

ILLINOIS 1996

Comprehensive Annual Financial Report

FOR FISCAL YEAR ENDED JUNE 30, 1996



State of Illinois

COMPTROLLER

Loleta A. Didrickson

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Comprehensive Annual Financial Report

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December 31, 1996

To the People of the State of Illinois:

One of my major responsibilities as Comptroller is to monitor the fiscal health of the State. There are many ways to measure the State's financial vitality. Today I release the audited *Illinois Comprehensive Annual Financial Report* ("CAFR") for the fiscal year ended June 30, 1996. This report presents the financial position and results of operations for Illinois in accordance with generally accepted accounting principles ("GAAP") as prescribed in pronouncements of the Governmental Accounting Standards Board. Accordingly, it is a measurement tool to assess the State's management of its resources. It also shows the State's financial condition on June 30, 1996.

During fiscal year 1996 the overall financial condition of the State continued to improve. The fund deficit in the General Fund decreased from \$1.204 billion at June 30, 1995 to \$952 million at June 30, 1996, **a \$252 million or 21% improvement**. While the trend is heading in the right direction, there are areas of concern. In those funds that finance the State's daily operations (called *governmental* funds), expenditures increased by \$800 million while revenues increased by only \$574 million from fiscal year 1995 to fiscal year 1996 on a GAAP basis. In addition, **the State's pension liability increased by \$1.6 billion**. I will continue to monitor and report on both the short and long term condition of the State.

This report contains three sections: the introduction, the financial section, and the statistical/economic section. 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. This report necessarily includes certain amounts which are based on management's best estimates and judgments.

This CAFR includes a copy of the twelfth *Certificate of Achievement for Excellence in Financial Reporting* awarded to the State of Illinois by the Government Finance Officers Association for the State's previous CAFR, published in 1995. This certificate is a prestigious national award recognizing conformance with the highest standards for preparation of state and local governmental financial reports.

I hope you find this report useful and informative as you assess the fiscal performance by the State of Illinois in fiscal year 1996.

Sincerely,

A handwritten signature in cursive script that reads "Loleta Didrickson". The signature is written in dark ink and is positioned above the printed name.

LOLETA DIDRICKSON
Comptroller

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December 31, 1996

The Honorable Jim Edgar
Governor
State of Illinois
207 State House
Springfield, Illinois 62706

Dear Governor Edgar:

It is my pleasure to present to you the State of Illinois Comprehensive Annual Financial Report ("CAFR") for the year ended June 30, 1996. This CAFR is the State's official annual report and provides the financial position of the State at June 30, 1996 and results of operations during the fiscal year. The report is intended to provide the State's managers, investors and creditors, taxpayers, the legislature, and other users with information in accordance with generally accepted accounting principles ("GAAP"). The statements are presented using the "pyramid" approach to governmental financial reporting as prescribed in pronouncements of the Governmental Accounting Standards Board ("GASB"). 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. This report necessarily includes certain amounts which are based on management's best estimates and judgments.

The CAFR is composed of the following sections: introductory; financial; and statistical and economic. The introductory section includes the table of contents, the Comptroller's letter of transmittal, and the State's organization chart.

The financial section includes the Auditor General's report on the financial statements, the general purpose financial statements, and the combining and individual fund financial statements and schedules. The statistical and economic section includes selected demographic and business data, generally on a multi-year basis.

The accompanying financial statements are prepared in conformity with GAAP applicable to State governments as prescribed by the GASB. This office strongly supports the GASB, contributed to its formation and participates in the development of pronouncements, providing testimony at public hearings and submitting comments and recommendations as proposed standards are distributed for exposure.

The accompanying financial statements include all funds, account groups, elected offices, departments and agencies of the State, as well as all boards, commissions, authorities, universities and colleges for which the State's executive or legislative branches are financially accountable. The financial statements distinguish between primary government organizations and discretely presented 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 State or another government's 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 and account groups, 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. The reporting entity, fund types and account groups 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 equity, revenues or expenditures greater than

2% of the total for that fund type (except special revenue funds where .5% is used) are presented separately in the combining statements. Combination of funds is necessary due to the existence of more than 700 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.

Universities, colleges and their related foundations and alumni associations are reported as "discretely presented component units." The Combined Statements of Changes in Fund Balances and Current Funds Revenues, Expenditures and Other Changes for university and college funds are presented separately within the general purpose financial statements in conformity with GAAP.

An organizational chart, showing the relationships of the three branches of Illinois State government and those of the various agencies, boards, commissions and colleges and universities which provide a full range of State government services, is presented on pages xxxii and xxxiii

FINANCIAL INFORMATION

The following balance sheet and operating statements have been condensed from the statements included in the State of Illinois *Comprehensive Annual Financial Report* utilizing the "memorandum only" column of the primary government.

