 21,883	\$ (640)	\$ (22,523)

Other Agencies, Boards, and Commissions			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 94,908	\$ 93,212	\$ (1,696)	\$ 73,403	\$ 70,816	\$ (2,587)
			171,168	162,285	(8,883)
			628,983	154,655	(474,328)
132,129	114,589	(17,540)	307,794	289,861	(17,933)
6	4	(2)	100	58	(42)
227,031	207,797	(19,234)	1,181,248	677,559	(503,689)
1,646	1,129	(517)	1,646	1,129	(517)
2,566	2,554	(12)	2,566	2,554	(12)
50,275	20,043	(30,232)	55,290	24,233	(31,057)
31,600	31,240	(360)	31,600	31,240	(360)
22,221	17,348	(4,873)	26,229	20,086	(6,143)
			644,431	509,944	(134,487)
383	24	(359)	777	30	(747)
108,691	72,338	(36,353)	762,539	589,216	(173,323)
118,340	135,459	17,119	418,709	88,343	(330,366)
92,109	92,109	-	125,654	125,654	-
(226,454)	(226,454)	-	(246,465)	(246,465)	-
(134,345)	(134,345)	-	(120,811)	(120,811)	-
(16,005)	1,114	17,119	297,898	(32,468)	(330,366)
25,522	25,522	-	470,080	470,080	-
\$ 9,517	\$ 26,636	\$ 17,119	\$ 767,978	\$ 437,612	\$ (330,366)

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, 2010 (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	\$ 73,403	\$ 70,816	\$ (2,587)			
Federal government				\$ 622,600	\$ 153,682	\$ (468,918)
Other	165	159	(6)	153,250	169,267	16,017
Less:						
Refunds	67	54	(13)			
Total revenues	73,501	70,921	(2,580)	775,850	322,949	(452,901)
EXPENDITURES:						
Current:						
General government	1,315	1,243	(72)	13	13	-
Public protection and justice	4,008	2,738	(1,270)			
Environment and business regulation	59,426	55,745	(3,681)	451,244	330,236	(121,008)
Capital outlays	163	1	(162)			
Total expenditures	64,912	59,727	(5,185)	451,257	330,249	(121,008)
Excess (deficiency) of revenues over (under) expenditures	8,589	11,194	2,605	324,593	(7,300)	(331,893)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	17	17	-			
Operating transfers-out	(13,999)	(13,999)	-	(5)	(5)	-
Total other sources (uses) of financial resources	(13,982)	(13,982)	-	(5)	(5)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(5,393)	(2,788)	2,605	324,588	(7,305)	(331,893)
Budgetary fund balances (deficits), July 1, 2009	4,696	4,696	-	402,322	402,322	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (697)	\$ 1,908	\$ 2,605	\$ 726,910	\$ 395,017	\$ (331,893)

Vehicle Inspection			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 73,403	\$ 70,816	\$ (2,587)
			622,600	153,682	(468,918)
\$ 31	\$ 30	\$ (1)	153,446	169,456	16,010
			67	54	(13)
31	30	(1)	849,382	393,900	(455,482)
3,672	2,919	(753)	5,000	4,175	(825)
			4,008	2,738	(1,270)
22,714	19,306	(3,408)	533,384	405,287	(128,097)
170	4	(166)	333	5	(328)
26,556	22,229	(4,327)	542,725	412,205	(130,520)
(26,525)	(22,199)	4,326	306,657	(18,305)	(324,962)
30,013	30,013	-	30,030	30,030	-
(5,006)	(5,006)	-	(19,010)	(19,010)	-
25,007	25,007	-	11,020	11,020	-
(1,518)	2,808	4,326	317,677	(7,285)	(324,962)
11,883	11,883	-	418,901	418,901	-
\$ 10,365	\$ 14,691	\$ 4,326	\$ 736,578	\$ 411,616	\$ (324,962)

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- Illinois Commerce Commission

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Public Utility			Wireless Service Emergency		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Public utility taxes	\$ 15,836	\$ 14,428	\$ (1,408)	\$ 60,424	\$ 54,645	\$ (5,779)
Federal government	6,383	973	(5,410)			
Other	22,219	5,816	(16,403)			
Less:						
Refunds	27	-	(27)			
Total revenues	44,411	21,217	(23,194)	60,424	54,645	(5,779)
EXPENDITURES:						
Current:						
General government	15	15	-			
Environment and business regulation	27,447	25,353	(2,094)	83,600	79,304	(4,296)
Capital outlays	61	1	(60)			
Total expenditures	27,523	25,369	(2,154)	83,600	79,304	(4,296)
Excess (deficiency) of revenues over (under) expenditures	16,888	(4,152)	(21,040)	(23,176)	(24,659)	(1,483)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in				3,515	3,515	-
Operating transfers-out	(1,001)	(1,001)	-			
Total other sources (uses) of financial resources	(1,001)	(1,001)	-	3,515	3,515	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	15,887	(5,153)	(21,040)	(19,661)	(21,144)	(1,483)
Budgetary fund balances (deficits), July 1, 2009	5,455	5,455	-	20,202	20,202	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ 21,342	\$ 302	\$ (21,040)	\$ 541	\$ (942)	\$ (1,483)

	Total		
Final Budget	Actual		Variance Over (Under)
\$ 76,260	\$ 69,073	\$	(7,187)
6,383	973		(5,410)
22,219	5,816		(16,403)
27	-		(27)
104,835	75,862		(28,973)
15	15		-
111,047	104,657		(6,390)
61	1		(60)
111,123	104,673		(6,450)
(6,288)	(28,811)		(22,523)
3,515	3,515		-
(1,001)	(1,001)		-
2,514	2,514		-
(3,774)	(26,297)		(22,523)
25,657	25,657		-
\$ 21,883	\$ (640)	\$	(22,523)

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, 2010 (Expressed in Thousands)

	Housing Development Authority Illinois Affordable Housing Trust			Metropolitan Pier and Exposition Authority MFEA Improvement Bond		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Public utility taxes	\$ 45,354	\$ 27,850	\$ (17,504)			
Other						
Less:						
Refunds						
Total revenues	45,354	27,850	(17,504)			
EXPENDITURES:						
Current:						
Health and social services	223	153	(70)			
Education						
General government	49,500	19,327	(30,173)			
Employment and economic development				\$ 31,600	\$ 31,240	\$ (360)
Public protection and justice						
Capital outlays						
Total expenditures	49,723	19,480	(30,243)	31,600	31,240	(360)
Excess (deficiency) of revenues over (under) expenditures	(4,369)	8,370	12,739	(31,600)	(31,240)	360
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	1	1	-	31,240	31,240	-
Operating transfers-out	(6)	(6)	-			
Total other sources (uses) of financial resources	(5)	(5)	-	31,240	31,240	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(4,374)	8,365	12,739	(360)	-	360
Budgetary fund balances (deficits), July 1, 2009	1,695	1,695	-	5	5	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (2,679)	\$ 10,060	\$ 12,739	\$ (355)	\$ 5	\$ 360

State Board of Education			State Fire Marshal			Total		
School Infrastructure			Fire Prevention					
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 94,908	\$ 93,212	\$ (1,696)				\$ 94,908	\$ 93,212	\$ (1,696)
61,092	60,000	(1,092)	\$ 25,683	\$ 26,739	\$ 1,056	132,129	114,589	(17,540)
			6	4	(2)	6	4	(2)
156,000	153,212	(2,788)	25,677	26,735	1,058	227,031	207,797	(19,234)
			1,423	976	(447)	1,646	1,129	(517)
120	108	(12)	2,446	2,446	-	2,566	2,554	(12)
613	605	(8)	162	111	(51)	50,275	20,043	(30,232)
						31,600	31,240	(360)
			22,221	17,348	(4,873)	22,221	17,348	(4,873)
			383	24	(359)	383	24	(359)
733	713	(20)	26,635	20,905	(5,730)	108,691	72,338	(36,353)
155,267	152,499	(2,768)	(958)	5,830	6,788	118,340	135,459	17,119
60,868	60,868	-				92,109	92,109	-
(215,446)	(215,446)	-	(11,002)	(11,002)	-	(226,454)	(226,454)	-
(154,578)	(154,578)	-	(11,002)	(11,002)	-	(134,345)	(134,345)	-
689	(2,079)	(2,768)	(11,960)	(5,172)	6,788	(16,005)	1,114	17,119
3,039	3,039	-	20,783	20,783	-	25,522	25,522	-
\$ 3,728	\$ 960	\$ (2,768)	\$ 8,823	\$ 15,611	\$ 6,788	\$ 9,517	\$ 26,636	\$ 17,119

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, 2010 (Expressed in Thousands)

	Commerce and Economic Opportunity			Transportation		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Other	\$ -	\$ 1	\$ 1			
Total revenues	-	1	1			
EXPENDITURES:						
Current:						
Education	3,091	3,091	-			
General government	425	154	(271)			
Employment and economic development	226,776	197,468	(29,308)			
Transportation				\$ 514,832	\$ 414,832	\$ (100,000)
Environment and business regulation	295	295	-			
Debt service: principal	491,546	491,546	-			
Capital outlays	10,298	10,298	-			
Total expenditures	732,431	702,852	(29,579)	514,832	414,832	(100,000)
Excess (deficiency) of revenues over (under) expenditures	(732,431)	(702,851)	29,580	(514,832)	(414,832)	100,000
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues	1,031,868	1,031,868	-	1,400,512	1,400,512	-
Operating transfers-in				40,407	40,407	-
Operating transfers-out				(20,214)	(20,214)	-
Total other sources (uses) of financial resources	1,031,868	1,031,868	-	1,420,705	1,420,705	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	299,437	329,017	29,580	905,873	1,005,873	100,000
Budgetary fund balances (deficits), July 1, 2009	(2,048)	(2,048)	-	9,091	9,091	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ 297,389	\$ 326,969	\$ 29,580	\$ 914,964	\$ 1,014,964	\$ 100,000

Capital Development Board			Other			Total		
Capital Development								
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ -	\$ 10	\$ 10				\$ -	\$ 11	\$ 11
-	10	10				-	11	11
11,569	11,569	-				14,660	14,660	-
19,160	18,676	(484)	\$ 18,466	\$ 18,466	\$ -	38,051	37,296	(755)
22,683	13,108	(9,575)	24,947	24,947	-	274,406	235,523	(38,883)
			23,720	23,720	-	538,552	438,552	(100,000)
7,037	7,007	(30)	51,524	1,524	(50,000)	58,856	8,826	(50,030)
						491,546	491,546	-
119,460	91,055	(28,405)				129,758	101,353	(28,405)
179,909	141,415	(38,494)	118,657	68,657	(50,000)	1,545,829	1,327,756	(218,073)
(179,909)	(141,405)	38,504	(118,657)	(68,657)	50,000	(1,545,829)	(1,327,745)	218,084
396,902	396,902	-	659,666	659,666	-	3,488,948	3,488,948	-
3,738	3,738	-				44,145	44,145	-
			(24,251)	(24,251)	-	(44,465)	(44,465)	-
400,640	400,640	-	635,415	635,415	-	3,488,628	3,488,628	-
220,731	259,235	38,504	516,758	566,758	50,000	1,942,799	2,160,883	218,084
14,767	14,767	-	43,203	43,203	-	65,013	65,013	-
\$ 235,498	\$ 274,002	\$ 38,504	\$ 559,961	\$ 609,961	\$ 50,000	\$ 2,007,812	\$ 2,225,896	\$ 218,084

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, 2010 (Expressed in Thousands)

	Transportation Bond Series A			Transportation Bond Series D		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
EXPENDITURES:						
Current:						
Transportation	\$ 478,973	\$ 378,973	\$ (100,000)	\$ 35,859	\$ 35,859	\$ -
Total expenditures	478,973	378,973	(100,000)	35,859	35,859	-
Excess (deficiency) of revenues over (under) expenditures	(478,973)	(378,973)	100,000	(35,859)	(35,859)	-
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues	1,011,005	1,011,005	-	389,507	389,507	-
Operating transfers-in	20,193	20,193	-	20,214	20,214	-
Operating transfers-out	(20,214)	(20,214)	-			
Total other sources (uses) of financial resources	1,010,984	1,010,984	-	409,721	409,721	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	532,011	632,011	100,000	373,862	373,862	-
Budgetary fund balances (deficits), July 1, 2009	9,091	9,091	-	-	-	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ 541,102	\$ 641,102	\$ 100,000	\$ 373,862	\$ 373,862	\$ -

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 514,832	\$ 414,832	\$ (100,000)	
514,832	414,832	(100,000)	
(514,832)	(414,832)	100,000	
1,400,512	1,400,512	-	
40,407	40,407	-	
(20,214)	(20,214)	-	
1,420,705	1,420,705	-	
905,873	1,005,873	100,000	
9,091	9,091	-	
\$ 914,964	\$ 1,014,964	\$ 100,000	

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, 2010 (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				\$ -	\$ 39,000	\$ 39,000
Other	\$ 86,610	\$ 54,917	\$ (31,693)	-	135,063	135,063
Total revenues	86,610	54,917	(31,693)	-	174,063	174,063
EXPENDITURES:						
Debt service:						
Principal	4,500,691	4,486,691	(14,000)			
Interest	1,122,646	1,099,141	(23,505)			
Total expenditures	5,623,337	5,585,832	(37,505)			
Excess (deficiency) of revenues over (under) expenditures	(5,536,727)	(5,530,915)	5,812	-	174,063	174,063
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues	1,610,803	1,610,803	-			
Operating transfers-in	4,166,175	4,166,175	-			
Operating transfers-out				(154,564)	(154,564)	-
Total other sources (uses) of financial resources	5,776,978	5,776,978	-	(154,564)	(154,564)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	240,251	246,063	5,812	(154,564)	19,499	174,063
Budgetary fund balances (deficits), July 1, 2009	639,203	639,203	-	-	-	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ 879,454	\$ 885,266	\$ 5,812	\$ (154,564)	\$ 19,499	\$ 174,063