State of Illinois			
Balance Sheet - Primary Government			
	Amounts (in millions)		
	FY1996	FY1995	
<u>Assets (and other debits)</u>			
Cash	\$ 7,485	\$ 7,000	
Investments	28,083	23,611	
Receivables, net	6,154	6,709	
Fixed assets	4,654	4,432	
Other assets	1,511	1,128	
Other debits	20,204	18,065	
Total assets and other debits	\$ 68,091	\$ 60,945	
<u>Liabilities</u>			
Payables	\$ 8,404	\$ 8,339	
Pension liability	11,026	9,446	
Bonds Outstanding	8,412	7,898	
Depository & Other	5,476	3,603	
Other	2,281	2,112	
Total liabilities	35,599	31,398	
<u>Fund Balances/Retained Earnings</u>			
Investment in fixed assets	4,588	4,368	
General	(952)	(1,204)	
Special revenue	2,346	2,318	
Debt service	530	444	
Capital projects	217	21	
Proprietary	227	197	
Trust	25,536	23,403	
Total fund equity	32,492	29,547	
Total liabilities and fund balances/retained earnings	\$ 68,091	\$ 60,945	

State of Illinois			
Operating Statement - Primary Government			
	Amounts (in millions)		
	FY1996	FY1995	
<u>Revenues</u>			
Taxes -			
Income	\$ 7,350	\$ 6,862	
Sales	6,520	6,272	
Other taxes	5,146	5,406	
Federal government	8,410	8,640	
Charges for sales and services	2,666	2,495	
Interest income	3,055	1,755	
Contributions	1,478	1,671	
Licenses and fees	1,021	1,001	
Other	1,131	1,072	
	36,777	35,174	
<u>Expenditures/Expenses</u>			
Health and social services	8,732	8,624	
Education	5,753	5,396	
General government/Administrative	5,076	4,711	
Social Assistance	4,132	3,995	
Transportation	2,627	2,713	
Public protection and justice	1,481	1,438	
Debt service	941	936	
Benefit payments and refunds	2,553	2,534	
Prizes and claims	839	859	
Other	1,112	1,057	
	33,246	32,263	
Net other sources(uses) and nonoperating revenues(expenses)	(728)	(573)	
Excess of revenues over expenditures and net other uses	\$ 2,803	\$ 2,338	

Assets (and other debits)

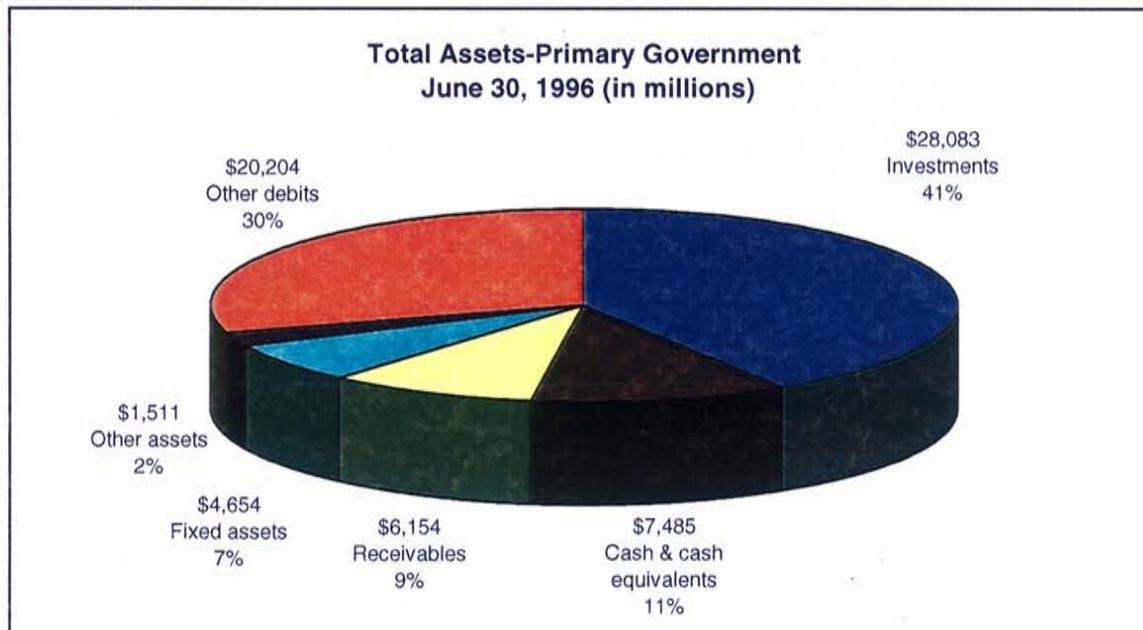
Total assets (and other debits) of the State of Illinois at June 30, 1996 were over \$68 billion. This was an increase of \$7.1 billion (11.7%) over fiscal year 1995. The largest increases were in investments (\$4.5 billion) and "amounts to be

provided" for future pension and other long-term debt (\$2.1 billion) and cash and cash equivalents (\$485 million). The State's receivables decreased \$555 million.

Comparison of Total Assets (in millions) *

Account	FY1996	FY96 %	% change	
			From 1995	FY1995
Investments	\$ 28,083	41.2%	18.9%	\$ 23,611
Cash & cash equivalents	7,485	11.0%	6.9%	7,000
Receivables	6,154	9.0%	(8.3%)	6,709
Fixed assets	4,654	6.9%	5.0%	4,432
Other assets	1,511	2.2%	33.9%	1,128
Other debits	20,204	29.7%	11.8%	18,065
Total Assets	\$ 68,091	100.0%	11.7%	\$ 60,945

*The above numbers include primary government funds only.



Liabilities

Total liabilities increased to \$35.6 billion at June 30, 1996, \$4.2 billion (13.4%) greater than fiscal year 1995. Depository and other liabilities increased \$1.9 million (primarily "securities lending") and the State's pension liability increased \$1.6 billion. General obligation bonds

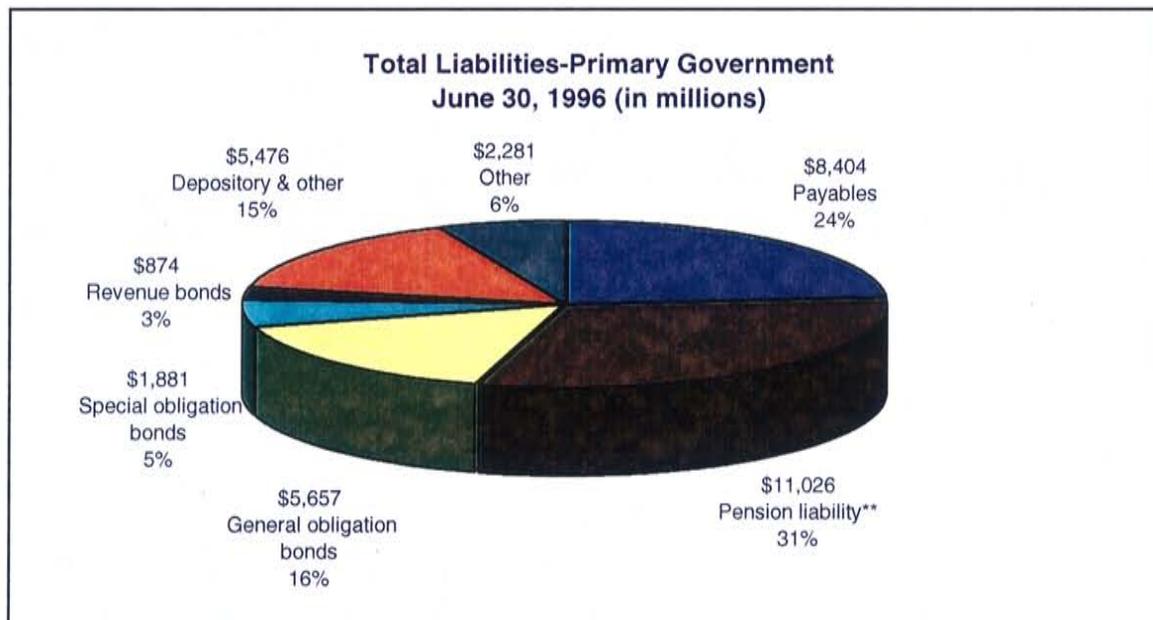
payable also increased \$365 million from fiscal year 1995. The State's Medicaid payables included in "payables" below *decreased \$774 million* although payables increased slightly in total.

Comparison of Total Liabilities (in millions) *

Account	FY1996	FY96 %	% change	
			From 1995	FY1995
Payables	\$ 8,404	23.5%	0.8%	\$ 8,339
Pension liability**	11,026	31.0%	16.7%	9,446
General obligation bonds	5,657	15.9%	6.9%	5,292
Special obligation bonds	1,881	5.3%	1.6%	1,852
Revenue bonds	874	2.5%	15.9%	754
Depository & other	5,476	15.4%	52.0%	3,603
Other	2,281	6.4%	8.0%	2,112
Total Liabilities	\$ 35,599	100.0%	13.4%	\$ 31,398

*The above numbers include primary government funds only.