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)
\$ 198	\$ 34	\$ (164)	\$ 150	\$ -	\$ (150)	\$ -	\$ 39,000	\$ 39,000
198	34	(164)	150	-	(150)	86,958	190,014	103,056
304,000	274,932	(29,068)	14,500	13,879	(621)	4,819,191	4,775,502	(43,689)
304,000	274,932	(29,068)	14,500	13,879	(621)	1,122,646	1,099,141	(23,505)
						5,941,837	5,874,643	(67,194)
(303,802)	(274,898)	28,904	(14,350)	(13,879)	471	(5,854,879)	(5,645,629)	209,250
						1,610,803	1,610,803	-
274,932	274,932	-	14,096	14,096	-	4,455,203	4,455,203	-
274,932	274,932	-	14,096	14,096	-	(154,564)	(154,564)	-
						5,911,442	5,911,442	-
(28,870)	34	28,904	(254)	217	471	56,563	265,813	209,250
3,018	3,018	-	11,697	11,697	-	653,918	653,918	-
\$ (25,852)	\$ 3,052	\$ 28,904	\$ 11,443	\$ 11,914	\$ 471	\$ 710,481	\$ 919,731	\$ 209,250

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, 2010 (Expressed in Thousands)

	Code Departments			Agencies, Boards & Commissions		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 2,725,097	\$ 1,766,668	\$ (958,429)	\$ 2,985,844	\$ 2,591,236	\$ (394,608)
Other	102,687	93,084	(9,603)	655	492	(163)
Less:						
Refunds	1,950	-	(1,950)			
Total revenues	2,825,834	1,859,752	(966,082)	2,986,499	2,591,728	(394,771)
EXPENDITURES:						
Current:						
Health and social services	1,750,790	1,082,745	(668,045)			
Education				3,633,233	2,544,239	(1,088,994)
General government	1,314	1,212	(102)	59	59	-
Employment and economic development	2,075,608	715,105	(1,360,503)			
Transportation	102,132	102,132	-			
Public protection and justice				551,100	165,614	(385,486)
Environment and business regulation				177,003	78,830	(98,173)
Capital outlays	8,802	299	(8,503)	1,403	507	(896)
Total expenditures	3,938,646	1,901,493	(2,037,153)	4,362,798	2,789,249	(1,573,549)
Excess (deficiency) of revenues over (under) expenditures	(1,112,812)	(41,741)	1,071,071	(1,376,299)	(197,521)	1,178,778
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	21,997	21,997	-			
Operating transfers-out	(21,317)	(21,317)	-	(20,597)	(20,597)	-
Total other sources (uses) of financial resources	680	680	-	(20,597)	(20,597)	-
Budgetary funds-nonbudgeted accounts	(8,391)	(8,391)	-	(3,297)	(3,297)	-
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(1,120,523)	(49,452)	1,071,071	(1,400,193)	(221,415)	1,178,778
Budgetary fund balances (deficits), July 1, 2009, as previously reported	(80,410)	(80,410)	-	(46,096)	(46,096)	-
Reclassifications between budgetary/nonbudgetary funds-net						
Budgetary fund balances (deficits), July 1, 2009, as reclassified	(80,410)	(80,410)	-	(46,096)	(46,096)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$(1,200,933)	\$ (129,862)	\$ 1,071,071	\$(1,446,289)	\$ (267,511)	\$ 1,178,778

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)
\$ 98,363	\$ 127,426	\$ 29,063	\$ 317,401	\$ 214,422	\$ (102,979)	\$ 6,126,705	\$ 4,699,752	\$ (1,426,953)
137,776	132,818	(4,958)	47,690	21,191	(26,499)	288,808	247,585	(41,223)
			909	72	(837)	2,859	72	(2,787)
236,139	260,244	24,105	364,182	235,541	(128,641)	6,412,654	4,947,265	(1,465,389)
			260,814	116,687	(144,127)	2,011,604	1,199,432	(812,172)
362,438	266,689	(95,749)	21,530	11,678	(9,852)	4,017,201	2,822,606	(1,194,595)
11	11	-	386,307	17,962	(368,345)	387,691	19,244	(368,447)
			176,940	52,630	(124,310)	2,252,548	767,735	(1,484,813)
						102,132	102,132	-
			92,676	45,601	(47,075)	643,776	211,215	(432,561)
			53,602	28,643	(24,959)	230,605	107,473	(123,132)
540	48	(492)	1,296	377	(919)	12,041	1,231	(10,810)
362,989	266,748	(96,241)	993,165	273,578	(719,587)	9,657,598	5,231,068	(4,426,530)
(126,850)	(6,504)	120,346	(628,983)	(38,037)	590,946	(3,244,944)	(283,803)	2,961,141
			30,672	30,672	-	52,669	52,669	-
(4)	(4)	-	(2,071)	(2,071)	-	(43,989)	(43,989)	-
(4)	(4)	-	28,601	28,601	-	8,680	8,680	-
			(9,813)	(9,813)	-	(21,501)	(21,501)	-
(126,854)	(6,508)	120,346	(610,195)	(19,249)	590,946	(3,257,765)	(296,624)	2,961,141
30,983	30,983	-	22,065	22,065	-	(73,458)	(73,458)	-
			96	96	-	96	96	-
30,983	30,983	-	22,161	22,161	-	(73,362)	(73,362)	-
\$ (95,871)	\$ 24,475	\$ 120,346	\$ (588,034)	\$ 2,912	\$ 590,946	\$ (3,331,127)	\$ (369,986)	\$ 2,961,141

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) Federal Trust Funds - Code Departments

For the Year Ended June 30, 2010 (Expressed in Thousands)

	Commerce and Economic Opportunity			Human Services		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 1,204,030	\$ 434,394	\$ (769,636)	\$ 791,575	\$ 755,483	\$ (36,092)
Other				81,069	75,015	(6,054)
Less:						
Refunds	1,370	-	(1,370)	205	-	(205)
Total revenues	1,202,660	434,394	(768,266)	872,439	830,498	(41,941)
EXPENDITURES:						
Current:						
Health and social services				1,437,473	858,832	(578,641)
General government	41	41	-	405	353	(52)
Employment and economic development	1,750,829	442,922	(1,307,907)			
Transportation						
Capital outlays	179	1	(178)	3,366	71	(3,295)
Total expenditures	1,751,049	442,964	(1,308,085)	1,441,244	859,256	(581,988)
Excess (deficiency) of revenues over (under) expenditures	(548,389)	(8,570)	539,819	(568,805)	(28,758)	540,047
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in				21,997	21,997	-
Operating transfers-out	(2,046)	(2,046)	-	(19,222)	(19,222)	-
Total other sources (uses) of financial resources	(2,046)	(2,046)	-	2,775	2,775	-
Budgetary funds-nonbudgeted accounts				(8,374)	(8,374)	-
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(550,435)	(10,616)	539,819	(574,404)	(34,357)	540,047
Budgetary fund balances (deficits), July 1, 2009	(16,990)	(16,990)	-	(14,450)	(14,450)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (567,425)	\$ (27,606)	\$ 539,819	\$ (588,854)	\$ (48,807)	\$ 540,047

Transportation			Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 303,150	\$ 101,670	\$ (201,480)	\$ 426,342	\$ 475,121	\$ 48,779	\$ 2,725,097	\$ 1,766,668	\$ (958,429)
7,000	3,917	(3,083)	14,618	14,152	(466)	102,687	93,084	(9,603)
			375	-	(375)	1,950	-	(1,950)
310,150	105,587	(204,563)	440,585	489,273	48,688	2,825,834	1,859,752	(966,082)
			313,317	223,913	(89,404)	1,750,790	1,082,745	(668,045)
			868	818	(50)	1,314	1,212	(102)
			324,779	272,183	(52,596)	2,075,608	715,105	(1,360,503)
102,132	102,132	-				102,132	102,132	-
			5,257	227	(5,030)	8,802	299	(8,503)
102,132	102,132	-	644,221	497,141	(147,080)	3,938,646	1,901,493	(2,037,153)
208,018	3,455	(204,563)	(203,636)	(7,868)	195,768	(1,112,812)	(41,741)	1,071,071
						21,997	21,997	-
			(49)	(49)	-	(21,317)	(21,317)	-
			(49)	(49)	-	680	680	-
			(17)	(17)	-	(8,391)	(8,391)	-
208,018	3,455	(204,563)	(203,702)	(7,934)	195,768	(1,120,523)	(49,452)	1,071,071
(485)	(485)	-	(48,485)	(48,485)	-	(80,410)	(80,410)	-
\$ 207,533	\$ 2,970	\$ (204,563)	\$ (252,187)	\$ (56,419)	\$ 195,768	\$ (1,200,933)	\$ (129,862)	\$ 1,071,071

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, 2010 (Expressed in Thousands)

	Energy Administration			Federal Energy		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 170,071	\$ 71,144	\$ (98,927)	\$ 621,778	\$ 18,582	\$ (603,196)
Less:						
Refunds	300	-	(300)			
Total revenues	169,771	71,144	(98,627)	621,778	18,582	(603,196)
EXPENDITURES:						
Current:						
General government						
Employment and economic development	277,154	80,947	(196,207)	611,000	26,141	(584,859)
Capital outlays	19	-	(19)			
Total expenditures	277,173	80,947	(196,226)	611,000	26,141	(584,859)
Excess (deficiency) of revenues over (under) expenditures	(107,402)	(9,803)	97,599	10,778	(7,559)	(18,337)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-out	(19)	(19)	-	(83)	(83)	-
Total other sources (uses) of financial resources	(19)	(19)	-	(83)	(83)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(107,421)	(9,822)	97,599	10,695	(7,642)	(18,337)
Budgetary fund balances (deficits), July 1, 2009	(756)	(756)	-	9	9	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (108,177)	\$ (10,578)	\$ 97,599	\$ 10,704	\$ (7,633)	\$ (18,337)

Low Income Home Energy Block Grant			Community Services Block Grant			Community Development/ Small Cities Block Grant		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 249,765	\$ 239,050	\$ (10,715)	\$ 79,416	\$ 61,848	\$ (17,568)	\$ 83,000	\$ 43,770	\$ (39,230)
600	-	(600)	170	-	(170)	300	-	(300)
249,165	239,050	(10,115)	79,246	61,848	(17,398)	82,700	43,770	(38,930)
41	41	-						
307,633	232,138	(75,495)	124,303	59,277	(65,026)	430,739	44,419	(386,320)
145	1	(144)	1		(1)	14		(14)
307,819	232,180	(75,639)	124,304	59,277	(65,027)	430,753	44,419	(386,334)
(58,654)	6,870	65,524	(45,058)	2,571	47,629	(348,053)	(649)	347,404
			(1,442)	(1,442)	-	(502)	(502)	-
			(1,442)	(1,442)	-	(502)	(502)	-
(58,654)	6,870	65,524	(46,500)	1,129	47,629	(348,555)	(1,151)	347,404
(9,822)	(9,822)	-	(4,044)	(4,044)	-	(2,377)	(2,377)	-
\$ (68,476)	\$ (2,952)	\$ 65,524	\$ (50,544)	\$ (2,915)	\$ 47,629	\$ (350,932)	\$ (3,528)	\$ 347,404

(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, 2010 (Expressed in Thousands)

(continued)

	Final Budget	Total Actual	Variance Over (Under)
REVENUES:			
Federal government	\$ 1,204,030	\$ 434,394	\$ (769,636)
Less:			
Refunds	1,370	-	(1,370)
Total revenues	<u>1,202,660</u>	<u>434,394</u>	<u>(768,266)</u>
EXPENDITURES:			
Current:			
General government	41	41	-
Employment and economic development	1,750,829	442,922	(1,307,907)
Capital outlays	179	1	(178)
Total expenditures	<u>1,751,049</u>	<u>442,964</u>	<u>(1,308,085)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(548,389)</u>	<u>(8,570)</u>	<u>539,819</u>
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:			
Operating transfers-out	(2,046)	(2,046)	-
Total other sources (uses) of financial resources	<u>(2,046)</u>	<u>(2,046)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	<u>(550,435)</u>	<u>(10,616)</u>	<u>539,819</u>
Budgetary fund balances (deficits), July 1, 2009	(16,990)	(16,990)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	<u>\$ (567,425)</u>	<u>\$ (27,606)</u>	<u>\$ 539,819</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 Human Services

For the Year Ended June 30, 2010 (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	\$ 69,660	\$ 73,040	\$ 3,380	\$ 130,911	\$ 96,604	\$ (34,307)
Other	-	1	1	3,468	2,703	(765)
Less:						
Refunds				5	-	(5)
Total revenues	69,660	73,041	3,381	134,374	99,307	(35,067)
EXPENDITURES:						
Current:						
Health and social services	79,124	69,864	(9,260)	166,410	108,555	(57,855)
General government	253	253	-	151	99	(52)
Capital outlays	14	-	(14)	1,751	45	(1,706)
Total expenditures	79,391	70,117	(9,274)	168,312	108,699	(59,613)
Excess (deficiency) of revenues over (under) expenditures	(9,731)	2,924	12,655	(33,938)	(9,392)	24,546
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	(9,731)	2,924	12,655	(33,938)	(9,392)	24,546
Budgetary fund balances (deficits), July 1, 2009	(14,321)	(14,321)	-	7,858	7,858	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (24,052)	\$ (11,397)	\$ 12,655	\$ (26,080)	\$ (1,534)	\$ 24,546