**See page xxii for further information.



Fund Balances and Retained Earnings

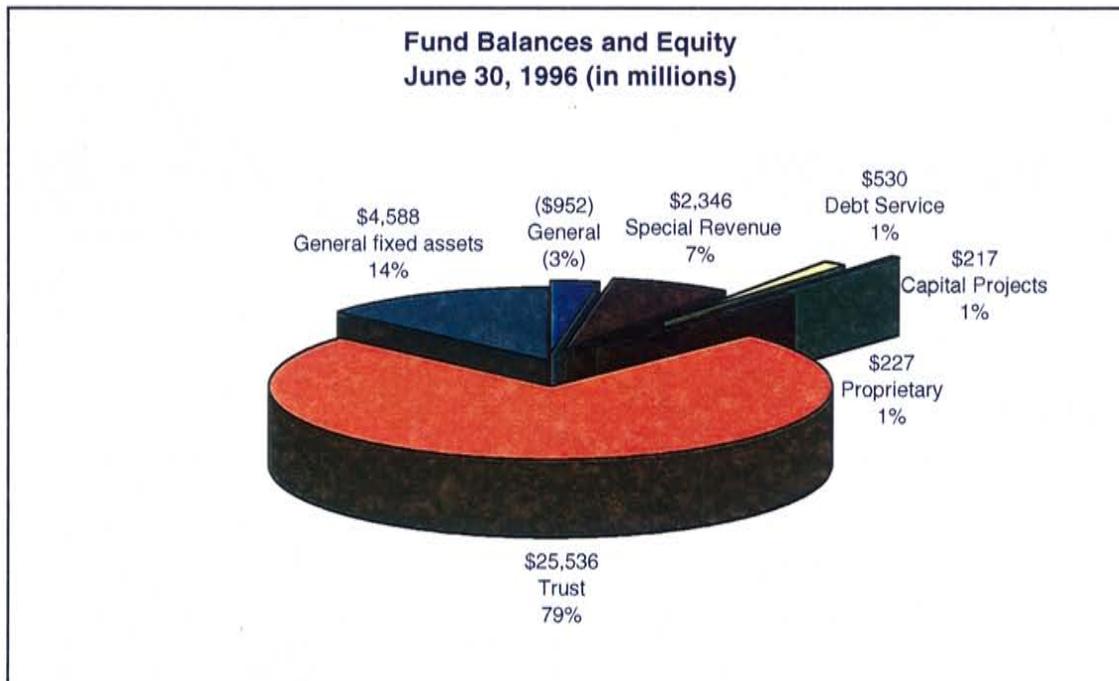
The fund balances for all primary government funds combined was \$32.5 billion at June 30, 1996. This was nearly a 10% improvement over fiscal year 1995. The primary increases were in

the pension trust funds (\$2.1 billion), the General Fund (\$252 million), general fixed assets (\$220 million), and capital projects funds (\$196 million).

Comparison of Total Fund Balances (Deficits) and Retained Earnings (in millions) *

Fund Types/ Account Group	FY1996	FY96 %	% change	
			From 1995	FY1995
General	\$ (952)	(2.9%)	20.9%	\$ (1,204)
Special Revenue	2,346	7.2%	1.2%	2,318
Debt Service	530	1.6%	16.2%	444
Capital Projects	217	0.7%	90.3%	21
Proprietary	227	0.7%	13.3%	197
Trust	25,536	78.6%	8.4%	23,403
General fixed assets	4,588	14.1%	4.8%	4,368
Total Fund Balances	\$ 32,492	100.0%	10.0%	\$ 29,547

*The above numbers include primary government funds only.



General Governmental Functions

The governmental fund types are those through which most State functions are financed. These fund types (the general, special revenue, capital projects, and debt service funds) are presented on the modified accrual basis of accounting. Throughout the year, the Comptroller's Office publishes a monthly *Fiscal Focus* which summarizes the status of revenues and expenditures and analyzes various programs

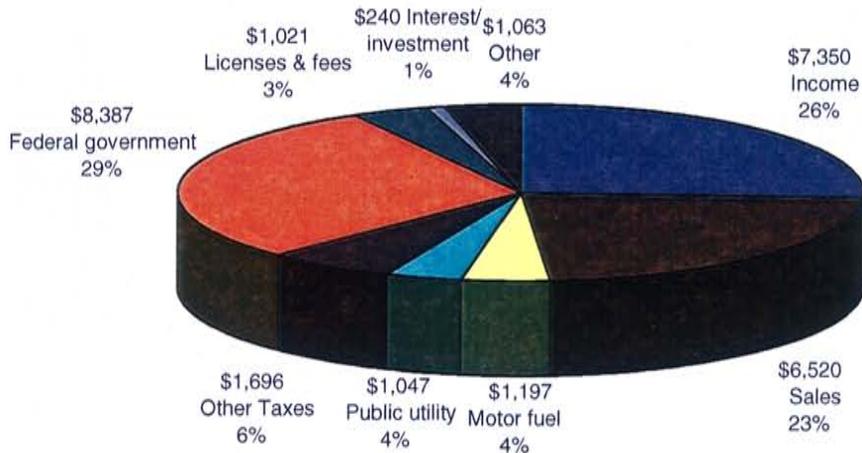
and activities. These reports are available on request.

Revenues

Revenues on the modified accrual basis are recognized when they are both measurable and available to finance current operations. Revenues (amounts expressed in millions) from various sources for fiscal years 1996 and 1995 are as follows:

Revenue Source	Amount		Percentage of Total		Increase (Decrease) from 1995	Percentage Incr (Decr) from 1995
	1996	1995	1996	1995		
Taxes:						
Income	\$ 7,350	\$ 6,862	26%	25%	\$ 488	7%
Sales	6,520	6,272	23%	22%	248	4%
Motor fuel	1,197	1,154	4%	4%	43	4%
Public utility	1,047	985	4%	3%	62	6%
Other	1,696	1,821	6%	6%	(125)	(7%)
Federal government	8,387	8,592	29%	31%	(205)	(2%)
Licenses & fees	1,021	1,001	3%	4%	20	2%
Interest/investment	240	228	1%	1%	12	5%
Other	1,063	1,032	4%	4%	31	3%
Total	\$ 28,521	\$ 27,947	100%	100%	\$ 574	2%

FY96 Governmental Fund Revenues



Fiscal year 1996 governmental funds revenues increased by \$574 million (2%) over 1995 revenues. State-imposed taxes including income, sales, motor fuel, public utility, and miscellaneous other taxes remained the largest overall revenue source for fiscal year 1996 and comprised over 62% of total State revenues.

Income Tax

Income tax revenues, the State's largest tax revenue source, increased \$488 million (7%) from fiscal year 1995. The increase is generally the result of an improved economy and resulting growth in personal and corporate income taxes.

Sales Taxes

Sales taxes remained the second largest tax revenue source for fiscal year 1996, increasing \$248 million (4%) from fiscal year 1995. The increase is due to general growth in retail sales in an improved economy.

Other Taxes

Other taxes decreased \$125 million, primarily from a reduction in the Medicaid provider assessment program and the corresponding assessment taxes.

Federal Government Revenues

Federal government revenues decreased \$205 million (2%) during fiscal year 1996 but continue as the second largest revenue source on a GAAP basis for 1996 (second only to the State-imposed taxes discussed above). The most significant decrease was at the Department of Transportation where Road Fund revenues were \$586 million, a decrease of \$279 million from 1995. The decrease is attributable to the federal highway program where revenue was "normal" after being unusually high in fiscal year 1995. Secondly, the Medicaid assessment tax program administered by Public Aid, decreased Medicaid reimbursable costs, and, in turn, federal government revenues by approximately \$111 million. Other large federal revenue fluctuations occurred as follows: Emergency Management Agency (Federal Aid Disaster-*decrease* \$54 million); Children and Family Services (Children Services' Fund-*increase* \$49 million and General Fund *increase*

of \$74 million, partly due to the Emergency Assistance Program); Public Aid (Food Stamp and Commodity Fund-*decrease* \$39 million); Student Assistance Commission (Student Loan Fund-\$29 million *decrease*); Commerce and Community Affairs (Job Training Partnership Fund-\$28 million *decrease*); and, State Board of Education (Special Education Medicaid Matching-\$27 million *increase*).

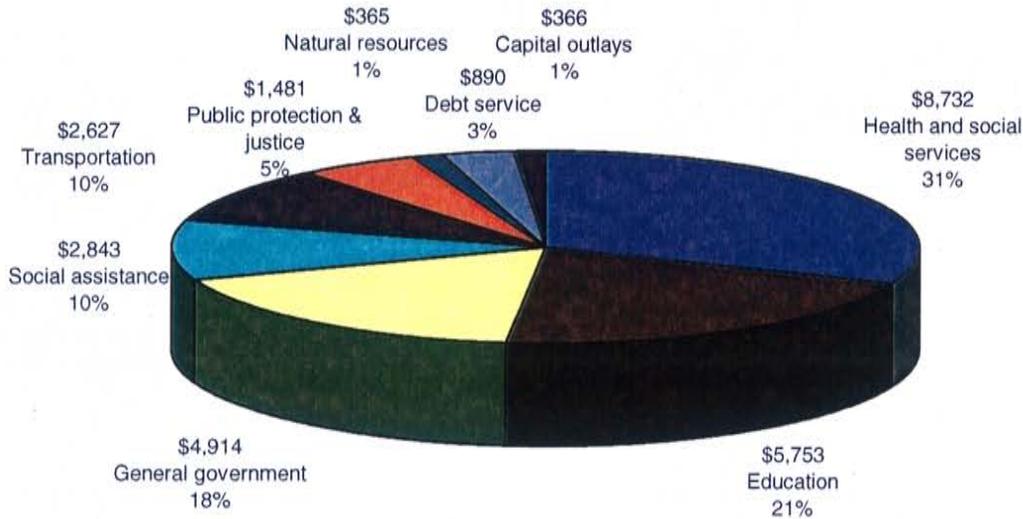
Expenditures

Expenditures for governmental fund types are presented on the modified accrual basis of accounting and are generally recognized when the liability is incurred regardless of when payment

is made. Expenditures (amounts expressed in millions) for major governmental fund functions in fiscal year 1996 and 1995 were as follows:

Expenditure Function	Amount		Percentage of Total		Increase (Decrease) from 1995	Percentage Incr (Decr) from 1995
	1996	1995	1996	1995		
Health and social services	\$ 8,732	\$ 8,624	31%	32%	\$ 108	1%
Education	5,753	5,396	21%	20%	357	7%
General government	4,914	4,568	18%	17%	346	8%
Social assistance	2,843	2,870	10%	11%	(27)	(1%)
Transportation	2,627	2,713	10%	10%	(86)	(3%)
Public protection & justice	1,481	1,434	5%	5%	47	3%
Natural resources/recreation	365	388	1%	1%	(23)	(6%)
Debt service	890	888	3%	3%	2	--
Capital outlays	366	290	1%	1%	76	26%
Total	\$ 27,971	\$ 27,171	100%	100%	\$ 800	3%

FY96 Governmental Fund Expenditures



Governmental funds expenditures of \$28 billion in fiscal year 1996 *increased* \$800 million (3%) over 1995 and were \$550 million *less than* revenues on a GAAP basis.