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)
\$ 36,100	\$ 47,518	\$ 11,418	\$ 3,325	\$ 40,228	\$ 36,903	\$ 232,582	\$ 202,571	\$ (30,011)
246	97	(149)				12	134	122
36,346	47,615	11,269	3,325	40,228	36,903	232,594	202,705	(29,889)
35,000	30,717	(4,283)	398,955	57,387	(341,568)	320,562	222,192	(98,370)
35,000	30,717	(4,283)	398,955	57,387	(341,568)	320,562	222,192	(98,370)
1,346	16,898	15,552	(395,630)	(17,159)	378,471	(87,968)	(19,487)	68,481
						21,997	21,997	-
(19,222)	(19,222)	-						
(19,222)	(19,222)	-				21,997	21,997	-
						(8,374)	(8,374)	-
(17,876)	(2,324)	15,552	(395,630)	(17,159)	378,471	(74,345)	(5,864)	68,481
8,377	8,377	-	(1,919)	(1,919)	-	(171)	(171)	-
\$ (9,499)	\$ 6,053	\$ 15,552	\$ (397,549)	\$ (19,078)	\$ 378,471	\$ (74,516)	\$ (6,035)	\$ 68,481

(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, 2010 (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	\$ 85,145	\$74,826	\$ (10,319)	\$ 233,852	\$ 220,696	\$ (13,156)
Other	2	-	(2)	77,341	72,080	(5,261)
Less:						
Refunds				200	-	(200)
Total revenues	85,147	74,826	(10,321)	310,993	292,776	(18,217)
EXPENDITURES:						
Current:						
Health and social services	88,184	74,890	(13,294)	349,238	295,227	(54,011)
General government	1	1	-			
Capital outlays	1,601	26	(1,575)			
Total expenditures	89,786	74,917	(14,869)	349,238	295,227	(54,011)
Excess (deficiency) of revenues over (under) expenditures	(4,639)	(91)	4,548	(38,245)	(2,451)	35,794
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	(4,639)	(91)	4,548	(38,245)	(2,451)	35,794
Budgetary fund balances (deficits), July 1, 2009	(2,490)	(2,490)	-	(11,784)	(11,784)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (7,129)	\$(2,581)	\$ 4,548	\$ (50,029)	\$ (14,235)	\$ 35,794

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 791,575	\$ 755,483	\$ (36,092)	
81,069	75,015	(6,054)	
205	-	(205)	
872,439	830,498	(41,941)	

1,437,473	858,832	(578,641)
405	353	(52)
3,366	71	(3,295)
1,441,244	859,256	(581,988)

(568,805)	(28,758)	540,047
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21,997	21,997	-
(19,222)	(19,222)	-
2,775	2,775	-
(8,374)	(8,374)	-

(574,404)	(34,357)	540,047
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(14,450)	(14,450)	-
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\$ (588,854)	\$ (48,807)	\$ 540,047
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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, 2010 (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	\$ 243,000	\$ 72,315	\$ (170,685)	\$ 60,150	\$ 29,355	\$ (30,795)
Other	7,000	3,917	(3,083)			
Total revenues	250,000	76,232	(173,768)	60,150	29,355	(30,795)
EXPENDITURES:						
Current:						
Transportation	74,367	74,367	-	27,765	27,765	-
Total expenditures	74,367	74,367	-	27,765	27,765	-
Excess (deficiency) of revenues over (under) expenditures	175,633	1,865	(173,768)	32,385	1,590	(30,795)
Budgetary fund balances (deficits), July 1, 2009	1,105	1,105	-	(1,590)	(1,590)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ 176,738	\$ 2,970	\$ (173,768)	\$ 30,795	\$ -	\$ (30,795)

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 303,150	\$ 101,670	\$ (201,480)	
7,000	3,917	(3,083)	
310,150	105,587	(204,563)	

102,132	102,132	-
102,132	102,132	-

208,018	3,455	(204,563)
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(485)	(485)	-
\$ 207,533	\$ 2,970	\$ (204,563)

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, 2010 (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	\$ 65,619	\$ 68,161	\$ 2,542	\$ 213,380	\$ 254,080	\$ 40,700
Other				13,557	12,633	(924)
Less:						
Refunds				300	-	(300)
Total revenues	65,619	68,161	2,542	226,637	266,713	40,076
EXPENDITURES:						
Current:						
Health and social services	80,521	67,473	(13,048)			
General government				406	356	(50)
Employment and economic development				324,779	272,183	(52,596)
Capital outlays	1	1	-	4,022	116	(3,906)
Total expenditures	80,522	67,474	(13,048)	329,207	272,655	(56,552)
Excess (deficiency) of revenues over (under) expenditures	(14,903)	687	15,590	(102,570)	(5,942)	96,628
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-out				(49)	(49)	-
Total other sources (uses) of financial resources				(49)	(49)	-
Budgetary funds-nonbudgeted accounts	(17)	(17)	-			
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(14,920)	670	15,590	(102,619)	(5,991)	96,628
Budgetary fund balances (deficits), July 1, 2009	(11,607)	(11,607)	-	(19,619)	(19,619)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (26,527)	\$ (10,937)	\$ 15,590	\$ (122,238)	\$ (25,610)	\$ 96,628

Public Health					
Public Health Services			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 147,343	\$ 152,880	\$ 5,537	\$ 426,342	\$ 475,121	\$ 48,779
1,061	1,519	458	14,618	14,152	(466)
75	-	(75)	375	-	(375)
148,329	154,399	6,070	440,585	489,273	48,688
232,796	156,440	(76,356)	313,317	223,913	(89,404)
462	462	-	868	818	(50)
			324,779	272,183	(52,596)
1,234	110	(1,124)	5,257	227	(5,030)
234,492	157,012	(77,480)	644,221	497,141	(147,080)
(86,163)	(2,613)	83,550	(203,636)	(7,868)	195,768
			(49)	(49)	-
			(49)	(49)	-
			(17)	(17)	-
(86,163)	(2,613)	83,550	(203,702)	(7,934)	195,768
(17,259)	(17,259)	-	(48,485)	(48,485)	-
\$ (103,422)	\$ (19,872)	\$ 83,550	\$ (252,187)	\$ (56,419)	\$ 195,768

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, 2010 (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	\$ 2,722,574	\$ 2,360,217	\$ (362,357)	\$ 111,850	\$ 141,277	\$ 29,427
Other	4	33	29	-	1	1
Total revenues	2,722,578	2,360,250	(362,328)	111,850	141,278	29,428
EXPENDITURES:						
Current:						
Education	3,633,233	2,544,239	(1,088,994)			
General government	3	3	-			
Public protection and justice				435,700	116,668	(319,032)
Environment and business regulation				94,091	28,580	(65,511)
Capital outlays	605	150	(455)			
Total expenditures	3,633,841	2,544,392	(1,089,449)	529,791	145,248	(384,543)
Excess (deficiency) of revenues over (under) expenditures	(911,263)	(184,142)	727,121	(417,941)	(3,970)	413,971
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-out	(20,597)	(20,597)	-			
Total other sources (uses) of financial resources	(20,597)	(20,597)	-			
Budgetary funds-nonbudgeted accounts	(3,223)	(3,223)	-	(74)	(74)	-
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(935,083)	(207,962)	727,121	(418,015)	(4,044)	413,971
Budgetary fund balances (deficits), July 1, 2009	(105,205)	(105,205)	-	(12,462)	(12,462)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$(1,040,288)	\$ (313,167)	\$ 727,121	\$ (430,477)	\$ (16,506)	\$ 413,971

	Other			Total		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$	151,420	\$ 89,742	\$ (61,678)	\$ 2,985,844	\$ 2,591,236	\$ (394,608)
	651	458	(193)	655	492	(163)
	152,071	90,200	(61,871)	2,986,499	2,591,728	(394,771)

				3,633,233	2,544,239	(1,088,994)
	56	56	-	59	59	-
	115,400	48,946	(66,454)	551,100	165,614	(385,486)
	82,912	50,250	(32,662)	177,003	78,830	(98,173)
	798	357	(441)	1,403	507	(896)
	199,166	99,609	(99,557)	4,362,798	2,789,249	(1,573,549)
	(47,095)	(9,409)	37,686	(1,376,299)	(197,521)	1,178,778

				(20,597)	(20,597)	-
				(20,597)	(20,597)	-
				(3,297)	(3,297)	-

	(47,095)	(9,409)	37,686	(1,400,193)	(221,415)	1,178,778
	71,571	71,571	-	(46,096)	(46,096)	-
\$	24,476	\$ 62,162	\$ 37,686	\$(1,446,289)	\$ (267,511)	\$ 1,178,778

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, 2010 (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	\$ 544,716	\$ 585,463	\$ 40,747	\$ 2,177,858	\$ 1,774,754	\$ (403,104)
Other	4	15	11	-	18	18
Total revenues	544,720	585,478	40,758	2,177,858	1,774,772	(403,086)
EXPENDITURES:						
Current:						
Education	688,632	629,765	(58,867)	2,944,601	1,914,474	(1,030,127)
General government				3	3	-
Capital outlays	150	28	(122)	455	122	(333)
Total expenditures	688,782	629,793	(58,989)	2,945,059	1,914,599	(1,030,460)
Excess (deficiency) of revenues over (under) expenditures	(144,062)	(44,315)	99,747	(767,201)	(139,827)	627,374
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-out				(20,597)	(20,597)	-
Total other sources (uses) of financial resources				(20,597)	(20,597)	-
Budgetary funds-nonbudgeted accounts	(493)	(493)	-	(2,730)	(2,730)	-
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(144,555)	(44,808)	99,747	(790,528)	(163,154)	627,374
Budgetary fund balances (deficits), July 1, 2009	(11,926)	(11,926)	-	(93,279)	(93,279)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (156,481)	\$ (56,734)	\$ 99,747	\$ (883,807)	\$ (256,433)	\$ 627,374

Total		
Final Budget	Actual	Variance Over (Under)
\$ 2,722,574	\$ 2,360,217	\$ (362,357)
4	33	29
<u>2,722,578</u>	<u>2,360,250</u>	<u>(362,328)</u>

3,633,233	2,544,239	(1,088,994)
3	3	-
605	150	(455)
<u>3,633,841</u>	<u>2,544,392</u>	<u>(1,089,449)</u>

(911,263)	(184,142)	727,121
(20,597)	(20,597)	-
(20,597)	(20,597)	-
(3,223)	(3,223)	-

(935,083)	(207,962)	727,121
(105,205)	(105,205)	-
<u>\$(1,040,288)</u>	<u>\$ (313,167)</u>	<u>\$ 727,121</u>

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, 2010 (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	\$ 18,177	\$ 29,603	\$ 11,426	\$ 93,673	\$ 111,674	\$ 18,001
Other				-	1	1
Total revenues	18,177	29,603	11,426	93,673	111,675	18,002
EXPENDITURES:						
Current:						
Public protection and justice				435,700	116,668	(319,032)
Environment and business regulation	92,000	28,263	(63,737)	2,091	317	(1,774)
Total expenditures	92,000	28,263	(63,737)	437,791	116,985	(320,806)
Excess (deficiency) of revenues over (under) expenditures	(73,823)	1,340	75,163	(344,118)	(5,310)	338,808
Budgetary funds-nonbudgeted accounts				(74)	(74)	-
Excess (deficiency) of revenues over (under) expenditures and budgetary funds-nonbudgeted accounts	(73,823)	1,340	75,163	(344,192)	(5,384)	338,808
Budgetary fund balances (deficits), July 1, 2009	(2,603)	(2,603)	-	(9,859)	(9,859)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (76,426)	\$ (1,263)	\$ 75,163	\$ (354,051)	\$ (15,243)	\$ 338,808

Total		
Final Budget	Actual	Variance Over (Under)
\$ 111,850	\$ 141,277	\$ 29,427
-	1	1
111,850	141,278	29,428

435,700	116,668	(319,032)
94,091	28,580	(65,511)
529,791	145,248	(384,543)

(417,941)	(3,970)	413,971
(74)	(74)	-

(418,015)	(4,044)	413,971
(12,462)	(12,462)	-
\$ (430,477)	\$ (16,506)	\$ 413,971

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, 2010 (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	\$ 81,500	\$ 52,827	\$ (28,673)	\$ 69,920	\$ 36,915	\$ (33,005)
Other	-	13	13	651	445	(206)
Total revenues	81,500	52,840	(28,660)	70,571	37,360	(33,211)
EXPENDITURES:						
Current:						
General government	2	2	-	54	54	-
Public protection and justice				115,400	48,946	(66,454)
Environment and business regulation	82,912	50,250	(32,662)			
Capital outlays	798	357	(441)			
Total expenditures	83,712	50,609	(33,103)	115,454	49,000	(66,454)
Excess (deficiency) of revenues over (under) expenditures	(2,212)	2,231	4,443	(44,883)	(11,640)	33,243
Budgetary fund balances (deficits), July 1, 2009	4,412	4,412	-	67,159	67,159	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ 2,200	\$ 6,643	\$ 4,443	\$ 22,276	\$ 55,519	\$ 33,243

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 151,420	\$ 89,742	\$ (61,678)	
651	458	(193)	
152,071	90,200	(61,871)	

56	56	-
115,400	48,946	(66,454)
82,912	50,250	(32,662)
798	357	(441)
199,166	99,609	(99,557)

(47,095)	(9,409)	37,686
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71,571	71,571	-
\$ 24,476	\$ 62,162	\$ 37,686

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, 2010 (Expressed in Thousands)