Health and Social Services Expenditures

Health and social services expenditures of \$8.7 billion were the largest expenditure function for

fiscal year 1996, *increasing* by \$108 million (1%) over fiscal year 1995. This expenditure function is 31% of total spending on a GAAP basis, dropping slightly from 32% in fiscal year 1995. Significant fluctuations were: Department of Mental Health-*increase* of \$310 million in General Fund expenditures primarily for payments to Medicaid recipients at intermediate care facilities; Public

Aid-decrease of \$238 in the Medicaid Provider Assessment Program (mainly hospitals); Department of Children and Family Services-increases of \$94 million in the General Fund (foster care) and \$74 million in the Children's Services Fund (ongoing efforts to improve and professionalize child welfare services).

Education Expenditures

Education expenditures were once again the second largest expenditure function in the governmental funds for fiscal year 1996. Education expenditures increased \$357 million (7%) from fiscal year 1995 on a GAAP basis.

Significant education expenditure increases reflect the budgetary emphasis on education in fiscal year 1996 as follows: State Board of Education-\$134 million increase in the General Fund, \$58 million increase in the Education Assistance Fund, and \$27 million increase in the Special Education Medicaid Matching Fund; and Teachers' Retirement System (approximately \$63 million increase in the State's contribution for retired teachers).

An education expenditure decrease occurred in the Common School Fund (an account within the General Fund) at the State Board of Education, for a decrease in general State aid or "apportionment" to local school districts (\$241 million decrease) paid from that fund. This was merely a "shifting" of appropriations between General Fund accounts, however, as total "apportionment" to local school districts increased. There was also a decrease in the Student Assistance Commission Student Loan Fund for fewer defaults on loans (\$27 million decrease) in fiscal year 1996.

General Government Expenditures

General government expenditures increased \$346 million (8%). Higher spending by the Department of Revenue was one of the contributing factors to the increase as follows: \$112 million increase in the Local Government Distributive Fund, primarily for income taxes distributed to local governments; \$66 million increase in the Personal Property Tax Replacement Fund for grants to taxing districts; and, a \$55 million increase for

more sales taxes paid to local governments reflecting higher collections in an improved economy. Department of Central Management Services General Fund support of the State's health insurance program also increased \$79 million.

Significant general government expenditure decreases occurred in 1) reduced support for the Metropolitan Pier and Exposition Authority ("McPier")-\$34 million decrease and 2) at the Department of Commerce and Community Affairs in the Job Training Partnership Program-\$29 million decrease.

Other Expenditures

Other expenditure functions remained relatively stable from fiscal year 1995 to 1996. Social assistance remained the fourth largest expenditure function on a GAAP basis, decreasing \$27 million or 1%.

Next, Transportation expenditures decreased \$86 million (3%) due to reduced construction at the Department of Transportation.

Capital outlay expenditures increased \$76 million (26%) but still constitute only 1% of total general governmental fund expenditures.

Internal Control

Each State agency's management is responsible for establishing and maintaining internal control designed to ensure that the assets of the State are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The State's internal control is 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 control in place within their agencies. The first annual certifications by State agency CEOs were due November 15, 1990. Subsequent certifications are due May 1st each year. The FCIAA also requires that certain agencies have a chief internal auditor with a specified minimum level of professional competency.

Budgetary Controls

The Comptroller's Uniform Statewide Accounting System ("CUSAS") 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. A reconciliation between the GAAP and budgetary basis of accounting is presented in Note 2 of the financial statements. The budgetary system (i.e., CUSAS) classifies funds into traditional groupings which do not conform with the fund type classifications set forth by the GASB; therefore, a reclassification of budget categories to GAAP financial statement fund types also is presented in Note 2.

Illinois currently operates with a three-month "lapse period," July 1 to September 30, during which 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 or services encumbered as of June 30 and received prior to September 30 are reported with other encumbrances as reservations of June 30 fund balances and not as liabilities or expenditures.

Investment Management

The Illinois State Treasurer is responsible for investing all cash resources of the State, with the exception of those held by the retirement systems and certain debt service, enterprise, agency, universities' and colleges' endowments and other

locally-held funds. Of the five retirement systems, three pool their resources for investment and two invest their resources under investment master trustee arrangements with individual investment managers. The universities and colleges are granted independent powers to invest their funds which are held outside the State Treasury. Interest income earned on the cash resources received and invested by the State Treasurer is allocated to the various funds (where specified by law) based on the average daily cash balances invested. A comparison of the State's investments at June 30, 1996, 1992, and 1988 is presented on page xviii.

State agencies had \$5.3 billion more invested at June 30, 1996 than at June 30, 1995. Interest and investment income increased \$1.3 billion. This increase can be attributed in large part to the State's pension systems. Their gains on investment sales increased \$1.013 billion and earnings on real estate investments increased \$144 million.

An agreement signed on July 2, 1993, between the State of Illinois and the Financial Management Service of the U. S. Treasury ("FMS") set out procedures for drawing federal funds and methods for computing interest liabilities for programs subject to CMIA 90 reporting during the first year of the Act. A follow up agreement signed on July 15, 1994, extends CMIA provisions to additional major federal programs and applies for fiscal years 1995 through 1999. Illinois submitted the CMIA Annual Report for fiscal year 1995 on January 3, 1996. Following a review of this report by the FMS, the Illinois interest liability for fiscal year 1995 was determined to be \$2.5 million and the balance was paid by the March 1, 1996 due date.

**Comparison of Investment Portfolios at June 30,
(In millions)**

Investment Type	1996		1992		1988	
	Amount	%	Amount	%	Amount	%
Corporate Equity Securities.....	\$ 8,747	24%	\$ 6,862	29%	\$ 4,576	31%
Mutual Funds.....	8,458	23%	1,508	6%	1,724	12%
U.S. Treasury & Agency Obligations	6,849	19%	4,197	18%	3,737	25%
Corporate Debt Securities.....	4,741	13%	5,160	22%	1,966	13%
Tangible Property.....	2,767	6%	2,176	9%	933	6%
Repurchase Agreements.....	3,164	9%	2,495	10%	1,665	11%
Commercial Paper.....	1,291	3%	380	2%	199	2%
Investment Contracts.....	956	3%	906	4%	-- --	-- --
Totals	<u>\$ 36,973</u>	<u>100%</u>	<u>\$ 23,684</u>	<u>100%</u>	<u>\$ 14,800</u>	<u>100%</u>

Cash Management

The State of Illinois' daily activities are operated on a "cash basis", where bills are paid with the available balances of cash on hand. The Comptroller, chief fiscal officer of the State of Illinois, maintains the State's central fiscal accounts and is responsible for ordering all payments into and out of the funds held by the State Treasurer. The State's cash flow problems improved again during fiscal year 1996. The General Fund's available balance at June 30, 1996 was \$426 million. This was \$95 million greater than the balance at June 30, 1995. The cash balance generally is affected by the same events that are discussed in the *General Governmental Functions* Section.

The General Fund includes the three school and General Revenue Fund accounts which administer about 52% of the transactions and nearly 42% of the State's annual expenditures. The General Revenue Fund is also the State's basic operating fund, funding at least a portion of the operating budgets of every major agency. All of the \$95 million improvement occurred in the General Revenue Fund account.

General Fund

Many State programs are accounted for in the General Fund. As demonstrated by the following tables on page xix (in millions), the State's GAAP basis financial position at June 30, 1996 improved from fiscal year 1995. The fund deficit in the State's General Fund decreased by \$252 million on a GAAP basis (from a deficit \$1.204 billion to a deficit \$952 million). (On the budgetary basis, there was a \$292 million fund deficit at June 30, 1996 compared to a \$341 million deficit at June 30, 1995, a \$49 million improvement).

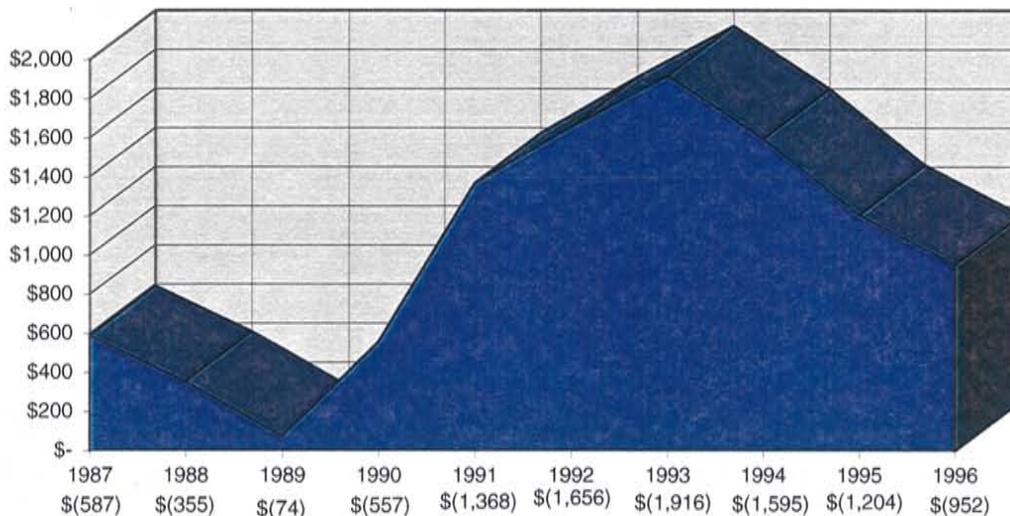
The undesignated fund deficit on a GAAP basis also decreased by \$274 million from a deficit of \$1.404 billion to a deficit of \$1.130 billion. Revenues and transfers-in exceeded expenditures and transfers-out in the General Fund by \$252 million in fiscal year 1996.

An analysis of the General Fund improvement revealed several contributing factors. A significant decrease in Medicaid payables (\$774 million) was offset by a decrease in federal government receivables for the 50% Medicaid reimbursement (\$392 million) and expenditures/transfer-out increases that outstripped revenue/transfer-in increases (\$130 million).