	Federal Student Loan			Student Loan Operation		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 98,363	\$ 127,426	\$ 29,063			
Other	99,454	100,278	824	\$ 38,322	\$ 32,540	\$ (5,782)
Total revenues	197,817	227,704	29,887	38,322	32,540	(5,782)
EXPENDITURES:						
Current:						
Education	290,000	234,923	(55,077)	72,438	31,766	(40,672)
General government				11	11	-
Capital outlays				540	48	(492)
Total expenditures	290,000	234,923	(55,077)	72,989	31,825	(41,164)
Excess (deficiency) of revenues over (under) expenditures	(92,183)	(7,219)	84,964	(34,667)	715	35,382
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-out				(4)	(4)	-
Total other sources (uses) of financial resources				(4)	(4)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(92,183)	(7,219)	84,964	(34,671)	711	35,382
Budgetary fund balances (deficits), July 1, 2009	26,777	26,777	-	4,206	4,206	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (65,406)	\$ 19,558	\$ 84,964	\$ (30,465)	\$ 4,917	\$ 35,382

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 98,363	\$ 127,426	\$ 29,063	
137,776	132,818	(4,958)	
236,139	260,244	24,105	

362,438	266,689	(95,749)
11	11	-
540	48	(492)
362,989	266,748	(96,241)

(126,850)	(6,504)	120,346
(4)	(4)	-
(4)	(4)	-

(126,854)	(6,508)	120,346
30,983	30,983	-
\$ (95,871)	\$ 24,475	\$ 120,346

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, 2010 (Expressed in Thousands)

	Central Management Services			Corrections Working Capital		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 3,021	\$ 1,132	\$ (1,889)			
Other	516,530	477,282	(39,248)	\$ 45,304	\$ 44,504	\$ (800)
Less:						
Refunds	13,540	13,521	(19)	7	1	(6)
Total revenues	506,011	464,893	(41,118)	45,297	44,503	(794)
EXPENDITURES:						
Current:						
General government	812,861	607,483	(205,378)	17	17	-
Transportation						
Public protection and justice				42,613	39,788	(2,825)
Capital outlays	1,623	511	(1,112)	432	177	(255)
Total expenditures	814,484	607,994	(206,490)	43,062	39,982	(3,080)
Excess (deficiency) of revenues over (under) expenditures	(308,473)	(143,101)	165,372	2,235	4,521	2,286
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	115,818	115,818	-			
Operating transfers-out	(4,397)	(4,397)	-	(7,140)	(7,140)	-
Total other sources (uses) of financial resources	111,421	111,421	-	(7,140)	(7,140)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(197,052)	(31,680)	165,372	(4,905)	(2,619)	2,286
Budgetary fund balances (deficits), July 1, 2009	(41,701)	(41,701)	-	1,031	1,031	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (238,753)	\$ (73,381)	\$ 165,372	\$ (3,874)	\$ (1,588)	\$ 2,286

Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ -	\$ 79	\$ 79	\$ 3,021	\$ 1,211	\$ (1,810)
3,328	3,095	(233)	565,162	524,881	(40,281)
			13,547	13,522	(25)
3,328	3,174	(154)	554,636	512,570	(42,066)
22,413	14,905	(7,508)	835,291	622,405	(212,886)
1,000	586	(414)	1,000	586	(414)
			42,613	39,788	(2,825)
81	5	(76)	2,136	693	(1,443)
23,494	15,496	(7,998)	881,040	663,472	(217,568)
(20,166)	(12,322)	7,844	(326,404)	(150,902)	175,502
15,922	15,922	-	131,740	131,740	-
(3,994)	(3,994)	-	(15,531)	(15,531)	-
11,928	11,928	-	116,209	116,209	-
(8,238)	(394)	7,844	(210,195)	(34,693)	175,502
4,864	4,864	-	(35,806)	(35,806)	-
\$ (3,374)	\$ 4,470	\$ 7,844	\$ (246,001)	\$ (70,499)	\$ 175,502

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, 2010 (Expressed in Thousands)

	State Garage			Statistical Services		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 21	\$ -	\$ (21)			
Other	53,663	39,645	(14,018)	\$ 130,704	\$ 154,069	\$ 23,365
Less:						
Refunds	10	-	(10)	9,500	9,500	-
Total revenues	53,674	39,645	(14,029)	121,204	144,569	23,365
EXPENDITURES:						
Current:						
General government	57,649	41,082	(16,567)	172,491	135,686	(36,805)
Capital outlays	1,063	416	(647)	188	3	(185)
Total expenditures	58,712	41,498	(17,214)	172,679	135,689	(36,990)
Excess (deficiency) of revenues over (under) expenditures	(5,038)	(1,853)	3,185	(51,475)	8,880	60,355
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in						
Operating transfers-out	(993)	(993)	-	(1,273)	(1,273)	-
Total other sources (uses) of financial resources	(993)	(993)	-	(1,273)	(1,273)	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(6,031)	(2,846)	3,185	(52,748)	7,607	60,355
Budgetary fund balances (deficits), July 1, 2009	(2,381)	(2,381)	-	(13,047)	(13,047)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (8,412)	\$ (5,227)	\$ 3,185	\$ (65,795)	\$ (5,440)	\$ 60,355

Communications Revolving			Facilities Management			Workers' Compensation		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 3,000	\$ 1,131	\$ (1,869)	\$ -	\$ 1	\$ 1	\$ 1,770	\$ 1,454	\$ (316)
118,200	105,741	(12,459)	212,193	176,373	(35,820)			
4,030	4,021	(9)						
117,170	102,851	(14,319)	212,193	176,374	(35,819)	1,770	1,454	(316)
150,592	104,623	(45,969)	304,205	201,041	(103,164)	127,924	125,051	(2,873)
299	37	(262)	73	55	(18)			
150,891	104,660	(46,231)	304,278	201,096	(103,182)	127,924	125,051	(2,873)
(33,721)	(1,809)	31,912	(92,085)	(24,722)	67,363	(126,154)	(123,597)	2,557
5,000	5,000	-				110,818	110,818	-
(1,698)	(1,698)	-	(433)	(433)	-			
3,302	3,302	-	(433)	(433)	-	110,818	110,818	-
(30,419)	1,493	31,912	(92,518)	(25,155)	67,363	(15,336)	(12,779)	2,557
1,234	1,234	-	(31,887)	(31,887)	-	4,380	4,380	-
\$ (29,185)	\$ 2,727	\$ 31,912	\$ (124,405)	\$ (57,042)	\$ 67,363	\$ (10,956)	\$ (8,399)	\$ 2,557

(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, 2010 (Expressed in Thousands)

(continued)

	Total		
	Final Budget	Actual	Variance Over (Under)
REVENUES:			
Federal government	\$ 3,021	\$ 1,132	\$ (1,889)
Other	516,530	477,282	(39,248)
Less:			
Refunds	13,540	13,521	(19)
Total revenues	<u>506,011</u>	<u>464,893</u>	<u>(41,118)</u>
EXPENDITURES:			
Current:			
General government	812,861	607,483	(205,378)
Capital outlays	1,623	511	(1,112)
Total expenditures	<u>814,484</u>	<u>607,994</u>	<u>(206,490)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(308,473)</u>	<u>(143,101)</u>	<u>165,372</u>
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:			
Operating transfers-in	115,818	115,818	-
Operating transfers-out	(4,397)	(4,397)	-
Total other sources (uses) of financial resources	<u>111,421</u>	<u>111,421</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	<u>(197,052)</u>	<u>(31,680)</u>	<u>165,372</u>
Budgetary fund balances (deficits), July 1, 2009	(41,701)	(41,701)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	<u>\$ (238,753)</u>	<u>\$ (73,381)</u>	<u>\$ 165,372</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, 2010 (Expressed in Thousands)

	Code Departments			Other Agencies, Boards and Commissions State Employees Retirement System		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Sales taxes	\$ 710,280	\$ 710,280	\$ -			
Motor fuel taxes	31,503	31,503	-			
Public utility taxes	277,617	277,617	-			
Federal government	60,264	94,940	34,676			
Other	568,516	911,288	342,772	\$ 1,259,377	\$ 1,259,377	\$ -
Less:						
Refunds	312	237	(75)			
Total revenues	1,647,868	2,025,391	377,523	1,259,377	1,259,377	-
EXPENDITURES:						
Current:						
Health and social services	209,048	172,406	(36,642)			
Education						
General government	98,984	86,841	(12,143)	300,000	24,227	(275,773)
Employment and economic development						
Public protection and justice						
Environment and business regulation						
Capital outlays	2,000	1	(1,999)			
Total expenditures	310,032	259,248	(50,784)	300,000	24,227	(275,773)
Excess (deficiency) of revenues over (under) expenditures	1,337,836	1,766,143	428,307	959,377	1,235,150	275,773
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in				720,745	720,745	-
Operating transfers-out	(261,196)	(261,196)	-	(97)	(97)	-
Total other sources (uses) of financial resources	(261,196)	(261,196)	-	720,648	720,648	-
Budgetary funds-nonbudgeted accounts	(1,504,773)	(1,504,773)	-	(2,131,212)	(2,131,212)	-
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(428,133)	174	428,307	(451,187)	(175,414)	275,773
Budgetary fund balances (deficits), July 1, 2009, as previously reported	116,316	116,316	-	222,311	222,311	-
Reclassifications between budgetary/nonbudgetary funds-net						
Budgetary fund balances (deficits), July 1, 2009, as reclassified	116,316	116,316	-	222,311	222,311	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (311,817)	\$ 116,490	\$ 428,307	\$ (228,876)	\$ 46,897	\$ 275,773

Higher Education State Universities Retirement System			Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 10,977	\$ 10,977	\$ -	\$ 721,257	\$ 721,257	\$ -
						31,503	31,503	-
						277,617	277,617	-
			30,314	19,411	(10,903)	90,578	114,351	23,773
			30,023	30,148	125	1,857,916	2,200,813	342,897
						312	237	(75)
			71,314	60,536	(10,778)	2,978,559	3,345,304	366,745
			29,412	12,901	(16,511)	238,460	185,307	(53,153)
			17,259	4,558	(12,701)	17,259	4,558	(12,701)
			22,831	10,335	(12,496)	421,815	121,403	(300,412)
			25	5	(20)	25	5	(20)
			2,950	1,082	(1,868)	2,950	1,082	(1,868)
			30,955	5,159	(25,796)	30,955	5,159	(25,796)
						2,000	1	(1,999)
			103,432	34,040	(69,392)	713,464	317,515	(395,949)
			(32,118)	26,496	58,614	2,265,095	3,027,789	762,694
\$ 552,668	\$ 552,668	\$ -	15,878	15,878	-	1,289,291	1,289,291	-
			111	111	-	(261,182)	(261,182)	-
552,668	552,668	-	15,989	15,989	-	1,028,109	1,028,109	-
-	-	-	(10,316)	(10,316)	-	(3,646,301)	(3,646,301)	-
552,668	552,668	-	(26,445)	32,169	58,614	(353,097)	409,597	762,694
-	-	-	49,123	49,123	-	387,750	387,750	-
			73,055	73,055	-	73,055	73,055	-
-	-	-	122,178	122,178	-	460,805	460,805	-
\$ 552,668	\$ 552,668	\$ -	\$ 95,733	\$ 154,347	\$ 58,614	\$ 107,708	\$ 870,402	\$ 762,694

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, 2010 (Expressed in Thousands)

	Central Management Services			Human Services		
	Final		Variance	Early Intervention Services Revolving		
	Budget	Actual	Over (Under)	Final	Actual	Variance
	Budget	Actual	Over (Under)	Budget	Actual	Over (Under)
REVENUES:						
Sales taxes						
Motor fuel taxes						
Public utility taxes						
Federal government	\$ 18	\$ 16	\$ (2)	\$ 60,246	\$ 75,246	\$ 15,000
Other	246,517	245,202	(1,315)	77,810	75,362	(2,448)
Less:						
Refunds				300	237	(63)
Total revenues	246,535	245,218	(1,317)	137,756	150,371	12,615
EXPENDITURES:						
Current:						
Health and social services				170,112	142,111	(28,001)
General government	96,915	84,915	(12,000)	22	22	-
Capital outlays						
Total expenditures	96,915	84,915	(12,000)	170,134	142,133	(28,001)
Excess (deficiency) of revenues over (under) expenditures	149,620	160,303	10,683	(32,378)	8,238	40,616
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-out	(99)	(99)	-			
Total other sources (uses) of financial resources	(99)	(99)	-			
Budgetary funds-nonbudgeted accounts	(164,581)	(164,581)	-			
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts	(15,060)	(4,377)	10,683	(32,378)	8,238	40,616
Budgetary fund balances (deficits), July 1, 2009	5,698	5,698	-	(19,093)	(19,093)	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (9,362)	\$ 1,321	\$ 10,683	\$ (51,471)	\$ (10,855)	\$ 40,616

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)
			\$ 710,280	\$ 710,280	\$ -	\$ 710,280	\$ 710,280	\$ -
			31,503	31,503	-	31,503	31,503	-
			277,617	277,617	-	277,617	277,617	-
\$ -	\$ 19,678	\$ 19,678				60,264	94,940	34,676
243,754	590,289	346,535	435	435	-	568,516	911,288	342,772
			12	-	(12)	312	237	(75)
243,754	609,967	366,213	1,019,823	1,019,835	12	1,647,868	2,025,391	377,523
38,936	30,295	(8,641)				209,048	172,406	(36,642)
127	127	-	1,920	1,777	(143)	98,984	86,841	(12,143)
2,000	1	(1,999)				2,000	1	(1,999)
41,063	30,423	(10,640)	1,920	1,777	(143)	310,032	259,248	(50,784)
202,691	579,544	376,853	1,017,903	1,018,058	155	1,337,836	1,766,143	428,307
(261,097)	(261,097)	-				(261,196)	(261,196)	-
(261,097)	(261,097)	-				(261,196)	(261,196)	-
(313,338)	(313,338)	-	(1,026,854)	(1,026,854)	-	(1,504,773)	(1,504,773)	-
(371,744)	5,109	376,853	(8,951)	(8,796)	155	(428,133)	174	428,307
(1,207)	(1,207)	-	130,918	130,918	-	116,316	116,316	-
\$ (372,951)	\$ 3,902	\$ 376,853	\$ 121,967	\$ 122,122	\$ 155	\$ (311,817)	\$ 116,490	\$ 428,307

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, 2010 (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	\$ 18	\$ 16	\$ (2)			
Other	80,838	79,523	(1,315)	\$ 165,679	\$ 165,679	\$ -
Total revenues	80,856	79,539	(1,317)	165,679	165,679	-
EXPENDITURES:						
Current:						
General government	95,740	83,955	(11,785)	1,175	960	(215)
Total expenditures	95,740	83,955	(11,785)	1,175	960	(215)
Excess (deficiency) of revenues over (under) expenditures	(14,884)	(4,416)	10,468	164,504	164,719	215
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-out	(61)	(61)	-	(38)	(38)	-
Total other sources (uses) of financial resources	(61)	(61)	-	(38)	(38)	-
Budgetary funds-nonbudgeted accounts				(164,581)	(164,581)	-
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds- nonbudgeted accounts	(14,945)	(4,477)	10,468	(115)	100	215
Budgetary fund balances (deficits), July 1, 2009	1,817	1,817	-	3,881	3,881	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ (13,128)	\$ (2,660)	\$ 10,468	\$ 3,766	\$ 3,981	\$ 215

Total		
Final Budget	Actual	Variance Over (Under)
\$ 18	\$ 16	\$ (2)
246,517	245,202	(1,315)
246,535	245,218	(1,317)

96,915	84,915	(12,000)
96,915	84,915	(12,000)
149,620	160,303	10,683

(99)	(99)	-
(99)	(99)	-
(164,581)	(164,581)	-

(15,060)	(4,377)	10,683
5,698	5,698	-
\$ (9,362)	\$ 1,321	\$ 10,683

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, 2010 (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	\$ 710,280	\$ 710,280	\$ -			
Motor fuel taxes				\$ 31,503	\$ 31,503	\$ -
Public utility taxes						
Other	407	407	-	28	28	-
Less:						
Refunds						
Total revenues	710,687	710,687	-	31,531	31,531	-
EXPENDITURES:						
Current:						
General government	1,044	962	(82)	876	815	(61)
Total expenditures	1,044	962	(82)	876	815	(61)
Excess (deficiency) of revenues over (under) expenditures	709,643	709,725	82	30,655	30,716	61
Budgetary funds-nonbudgeted accounts	(704,528)	(704,528)	-	(31,034)	(31,034)	-
Excess (deficiency) of revenues over (under) expenditures and budgetary funds-nonbudgeted accounts	5,115	5,197	82	(379)	(318)	61
Budgetary fund balances (deficits), July 1, 2009	82,071	82,071	-	5,637	5,637	-
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2010	\$ 87,186	\$ 87,268	\$ 82	\$ 5,258	\$ 5,319	\$ 61

Municipal Telecommunications			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 710,280	\$ 710,280	\$ -
			31,503	31,503	-
\$ 277,617	\$ 277,617	\$ -	277,617	277,617	-
			435	435	-
12	-	(12)	12	-	(12)
277,605	277,617	12	1,019,823	1,019,835	12
			1,920	1,777	(143)
			1,920	1,777	(143)
277,605	277,617	12	1,017,903	1,018,058	155
(291,292)	(291,292)	-	(1,026,854)	(1,026,854)	-
(13,687)	(13,675)	12	(8,951)	(8,796)	155
43,210	43,210	-	130,918	130,918	-
\$ 29,523	\$ 29,535	\$ 12	\$ 121,967	\$ 122,122	\$ 155

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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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These schedules contain trend information to help the reader understand how the State's financial performance and well-being have changed over time.	341
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.	360
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Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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State of Illinois

Schedule 1

Net Assets by Component
Last Nine Fiscal Year Ends

(Accrual Basis of Accounting, Amounts in Thousands)

	June 30,								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental Activities									
Invested in capital assets, net of related debt	\$ 14,770,681	\$ 14,148,546	\$ 13,688,917	\$ 13,370,326	\$ 12,518,094	\$ 12,088,581	\$ 11,924,560	\$ 11,750,160	\$ 11,250,191
Restricted	1,257,062	998,026	978,277	954,435	956,926	942,154	912,938	1,855,032	1,596,793
Unrestricted	(53,888,626)	(44,608,334)	(39,213,817)	(35,169,568)	(32,218,061)	(30,611,904)	(28,248,123)	(26,445,507)	(21,586,492)
Total governmental activities net assets	(37,860,883)	(29,461,762)	(24,546,623)	(20,844,807)	(18,743,041)	(17,581,169)	(15,410,625)	(12,840,315)	(8,739,508)
Business-type activities									
Invested in capital assets, net of related debt	3,791	3,630	2,983	2,966	3,114	3,110	3,539	3,615	4,288
Restricted	2,182,492	2,732,443	4,533,482	4,534,492	3,923,607	2,598,458	2,380,247	2,037,232	2,803,667
Unrestricted	(1,227,648)	(161,927)	(840)	(15,145)	(111,414)	170,619	(352,806)	137,542	195,504
Total business-type activities net assets	958,635	2,574,146	4,535,625	4,522,313	3,815,307	2,772,187	2,030,980	2,178,389	3,003,459
Primary government									
Invested in capital assets, net of related debt	14,774,472	14,152,176	13,691,900	13,373,292	12,521,208	12,091,691	11,928,099	11,753,775	11,254,479
Restricted	3,439,554	3,730,469	5,511,759	5,488,927	4,880,533	3,540,612	3,293,185	3,892,264	4,400,460
Unrestricted	(55,116,274)	(44,770,261)	(39,214,657)	(35,184,713)	(32,329,475)	(30,441,285)	(28,600,929)	(26,307,965)	(21,390,988)
Total primary government net assets	\$(36,902,248)	\$(26,887,616)	\$(20,010,998)	\$(16,322,494)	\$(14,927,734)	\$(14,808,982)	\$(13,379,645)	\$(10,661,926)	\$(5,736,049)

Note: The State did not begin reporting government-wide statements until it implemented GASB Statement No. 34 for the fiscal year ended June 30, 2002. In addition, balances have been restated for prior period adjustments, corrections, and reclassifications when practical.

State of Illinois

Schedule 2

Fund Balances, Governmental Funds
Last Nine Fiscal Year Ends

(Modified Accrual Basis of Accounting, Amounts in Thousands)

	June 30,								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
General fund									
Reserved	\$ 44,002	\$ 40,803	\$ 67,135	\$ 53,544	\$ 49,921	\$ 50,375	\$ 145,766	\$ 275,203	\$ 101,881
Unreserved	(9,283,283)	(7,463,137)	(4,102,555)	(4,224,670)	(3,020,145)	(3,349,245)	(2,691,535)	(4,455,975)	(3,049,573)
Total general fund	(9,239,281)	(7,422,334)	(4,035,420)	(4,171,126)	(2,970,224)	(3,298,870)	(2,545,769)	(4,180,772)	(2,947,692)
All other governmental funds									
Reserved	\$ 501,514	\$ 507,169	\$ 488,365	\$ 165,428	\$ 180,970	\$ 158,571	\$ 316,714	\$ 166,137	\$ 158,720
Unreserved, reported in:									
Special revenue funds	1,396,309	1,990,761	2,215,352	2,441,850	2,506,755	1,830,925	1,784,366	11,044,754	2,587,096
Debt service funds	1,061,585	837,423	850,615	834,197	823,784	836,740	792,078	1,217,431	638,407
Capital projects funds	2,036,453	15,991	46,248	143,539	465,974	32,959	(21,857)	37,208	142,562
Permanent funds	511	916	1,248	1,131	1,108	418	539	2,897	2,931
Total all other governmental funds	\$ 4,996,372	\$ 3,352,260	\$ 3,601,828	\$ 3,586,145	\$ 3,978,591	\$ 2,859,613	\$ 2,871,840	\$ 12,468,427	\$ 3,529,716

Notes: Due to changes in the State's fund structure initiated when the State implemented GASB Statement No. 34 for the fiscal year ended June 30, 2002, comparable fund balance information is not available for fiscal years prior to 2002. In addition, balances have been restated for prior period adjustments, corrections, and reclassifications when practical.

The dramatic increase in unreserved fund balances reported in special revenue funds in fiscal year 2003 was the result of the \$10 billion general obligation bond for funding and reimbursing a portion of the State's contributions to the State's retirement system issued just prior to the end of fiscal year 2003. The majority of the bond issue was not distributed until fiscal year 2004.

State of Illinois

Changes in Net Assets

Last Nine Fiscal Years

(Accrual Basis of Accounting, Amounts in Thousands)

	For the Fiscal Year Ended June 30,					
	2010	2009	2008	2007	2006	2005
Governmental Activities:						
Expenses						
Health and social services	\$ 24,770,554	\$ 23,532,863	\$ 21,687,952	\$ 21,417,224	\$ 18,591,748	\$ 19,553,743
Education	17,255,748	16,337,431	15,242,711	14,433,190	13,544,450	13,623,467
General government	1,478,124	1,956,817	1,935,074	1,668,454	1,502,362	492,374
Employment and economic development	1,258,762	861,955	874,861	988,866	1,091,298	968,262
Transportation	4,852,940	4,275,112	4,198,002	3,818,291	3,484,409	3,615,977
Public protection and justice	3,391,692	3,246,422	3,223,783	2,730,219	2,560,566	2,851,184
Environment and business regulation	1,033,959	803,815	926,138	835,328	733,128	899,723
Intergovernmental-revenue sharing	4,205,934	4,631,525	5,139,754	5,036,015	4,565,480	4,197,679
Interest	1,183,995	1,123,866	1,137,058	1,200,754	1,222,382	1,218,077
Total governmental activities expenses	59,431,708	56,769,806	54,365,333	52,128,341	47,295,823	47,420,486
Program revenues						
Charges for services:						
Health and social services	173,099	177,666	154,884	137,591	119,559	110,330
Education	5,222	4,446	4,529	14,650	4,381	6,685
General government	1,891,921	2,109,969	2,100,042	2,046,175	1,968,930	1,986,302
Employment and economic development	29,567	20,208	19,714	22,075	22,933	20,351
Transportation	117,720	53,885	78,574	44,292	30,483	28,829
Public protection and justice	107,568	57,543	97,923	89,335	92,988	87,934
Environment and business regulation	436,716	346,929	344,794	361,174	365,324	377,194
Operating grants and contributions	20,733,921	18,041,268	14,287,548	14,537,244	13,498,279	13,897,415
Capital grants and contributions	964,434	1,495,709	1,274,394	1,025,947	1,040,220	866,924
Total governmental activities program revenues	24,460,168	22,307,623	18,362,402	18,278,483	17,143,097	17,381,964
Total governmental activities net program expense	(34,971,540)	(34,462,183)	(36,002,931)	(33,849,858)	(30,152,726)	(30,038,522)
General revenues and other changes in net assets						
Taxes						
Income taxes	10,186,345	11,845,194	13,413,993	12,337,762	11,224,605	10,391,204
Sales taxes	8,840,841	9,157,404	10,147,458	9,846,437	9,603,316	9,150,521
Motor fuel taxes	1,295,473	1,349,275	1,405,713	1,443,544	1,426,605	1,425,794
Public utility taxes	1,558,036	1,678,023	1,691,688	1,605,502	1,523,795	1,521,187
Riverboat taxes	483,091	533,271	696,835	817,590	813,489	664,569
Hospital assessment taxes	969,933	978,248	804,168	1,538,512	75,515	707,619
Other taxes	1,715,169	2,181,647	2,134,966	1,973,612	1,986,155	2,112,874
Interest and investment income	52,233	139,553	325,057	358,191	271,291	144,455
Other revenues	803,293	1,006,261	1,013,148	1,173,423	1,404,974	1,108,333
Gain on capital assets traded-in	19	4,814	-	-	-	-
Transfers	667,986	673,354	668,089	653,519	661,109	641,422
Total general revenues and other changes in net assets	26,572,419	29,547,044	32,301,115	31,748,092	28,990,854	27,867,978
Total governmental activities change in net assets	(8,399,121)	(4,915,139)	(3,701,816)	(2,101,766)	(1,161,872)	(2,170,544)

Note: The State did not begin reporting government-wide statements until it implemented GASB Statement No. 34 for the fiscal year ended June 30, 2002. In addition, balances have been restated for prior period adjustments, corrections, and reclassifications when practical.

Revenue from hospital assessment taxes increased significantly during fiscal year 2007 as the State retroactively assessed taxes for fiscal year 2006 revenues upon approval in November 2006 by the federal government of the State's Hospital Assessment plan.

Schedule 3

2004	2003	2002
\$ 17,746,164	\$ 16,495,962	\$ 15,773,221
13,514,779	12,962,131	12,309,072
535,511	846,163	610,701
1,217,263	1,342,665	1,275,772
3,530,420	3,807,907	3,794,674
2,573,918	2,498,208	2,563,888
778,161	867,002	823,035
3,696,687	3,473,281	3,728,891
1,149,157	672,707	547,583
<u>44,742,060</u>	<u>42,966,026</u>	<u>41,426,837</u>

102,745	96,670	130,104
10,630	2,306	2,306
1,855,274	1,614,665	1,601,352
19,992	24,983	17,851
21,632	20,685	20,945
79,504	81,633	111,918
390,085	232,659	249,159
13,060,543	11,824,638	10,851,169
862,165	719,759	805,023
<u>16,402,570</u>	<u>14,617,998</u>	<u>13,789,827</u>

<u>(28,339,490)</u>	<u>(28,348,028)</u>	<u>(27,637,010)</u>
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9,059,096	8,509,857	8,612,430
8,941,852	8,227,295	8,299,981
1,402,081	1,325,748	1,353,947
1,510,606	1,605,144	1,508,633
642,370	670,478	580,208
76,077	83,276	68,507
1,933,620	1,827,859	1,695,624
90,573	124,407	225,460
1,547,298	1,344,446	755,939
-	-	-
568,802	528,711	548,791
<u>25,772,375</u>	<u>24,247,221</u>	<u>23,649,520</u>

<u>(2,567,115)</u>	<u>(4,100,807)</u>	<u>(3,987,490)</u>
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State of Illinois

Changes in Net Assets

Last Nine Fiscal Years

(Accrual Basis of Accounting, Amounts in Thousands)

	For the Fiscal Year Ended June 30,					
	2010	2009	2008	2007	2006	2005
Business-Type Activities:						
Expenses						
Unemployment compensation trust	8,259,960	5,086,053	1,991,147	1,795,169	1,731,262	1,982,556
Water revolving	113,383	18,085	17,689	22,820	22,620	23,988
Prepaid tuition program	86,447	74,718	73,559	61,641	50,730	41,148
Designated account purchase program	57,250	62,622	101,174	303,817	267,707	167,074
Insurance programs	3,098	-	-	-	409,726	379,752
Lottery	1,544,196	1,443,717	1,411,951	1,370,559	1,334,373	1,196,982
Federal student loans	214,905	199,964	192,771	180,554	146,053	123,694
Other	137,233	122,312	148,273	212,217	93,633	95,892
Total business-type activities expenses	10,416,472	7,007,471	3,936,564	3,946,777	4,056,104	4,011,086
Program revenues						
Charges for services:						
Unemployment compensation trust	1,849,486	1,600,817	1,998,139	2,391,445	2,678,643	2,602,747
Water revolving	44,940	46,007	44,163	62,818	55,557	49,833
Prepaid tuition program	90,249	(153,932)	(75,740)	127,123	52,090	49,979
Designated account purchase program	55,073	50,809	74,913	192,214	163,023	107,734
Insurance programs	(10,118)	-	-	-	421,950	376,730
Lottery	2,196,315	2,082,039	2,062,048	2,003,739	1,968,755	1,818,422
Federal student loans	22,451	19,756	25,629	172,003	134,277	117,980
Other	129,250	130,858	136,975	166,230	96,398	120,799
Operating grants and contributions	5,086,516	1,866,986	246,854	178,263	140,578	120,347
Total business-type activities program revenues	9,464,162	5,643,340	4,512,981	5,293,835	5,711,271	5,364,571
Total business-type activities net program revenue (expense)	(952,310)	(1,364,131)	576,417	1,347,058	1,655,167	1,353,485
General revenues and other changes in net assets						
Interest and investment income	4,785	76,006	115,694	86,036	48,698	27,679
Other revenues	-	-	145	1,900	364	1,465
Special items	-	-	(10,855)	-	-	-
Transfers	(667,986)	(673,354)	(668,089)	(653,519)	(661,109)	(641,422)
Total business-type activities general revenues and other changes in net assets	(663,201)	(597,348)	(563,105)	(565,583)	(612,047)	(612,278)
Total business-type activities change in net assets	(1,615,511)	(1,961,479)	13,312	781,475	1,043,120	741,207
Total primary government change in net assets	\$ (10,014,632)	\$ (6,876,618)	\$ (3,688,504)	\$ (1,320,291)	\$ (118,752)	\$ (1,429,337)

Note: Effective for the year ended June 30, 2007, the Teachers Health Insurance Security Fund and the Community College Health Insurance Security Fund are reported as pension (and other employment benefit) funds. They were reported as enterprise funds in previous years.

Schedule 3 (continued)

<u>2004</u>	<u>2003</u>	<u>2002</u>
2,672,436	3,054,290	2,667,222
18,519	15,828	9,472
35,771	25,825	15,864
110,961	112,153	105,345
335,476	294,569	269,068
1,144,936	1,054,094	1,033,457
102,715	117,718	116,569
93,990	134,251	135,619
<u>4,514,804</u>	<u>4,808,728</u>	<u>4,352,616</u>
2,336,187	2,009,704	1,422,942
38,018	38,169	34,147
50,263	13,615	(6,410)
89,077	91,748	96,556
326,380	320,299	290,357
1,712,831	1,589,846	1,598,982
98,698	115,540	114,719
136,067	144,080	127,071
140,484	155,607	361,689
<u>4,928,005</u>	<u>4,478,608</u>	<u>4,040,053</u>
<u>413,201</u>	<u>(330,120)</u>	<u>(312,563)</u>
8,057	33,647	89,136
135	114	100
-	-	-
<u>(568,802)</u>	<u>(528,711)</u>	<u>(548,791)</u>
<u>(560,610)</u>	<u>(494,950)</u>	<u>(459,555)</u>
<u>(147,409)</u>	<u>(825,070)</u>	<u>(772,118)</u>
<u>\$ (2,714,524)</u>	<u>\$ (4,925,877)</u>	<u>\$ (4,759,608)</u>

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Changes in Fund Balances, Governmental Funds
Last Nine Fiscal Years

(Modified Accrual Basis of Accounting, Amounts in Thousands)

	For the Fiscal Year Ended June 30,								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues									
Income taxes	\$ 10,132,945	\$ 11,860,233	\$ 13,546,025	\$ 12,244,124	\$ 11,253,161	\$ 10,382,711	\$ 9,029,052	\$ 8,504,873	\$ 8,665,700
Sales taxes	8,820,201	9,156,235	10,142,098	9,864,637	9,590,006	9,148,752	8,937,628	8,227,102	8,307,399
Motor fuel taxes	1,302,000	1,350,032	1,410,656	1,436,518	1,426,963	1,425,776	1,408,961	1,377,995	1,355,665
Public utility taxes	1,564,966	1,667,389	1,695,635	1,615,402	1,531,206	1,523,083	1,489,459	1,612,941	1,533,836
Riverboat taxes	483,091	533,271	696,835	817,590	813,489	664,569	642,370	670,478	580,208
Hospital assessment taxes	970,164	975,086	1,538,237	804,797	75,515	707,619	76,077	83,276	68,507
Other taxes	1,923,107	1,902,400	2,100,913	1,973,752	1,990,265	2,118,860	1,908,260	1,827,394	1,678,874
Federal government	21,084,394	18,148,428	15,123,364	14,343,656	13,568,161	13,345,290	13,087,499	11,756,201	10,941,333
Licenses and fees	2,294,068	2,051,258	2,138,772	2,126,360	2,133,112	2,153,560	2,098,169	1,675,796	1,707,395
Interest and other investment income	52,094	136,596	318,787	349,817	265,999	142,798	90,085	123,758	223,641
Other revenues	1,975,536	2,317,811	2,186,591	2,401,881	2,668,622	2,407,546	2,374,839	2,162,727	1,656,079
Total revenues	50,602,566	50,098,739	50,897,913	47,978,534	45,316,499	44,020,564	41,142,399	38,022,541	36,718,637
Expenditures									
Health and social services	24,455,825	23,171,985	21,212,437	21,231,376	18,438,775	19,492,899	18,014,003	16,477,116	15,760,047
Education	15,525,027	14,319,907	13,281,734	12,357,592	11,593,903	12,218,024	18,136,163	11,693,002	11,395,816
General government	1,316,201	1,360,562	1,304,174	1,316,223	1,183,333	228,730	443,041	613,779	379,135
Employment and economic development	1,193,374	802,053	814,898	960,102	1,062,001	963,293	1,246,758	1,344,047	1,272,789
Transportation	3,698,028	3,200,491	3,029,674	2,800,738	2,468,345	2,702,364	2,736,531	2,942,719	2,972,064
Public protection and justice	3,003,370	2,817,374	2,723,434	2,488,988	2,338,618	2,700,104	2,887,584	2,434,904	2,476,364
Environment and business regulation	944,869	802,942	797,785	770,455	669,501	858,386	828,729	899,288	805,294
Debt service:									
Principal	925,276	928,339	937,114	864,533	820,486	775,756	662,936	735,430	663,553
Interest	1,073,432	1,102,787	1,100,439	1,116,514	1,117,167	1,083,680	1,026,546	490,854	405,449
Capital outlay	1,882,840	1,456,465	1,238,397	1,607,162	1,544,912	1,397,108	1,628,632	1,754,708	1,787,562
Intergovernmental	4,205,934	4,631,525	5,139,754	5,036,015	4,565,480	4,197,679	3,696,687	3,473,281	3,728,891
Total expenditures	58,224,176	54,594,430	51,579,840	50,549,698	45,802,521	46,618,023	51,307,610	42,859,128	41,646,964
Excess of revenues over (under) expenditures	(7,621,610)	(4,495,691)	(681,927)	(2,571,164)	(486,022)	(2,597,459)	(10,165,211)	(4,836,587)	(4,928,327)
Other Financing Sources (Uses)									
General and special obligation bonds issued	6,698,015	150,000	175,000	258,000	1,140,000	1,075,000	1,525,000	11,894,304	1,650,000
Premiums on general and special obligation bonds issued	42,840	2,290	6,724	12,085	63,780	73,513	76,773	116,805	67,192
Discounts on general obligation bonds issued	-	-	-	-	-	-	-	(2,869)	-
General and special obligation refunding bonds issued	1,956,380	-	-	329,000	274,950	-	617,175	695,025	654,045
Premiums on general and special obligation refunding bonds issued	157,131	-	-	14,014	11,824	-	63,171	65,573	50,269
Transfers-in	11,375,512	9,554,492	11,883,985	9,088,399	8,779,739	10,017,074	10,485,498	7,488,813	5,322,479
Transfers-out	(10,691,690)	(8,864,876)	(11,214,684)	(8,402,727)	(8,073,119)	(9,331,080)	(9,889,388)	(6,960,102)	(4,783,418)
Payment to refunded bond escrow agent	(2,090,772)	-	-	(341,849)	(285,778)	-	(678,668)	(757,330)	(697,084)
Capital lease financing	1,001	1,364	1,625	8,288	1,366	3,232	2,512	4,415	21,829
Proceeds from disposition of capital assets	-	-	-	-	5,500	-	-	-	-
Total other financing sources (uses)	7,448,417	843,270	852,650	965,210	1,918,262	1,837,739	2,202,073	12,544,634	2,285,312
Net change in fund balances	\$ (173,193)	\$ (3,652,421)	\$ 170,723	\$ (1,605,954)	\$ 1,432,240	\$ (759,720)	\$ (7,963,138)	\$ 7,708,047	\$ (2,643,015)
Debt service as a percentage of noncapital expenditures	3.55%	3.82%	4.05%	4.05%	4.38%	4.11%	3.40%	2.98%	2.68%

Note: Due to changes in the State's fund structure initiated when the State implemented GASB Statement No. 34 for the fiscal year ended June 30, 2002, comparable fund balance information is not available for fiscal years prior to 2002. In addition, balances have been restated for prior period adjustments, corrections, and reclassifications when practical.

The dramatic increase in net change in fund balances reported in fiscal year 2003 was the result of the \$10 billion general obligation bond issued for funding and reimbursing a portion of the State's contributions to the State's retirement systems. The majority of the bond issue was shown as expenditures in fiscal year 2004 causing a corresponding decrease in net change in fund balance.

Revenue from hospital assessment taxes increased significantly during fiscal year 2008 as the State recognized assessed taxes from the previous fiscal year which were unavailable at June 30, 2007.

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

	For the Calendar Year				
	2009	2008	2007	2006	2005
Farm earnings	\$ 4,126,015	\$ 5,668,590	\$ 3,188,707	\$ 2,078,022	\$ 1,830,007
Agricultural/forestry, fishing, and other	358,306	340,478	351,719	344,059	335,074
Mining	3,368,258	3,880,807	2,380,580	2,765,061	2,317,874
Construction/utilities	24,022,340	27,898,253	28,161,865	28,794,477	26,932,201
Manufacturing	44,882,230	50,352,235	49,607,183	48,647,548	47,039,206
Transportation and public utilities	15,688,901	16,688,408	16,568,393	16,486,056	15,541,871
Wholesale trade	24,778,391	26,517,003	26,281,284	24,612,794	23,160,257
Retail trade	20,714,544	22,045,935	23,040,609	22,162,856	21,515,885
Finance, insurance, and real estate	40,404,314	43,553,856	44,838,336	44,379,687	41,569,224
Services	162,360,873	166,636,880	160,166,452	151,644,458	142,590,569
Federal, civilian	8,838,425	8,630,424	8,429,172	8,172,661	7,975,398
Military	3,579,436	3,340,420	3,107,053	2,911,719	2,834,733
State and local government	46,690,957	45,019,455	42,825,689	40,860,095	39,567,981
Other	141,181,737	133,650,418	124,301,378	110,633,528	98,862,396
Total personal income	\$ 540,994,727	\$ 554,223,162	\$ 533,248,420	\$ 504,493,021	\$ 472,072,676
Tax liability	\$ 7,812,307	\$ 8,402,169	\$ 8,762,122	\$ 8,388,536	\$ 7,729,649
Average effective rate	1.44%	1.52%	1.64%	1.66%	1.64%

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				
	2010	2009	2008	2007	2006
General merchandise	\$ 12,014,343	\$ 17,198,339	\$ 20,795,910	\$ 20,309,083	\$ 19,600,033
Food	18,932,808	19,434,980	20,055,709	18,894,356	18,832,493
Drinking and eating places	16,857,284	17,362,456	17,839,212	17,116,672	16,627,151
Apparel	13,560,264	9,192,958	6,360,979	6,141,805	5,827,022
Furniture, household, and radio	8,249,837	8,797,308	10,466,904	10,280,540	10,441,898
Lumber, building, and hardware	8,040,005	8,678,872	12,620,346	12,626,543	10,879,756
Automotive and filling stations	29,714,908	30,055,943	37,943,597	32,772,319	35,803,644
Drugs and other retail	23,792,285	24,366,956	25,329,145	24,817,828	22,775,595
Agriculture and extractives	21,475,741	23,809,122	27,059,367	25,952,233	25,522,299
Manufacturing	3,980,846	4,445,506	4,990,610	5,068,327	4,927,891
Total	\$ 156,618,321	\$ 163,342,440	\$ 183,461,779	\$ 173,979,706	\$ 171,237,782

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,				
2004	2003	2002	2001	2000
\$ 3,740,372	\$ 1,949,195	\$ 955,707	\$ 1,662,354	\$ 1,794,150
317,432	287,288	265,160	244,085	221,372
2,055,374	1,873,786	1,732,984	1,567,939	1,980,546
25,869,656	24,894,523	24,320,875	23,449,030	22,413,287
45,944,451	45,053,128	44,956,505	45,583,071	47,113,287
14,768,596	13,961,448	13,697,947	13,778,062	12,938,111
21,925,351	20,752,693	20,655,643	20,669,726	20,921,393
20,897,006	20,436,243	19,765,409	19,207,567	18,482,354
40,520,637	37,983,889	37,148,809	35,749,056	34,573,919
134,818,796	126,321,834	122,806,308	119,268,190	115,150,456
7,678,762	7,106,845	6,968,280	6,646,133	6,760,798
2,741,011	2,590,243	2,379,260	2,173,017	2,072,210
41,849,193	42,570,966	36,101,800	34,124,171	31,913,368
92,163,935	90,118,759	91,523,398	90,897,993	89,583,548
<u>\$ 455,290,572</u>	<u>\$ 435,900,840</u>	<u>\$ 423,278,085</u>	<u>\$ 415,020,394</u>	<u>\$ 405,918,799</u>
<u>\$ 7,394,901</u>	<u>\$ 6,797,980</u>	<u>\$ 6,500,463</u>	<u>\$ 6,773,749</u>	<u>\$ 7,135,222</u>
<u>1.62%</u>	<u>1.56%</u>	<u>1.54%</u>	<u>1.63%</u>	<u>1.76%</u>

Schedule 6

Ended June 30,				
2005	2004	2003	2002	2001
\$ 19,088,864	\$ 18,626,322	\$ 17,988,962	\$ 17,766,204	\$ 16,571,654
18,362,003	18,741,796	18,433,453	18,259,623	2,165,371
15,652,501	14,968,004	14,036,937	13,746,083	14,030,965
5,528,017	5,159,596	4,806,953	4,681,229	4,832,152
9,897,051	9,224,073	8,529,475	8,492,443	8,828,065
10,414,709	9,593,743	8,582,184	8,334,140	7,638,291
32,207,314	31,613,327	30,962,662	25,372,775	29,693,612
21,351,837	20,414,099	25,348,617	18,403,946	18,202,310
31,350,034	20,922,639	21,010,315	51,228,642	20,974,205
4,639,168	3,896,955	4,059,975	3,885,721	4,568,658
<u>\$ 168,491,498</u>	<u>\$ 153,160,554</u>	<u>\$ 153,759,533</u>	<u>\$ 170,170,806</u>	<u>\$ 127,505,283</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 2009 and 2000
(Amounts in Thousands)

For the Calendar Year Ended December 31, 2009

Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
\$500,001 and higher	34,840	0.63%	\$ 1,422,381	18.21%
\$100,001 - \$500,000	756,340	13.74%	2,972,052	38.04%
\$50,001 - \$100,000	1,287,737	23.39%	1,983,358	25.39%
\$25,001 - \$50,000	1,282,502	23.30%	983,140	12.58%
\$25,000 and less	2,144,043	38.94%	451,376	5.78%
Total	5,505,462	100.00%	\$ 7,812,307	100.00%

For the Calendar Year Ended December 31, 2000

Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
\$500,001 and higher	33,462	0.62%	\$ 1,476,167	20.69%
\$100,001 - \$500,000	505,203	9.43%	2,115,527	29.64%
\$50,001 - \$100,000	1,208,464	22.56%	1,959,897	27.47%
\$25,001 - \$50,000	1,340,200	25.03%	1,092,937	15.32%
\$25,000 and less	2,269,332	42.36%	490,694	6.88%
Total	5,356,661	100.00%	\$ 7,135,222	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 2000 and \$2,000 for calendar year 2009. 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 2010 and 2001
(Amounts in Thousands)

	For the Fiscal Year Ended June 30, 2010			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
General merchandise	2,269	0.18%	\$ 904,336	8.28%
Food	7,373	0.60%	785,664	7.20%
Drinking and eating places	25,650	2.09%	1,439,515	13.18%
Apparel	7,663	0.62%	925,514	8.48%
Furniture, household, and radio	13,161	1.07%	675,339	6.18%
Lumber, building, and hardware	11,642	0.95%	675,233	6.18%
Automotive and filling stations	1,036,388	84.24%	2,113,661	19.35%
Drugs and other retail	53,082	4.31%	1,403,875	12.86%
Agriculture and extractives	61,066	4.96%	1,635,273	14.97%
Manufacturing	12,036	0.98%	362,853	3.32%
Total	1,230,330	100.00%	\$ 10,921,263	100.00%

	For the Fiscal Year Ended June 30, 2001			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
General merchandise	1,254	0.45%	\$ 1,069,748	11.53%
Food	9,649	3.43%	578,175	6.23%
Drinking and eating places	25,793	9.16%	1,041,894	11.23%
Apparel	6,598	2.34%	371,535	4.00%
Furniture, household, and radio	18,628	6.62%	651,758	7.02%
Lumber, building, and hardware	13,519	4.80%	574,844	6.19%
Automotive and filling stations	53,663	19.06%	1,935,747	20.86%
Drugs and other retail	64,483	22.90%	1,036,407	11.17%
Agriculture and extractives	74,798	26.57%	1,636,102	17.62%
Manufacturing	13,151	4.67%	385,318	4.15%
Total	281,536	100.00%	\$ 9,281,528	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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>For the Fiscal 2006</u>
Governmental activities					
General obligation bonds	\$ 25,136,941	\$ 19,669,908	\$ 20,253,876	\$ 20,865,798	\$ 21,257,664
Special obligation bonds	2,591,591	2,204,110	2,365,323	2,467,733	2,614,724
Capital leases	6,477	8,736	9,727	10,735	11,392
Installment purchases	14,158	19,067	12,302	16,241	10,574
Certificates of participation	75,095	82,895	90,300	97,335	107,580
Total governmental activities	<u>27,824,262</u>	<u>21,984,716</u>	<u>22,731,528</u>	<u>23,457,842</u>	<u>24,001,934</u>
Business-type activities					
Revenue bonds	1,019,701	1,027,300	879,441	3,709,323	4,454,444
Notes payable	-	-	-	-	-
Capital leases	7	3	5	-	-
Installment purchases	-	-	-	-	-
Total business-type activities	<u>1,019,708</u>	<u>1,027,303</u>	<u>879,446</u>	<u>3,709,323</u>	<u>4,454,444</u>
Total primary government	<u>\$ 28,843,970</u>	<u>\$ 23,012,019</u>	<u>\$ 23,610,974</u>	<u>\$ 27,167,165</u>	<u>\$ 28,456,378</u>
Total primary government debt as a percentage of personal income	<u>5.33%</u>	<u>4.15%</u>	<u>4.43%</u>	<u>5.39%</u>	<u>6.03%</u>
Total amount of primary government debt per capita	<u>\$ 2.234</u>	<u>\$ 1.792</u>	<u>\$ 1.848</u>	<u>\$ 2.136</u>	<u>\$ 2.245</u>

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

Year Ended June 30,				
2005	2004	2003	2002	2001
\$ 20,909,291	\$ 20,554,896	\$ 19,779,249	\$ 8,300,408	\$ 7,350,525
2,515,469	2,409,159	2,130,229	1,968,535	1,932,440
11,139	13,895	19,022	21,775	14,704
16,123	10,217	19,859	29,166	26,637
114,805	122,965	130,720	138,090	147,915
<u>23,566,827</u>	<u>23,111,132</u>	<u>22,079,079</u>	<u>10,457,974</u>	<u>9,472,221</u>
4,675,455	3,785,870	3,260,400	2,650,830	1,891,235
-	685,469	100,294	100,294	100,494
24	50	75	75	770
-	4	29	38	7,781
<u>4,675,479</u>	<u>4,471,393</u>	<u>3,360,798</u>	<u>2,751,237</u>	<u>2,000,280</u>
<u>\$ 28,242,306</u>	<u>\$ 27,582,525</u>	<u>\$ 25,439,877</u>	<u>\$ 13,209,211</u>	<u>\$ 11,472,501</u>
<u>6.20%</u>	<u>6.33%</u>	<u>6.01%</u>	<u>3.18%</u>	<u>2.83%</u>
<u>\$ 2.233</u>	<u>\$ 2.189</u>	<u>\$ 2.026</u>	<u>\$ 1.056</u>	<u>\$ 0.922</u>

State of Illinois

Ratios of General Bonded Debt Outstanding and Debt Limitations

Last Ten Fiscal Years

(Amounts in Thousands)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>For the Fiscal 2006</u>
General bonded debt					
General obligation bonds	\$ 25,136,941	\$ 19,669,908	\$ 20,253,876	\$ 20,865,798	\$ 21,257,664
Special obligation bonds	2,591,591	2,204,110	2,365,323	2,467,733	2,614,724
	<u>27,728,532</u>	<u>21,874,018</u>	<u>22,619,199</u>	<u>23,333,531</u>	<u>23,872,388</u>
Less: Amounts restricted for debt service	1,071,220	848,302	861,152	846,063	833,273
Net total general bonded debt	<u>\$ 26,657,312</u>	<u>\$ 21,025,716</u>	<u>\$ 21,758,047</u>	<u>\$ 22,487,468</u>	<u>\$ 23,039,115</u>
Total general bonded debt as a percentage of personal income	<u>4.93%</u>	<u>3.79%</u>	<u>4.08%</u>	<u>4.46%</u>	<u>4.88%</u>
Total general bonded debt as a percentage of taxable sales	<u>17.02%</u>	<u>12.87%</u>	<u>11.86%</u>	<u>12.93%</u>	<u>13.45%</u>
Total amount of general obligation debt per capita	<u>\$ 2.065</u>	<u>\$ 1.637</u>	<u>\$ 1.703</u>	<u>\$ 1.768</u>	<u>\$ 1.818</u>
Authorized general bonded debt					
General obligation bonds	\$ 45,755,802	\$ 39,231,174	\$ 34,196,174	\$ 34,196,174	\$ 34,196,174
Special obligation bonds	4,815,509	4,005,509	4,005,509	4,005,509	4,005,509
Total authorized general bonded debt	<u>\$ 50,571,311</u>	<u>\$ 43,236,683</u>	<u>\$ 38,201,683</u>	<u>\$ 38,201,683</u>	<u>\$ 38,201,683</u>
Issued general bonded debt					
General obligation bonds	\$ 41,810,306	\$ 34,140,911	\$ 33,990,911	\$ 33,865,911	\$ 33,278,911
Special obligation bonds	4,085,153	3,555,233	3,437,968	3,387,968	3,387,968
Total issued general bonded debt	<u>\$ 45,895,459</u>	<u>\$ 37,696,144</u>	<u>\$ 37,428,879</u>	<u>\$ 37,253,879</u>	<u>\$ 36,666,879</u>
General bonded debt margin (Authorized but unissued debt)					
General obligation bonds	\$ 6,900,602	\$ 7,809,162	\$ 2,765,379	\$ 2,732,465	\$ 3,110,369
Special obligation bonds	852,891	570,096	567,541	617,541	617,541
Total general bonded debt margin	<u>\$ 7,753,493</u>	<u>\$ 8,379,258</u>	<u>\$ 3,332,920</u>	<u>\$ 3,350,006</u>	<u>\$ 3,727,910</u>
Issued bonded debt to authorized bonded debt ratio					
General obligation bonds	91.38%	87.02%	99.40%	99.03%	97.32%
Special obligation bonds	84.83%	88.76%	85.83%	84.58%	84.58%
Total issued bonded debt to authorized bonded debt ratio	90.75%	87.19%	97.98%	97.52%	95.98%

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,				
2005	2004	2003	2002	2001
\$ 20,909,291	\$ 20,554,896	\$ 19,779,249	\$ 8,300,408	\$ 7,350,525
2,515,469	2,409,159	2,130,229	1,968,535	1,932,440
<u>23,424,760</u>	<u>22,964,055</u>	<u>21,909,478</u>	<u>10,268,943</u>	<u>9,282,965</u>
848,213	799,825	745,023	648,156	809,384
<u>\$ 22,576,547</u>	<u>\$ 22,164,230</u>	<u>\$ 21,164,455</u>	<u>\$ 9,620,787</u>	<u>\$ 8,473,581</u>
<u>4.96%</u>	<u>5.08%</u>	<u>5.00%</u>	<u>2.32%</u>	<u>2.09%</u>
<u>13.40%</u>	<u>14.47%</u>	<u>13.76%</u>	<u>5.65%</u>	<u>6.65%</u>
<u>\$ 1.785</u>	<u>\$ 1.759</u>	<u>\$ 1.685</u>	<u>\$ 0.769</u>	<u>\$ 0.681</u>
\$ 34,196,174	\$ 34,196,174	\$ 34,927,174	\$ 24,927,174	\$ 22,534,032
4,005,509	4,005,509	4,005,509	4,005,509	3,740,715
<u>\$ 38,201,683</u>	<u>\$ 38,201,683</u>	<u>\$ 38,932,683</u>	<u>\$ 28,932,683</u>	<u>\$ 26,274,747</u>
\$ 32,078,961	\$ 31,203,961	\$ 29,411,786	\$ 17,134,807	\$ 15,236,337
3,172,968	2,972,968	2,622,968	2,442,493	2,294,138
<u>\$ 35,251,929</u>	<u>\$ 34,176,929</u>	<u>\$ 32,034,754</u>	<u>\$ 19,577,300</u>	<u>\$ 17,530,475</u>
\$ 4,167,371	\$ 4,915,346	\$ 7,204,988	\$ 9,293,541	\$ 8,536,925
832,541	1,032,541	1,382,541	1,563,016	1,446,577
<u>\$ 4,999,912</u>	<u>\$ 5,947,887</u>	<u>\$ 8,587,529</u>	<u>\$ 10,856,557</u>	<u>\$ 9,983,502</u>
93.81%	91.25%	84.21%	68.74%	67.61%
79.22%	74.22%	65.48%	60.98%	61.33%
92.28%	89.46%	82.28%	67.67%	66.72%

**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							
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
2001	484,694	-	484,694	72,964	92,421	165,385	2.93
Civic Center Bond Fund - Pledged revenue of portion of sales tax collections							
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
2001	19,000	-	19,000	5,990	7,872	13,862	1.37
Illinois Student Assistance Commission - Pledged revenue of loans receivable repayments							
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
2001	141,279	29,161	112,118	13,345 (e)	17,804	31,149	3.60

- (a) The Commission redeemed \$2.608 billion of principal by the sale of a portion of their student loan portfolio during fiscal year 2008.
(b) The Commission redeemed \$690.2 billion of principal by the sale of a portion of their student loan portfolio during fiscal year 2007.
(c) The Commission redeemed \$50.5 million of principal with bond issuance proceeds in October 2003.
(d) The Commission redeemed \$33.6 million of principal with bond issuance proceeds in January 2002.
(e) The Commission redeemed \$29.5 million of principal with bond issuance proceeds in November 2000.

**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							
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
2001	150,603	8,843	141,760	237,500	129,254	366,754	0.39
Illinois State Toll Highway Authority - Pledged revenue of toll fees (f)							
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
2000	380,095	151,386	228,709	33,580	44,549	78,129	2.93
Illinois State University - Pledged revenue of usage fees and rental income							
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
2001	51,120	40,352	10,768	4,305	1,337	5,642	1.91
Northern Illinois University - Pledged revenue of usage fees and rental income							
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
2001	57,405	47,148	10,257	2,733	5,193	7,926	1.29

(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							
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
2001	81,183	67,667	13,516	9,385	3,333	12,718	1.06
University of Illinois - Pledged revenue of usage fees, rental income, and medical fees							
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
2001	665,320	604,468	60,852	18,990	21,530	40,520	1.50

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

	For the Calendar Year			
	2009	2008	2007	2006
Population				
State	12,910	12,843	12,779	12,718
Percentage change	0.53%	0.50%	0.48%	0.34%
National	307,007	304,375	301,580	298,593
Percentage change	0.86%	0.93%	1.00%	0.96%
Total Personal Income				
State	\$ 540,994,727	\$ 554,223,162	\$ 533,248,420	\$ 504,493,021
Percentage change	-2.39%	3.93%	5.70%	6.87%
National	\$ 12,165,474,000	\$ 12,379,745,000	\$ 11,899,853,000	\$ 11,256,516,000
Percentage change	-1.73%	4.03%	5.72%	7.44%
Per Capita Personal Income				
State	\$ 41.904	\$ 43.154	\$ 41.727	\$ 39.668
Percentage change	-2.90%	3.42%	5.19%	6.50%
National	\$ 39.626	\$ 40.673	\$ 39.458	\$ 37.698
Percentage change	-2.57%	3.08%	4.67%	6.42%
Labor Force				
State labor force	6,606	6,676	6,659	6,524
Employed	5,941	6,248	6,319	6,222
Unemployed	665	428	340	302
Unemployment rate	10.1%	6.4%	5.1%	4.6%

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

Ended,						
2005	2004	2003	2002	2001	2000	
12,674	12,645	12,598	12,558	12,508	12,438	
0.23%	0.38%	0.32%	0.40%	0.56%	0.64%	
295,753	293,046	290,326	287,804	285,082	282,172	
0.92%	0.94%	0.88%	0.95%	1.03%	1.12%	
\$ 472,072,676	\$ 455,290,572	\$ 435,900,840	\$ 423,278,085	\$ 415,020,394	\$ 405,918,799	
3.69%	4.45%	2.98%	1.99%	2.24%	7.27%	
\$ 10,476,669,000	\$ 9,928,790,000	\$ 9,369,072,000	\$ 9,054,702,000	\$ 8,878,830,000	\$ 8,554,866,000	
5.52%	5.97%	3.47%	1.98%	3.79%	8.21%	
\$ 37.246	\$ 36.005	\$ 34.601	\$ 33.705	\$ 33.181	\$ 32.636	
3.45%	4.06%	2.66%	1.58%	1.67%	6.59%	
\$ 35.424	\$ 33.881	\$ 32.271	\$ 31.461	\$ 31.145	\$ 30.318	
4.55%	4.99%	2.57%	1.02%	2.73%	7.01%	
6,404	6,366	6,343	6,387	6,465	6,468	
6,033	5,969	5,917	5,969	6,114	6,177	
371	397	426	418	351	291	
5.8%	6.2%	6.7%	6.5%	5.4%	4.5%	

State of Illinois
Employees by Function
Last Ten Fiscal Years

	Employees				
	2010	2009	2008	2007	2006
Health and social services	21,258	21,912	22,701	22,784	23,230
Education	778	767	758	750	763
General government	11,534	12,205	12,366	12,515	12,421
Employment and economic development	3,303	3,287	3,074	3,213	3,366
Transportation	7,662	7,574	7,638	8,407	8,098
Public protection and justice	18,903	18,886	18,913	19,793	20,181
Environment and business regulation	4,304	4,398	4,694	4,850	4,844
Total	67,742	69,029	70,144	72,312	72,903

Schedule 13

as of June 30,				
2005	2004	2003	2002	2001
22,767	24,262	24,134	29,016	30,595
766	767	806	964	1,056
12,256	11,934	11,804	13,198	13,277
3,394	3,576	3,412	3,829	3,775
8,261	8,760	9,336	10,138	10,167
20,414	20,819	20,320	23,958	23,854
4,788	5,294	5,434	6,318	6,373
72,646	75,412	75,246	87,421	89,097

State of Illinois

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	For the Fiscal Year			
	2010	2009	2008	2007
Health and Social Services				
Child abuse and neglect				
Calls to abuse/neglect hotline	258,237	258,237	266,011	258,563
Children investigated	109,156	111,574	111,869	111,746
Medical programs				
Number of children enrolled in medical programs	1,628,782	1,553,227	1,457,829	1,369,050
Number of parents enrolled in medical programs	606,680	562,689	580,760	545,502
Child support				
Number of child support cases with orders	404,800	394,123	390,745	420,004
Family case management				
Number of pregnant women and infants enrolled in FCM	263,448	276,801	291,417	292,302
Persons with disabilities receiving in-home services to prevent institutionalization	39,165	39,412	38,093	36,858
Immunization rates of children under age two	81%	78%	78%	83%
General government				
Taxes				
Number of individual income tax returns processed	5,946,127	6,132,529	6,119,040	5,963,636
Percent of individual income tax returns filed electronically	60%	56%	52%	46%
Total number of payments processed through State Treasury	16,100,000	15,912,093	15,623,763	15,512,005
Education				
Elementary and secondary education				
Public school enrollment	2,112,132	2,112,132	2,113,435	2,118,692
Graduation rate	87.8%	87.1%	86.5%	85.9%
Dropout rate	3.8%	3.5%	4.1%	3.5%
Higher education				
Enrollment	914,763	867,090	821,026	814,189
Degrees conferred	not available	184,272	181,370	167,066
Transportation				
Miles of pavement maintained/improved	2,620	2,528	933	908
Number of bridges maintained/improved	292	293	272	274
Employment and economic development				
Unemployment insurance *				
Number of claims	1,221,195	872,368	696,109	670,402
Average duration (weeks)	20.63	16.71	17.31	17.34
State Fair				
State Fair attendees	673,223	737,052	613,000	703,000
DuQuoin State Fair attendees	353,100	331,000	298,000	330,000
Tourism				
Historic site attendance (in thousands)	2,200	2,010	2,206	2,221
Public protection and justice				
Crime Rates				
Violent crime rates per 100,000 in population *	509	540	548	562
Property crime rates per 100,000 in population *	2,790	3,010	3,014	3,127
Total crime rates per 100,000 in population	<u>3,299</u>	<u>3,550</u>	<u>3,562</u>	<u>3,689</u>
Violent crime arrest rates per 100,000 in population *	176	188	191	201
Property crime arrest rates per 100,000 in population *	560	579	556	547
Total crime arrest rates per 100,000 in population	<u>736</u>	<u>767</u>	<u>747</u>	<u>748</u>
Forensic services				
Number of original crime scenes processed	2,594	3,081	3,138	3,457
Number of Deoxyribonucleic Acid (DNA) cases worked	5,284	4,590	3,390	2,830
Total number of forensic cases worked	111,669	115,044	112,644	119,045
Number of DNA offender samples worked	33,025	35,722	37,937	46,647
Environment and business regulation				
Professional Regulation				
Professional complaints received	11,159	13,800	10,912	9,498
Licenses placed on probation	603	530	455	344

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

Schedule 14

Ended or as of June 30,					
2006	2005	2004	2003	2002	2001
257,481	249,764	277,295	293,292	304,804	306,506
110,225	111,830	104,236	97,413	98,181	100,448
1,216,983	1,159,593	1,094,077	1,022,058	960,000	946,138
498,195	463,506	388,636	Not available	Not available	Not available
398,888	335,568	328,211	331,003	366,353	323,296
285,459	282,840	280,969	277,322	267,402	233,906
35,916	32,549	34,156	31,970	30,016	27,531
87%	86%	85%	80%	76%	77%
5,712,563	5,798,585	5,757,659	5,782,567	5,831,078	5,700,000
44%	42%	38%	33%	28%	22%
15,092,629	14,896,011	15,157,741	15,979,883	14,078,664	15,988,446
2,111,706	2,062,912	2,060,008	2,084,490	2,071,391	2,048,792
87.8%	87.4%	86.5%	86.0%	85.2%	83.2%
3.5%	4.0%	4.6%	6.0%	5.1%	5.7%
805,764	801,548	799,216	781,190	752,753	742,949
163,153	160,806	155,216	149,865	139,154	134,833
820	919	1,155	1,561	1,555	1,815
255	206	219	319	333	501
702,725	766,032	855,658	875,777	825,811	636,532
18.23	18.92	19.01	19.01	15.37	15.77
672,615	671,334	725,000	1,264,750	1,130,000	1,162,000
298,286	315,731	270,346	500,854	447,955	393,088
2,498	2,772	2,680	2,665	2,656	2,664
569	562	573	625	653	669
3,171	3,282	3,382	3,519	3,586	3,681
3,740	3,844	3,955	4,144	4,239	4,350
212	205	206	211	215	220
599	622	653	699	745	762
811	827	859	910	960	982
4,816	4,519	4,198	4,289	4,846	4,896
3,464	3,397	2,812	2,253	2,703	Not available
116,192	116,882	110,863	107,947	109,648	Not available
106,374	65,009	24,244	3,508	2,862	Not available
9,024	9,195	9,781	11,085	9,165	9,702
419	488	590	603	436	572

State of Illinois

**Capital Asset and Infrastructure Statistics by Function/Program
Last Ten Fiscal Years**

	For the Fiscal Year				
	2010	2009	2008	2007	2006
Health and social services					
Mental health facilities	18	18	18	18	18
Veterans homes	4	4	4	4	4
Transportation					
Highway miles	16,057	16,075	16,090	16,398	16,430
Bridges	7,708	7,693	7,844	8,284	8,296
Public protection and justice					
Adult correctional facilities	27	28	28	28	27
Juvenile correctional facilities	10	8	8	8	8
Environment and business regulation					
State park acreage	470,649	469,244	373,857	371,793	499,515
Protected natural area acreage	93,662	89,399	89,764	89,731	87,731

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

Schedule 15

Ended or as of June 30,

2005	2004	2003	2002	2001
18 4	18 4	18 4	20 4	20 4
16,459 8,232	16,513 8,222	16,538 8,227	16,601 8,230	16,650 8,239
27 8	27 8	26 8	27 9	27 8
387,753 85,375	456,039 82,957	450,814 76,179	440,465 71,163	417,475 66,649