	Fund Balance (deficit) at June 30	**Undesignated Fund (deficit) at June 30	Excess (deficiency) of revenues over (under) expenditures and net other financing sources (uses) for the year ended June 30
1987	\$ (587)	\$ (757)	\$ (326)
1988	(355)	(511)	232
1989	(74)	(256)	281
1990	(557)	(745)	(482)
1991	(1,368)	(1,537)	(806)
1992	(1,656)	(1,825)	(306)
1993	(1,916)	(2,060)	(260)
1994	(1,595)	(1,731)	321
1995	(1,204)	(1,404)	388
1996	(952)	(1,130)	252

** The amount in fund balance available (unavailable) for appropriation.

**General Fund Deficits
FY 1987-96 (in millions)**



Expendable Trust Funds

Total revenues for the State's expendable trust funds decreased \$203 million (13%) from \$1.580 billion in fiscal year 1995 to \$1.377 billion in fiscal year 1996. Total expenditures increased \$160 million (14%) from \$1.133 billion in 1995 to \$1.293 billion in 1996.

By far the largest expendable trust fund is the State Unemployment Compensation Trust Fund ("Trust Fund"). The unemployment insurance ("UI") system is a joint state-federal program

designed to provide cash assistance to involuntarily unemployed workers regardless of need. During fiscal year 1996, the UI system provided 6.0 million weeks of benefits to laid off workers at an average weekly stipend for recipients of regular benefits of \$212. The State is responsible for determining benefit levels and eligibility criteria, and for setting State UI tax levels sufficient to pay the benefits. The federal government provides all administrative funding and mandates minimal coverage requirements. A separate federal unemployment tax is assessed by

the federal government to finance these administrative costs, provide a source of funds for states to borrow against during periods of high unemployment, and to pay the federal share of extended and emergency unemployment benefits.

Because of the solvency problems experienced with the Trust Fund in the late 1970's and early 1980's, the members of the General Assembly have worked closely with leaders of Illinois' labor and business communities to ensure the solvency of the fund for its workers while guarding against rapid growth of taxes on the employer community.

In 1987 and again in 1992, business, government, and labor set out to revisit the issues surrounding the administration of the UI system. In 1992, most of the language from the landmark 1987 legislation was carried forward. However, Illinois employers will have realized tax savings of nearly \$215 million over the life of the new agreement, while benefits to unemployed workers will steadily increase. Benefits over the life of the agreement were \$1.2 billion dollars higher through 1996 than without the renegotiation.

Current year revenues exceeded expenditures by \$40 million and the fund continues to be in a fiscally sound position, as demonstrated by its \$1.928 billion fund balance at June 30, 1996. In fact, the fiscal health of the fund was so good that the Department of Employment Security was able to decrease employer rates even though there was a \$161 million increase in expenditures.

Proprietary Funds

Proprietary funds are the State's "business-type" activities and include enterprise and internal service funds. Combined operating revenues for the State's enterprise funds were \$1.911 billion in fiscal year 1996, increasing \$113 million (6%) from fiscal year 1995. Combined operating expenses were \$1.281 billion, up \$81 million (7%) from fiscal year 1995. Most of the increase relates to the Teacher Health Insurance Security Fund administered by the Department of Central Management Services ("CMS"). This fund was established in fiscal year 1996 to finance the health benefit program for retired teachers. During the year, it generated \$90 million of operating

revenues which were offset by \$75 million of operating expenses.

The State's internal service funds which provide data processing, motor pool vehicles, telephone communications, printing services, self insurance and other services to State agencies, operated on a profitable basis for fiscal year 1996. Combined internal service funds revenues and expenses for fiscal year 1996 were \$896 million and \$721 million, respectively. This represents an increase of \$58 million (7%) in revenues and a decrease of \$112 million (13%) in expenses from fiscal year 1995 to 1996. The expenditure decrease is attributable to the Health Insurance Reserve Fund. GASB Statement 24 required that \$169 million of benefit payments, made "on behalf" of the State-sponsored university component units, be reclassified to operating transfers. If these on behalf payments are added to operating expenses, the fund actually shows *increased* expenses of \$57 million (9%).

In an effort to streamline government, the State abolished the Office Supplies Revolving Fund. CMS liquidated the fund's assets during the year and its activities were privatized. As a result, \$773 thousand was transferred to the General Fund. In many cases, privatizing government services improves efficiency and saves tax dollars.

Component Units

Universities and Colleges. Illinois operates a comprehensive program of higher education, including 9 State universities and support for a statewide network of 49 community colleges, 103 private, not-for-profit institutions, 20 proprietary institutions, and a student financial assistance program. During fiscal year 1996, university and college expenditures increased \$399 million (11%) over 1995. General Fund financial support to the State's universities increased by 5.4%, to \$1.206 billion, from fiscal year 1995 to fiscal year 1996. All of this increase is attributable to pension contributions made by the State's primary government for the universities. Such support was not reflected in the prior year financial statements, but is now required by a recent GASB pronouncement. If viewed in the same manner as

the past, general fund support to the universities decreased \$16 million (1%).

Proprietary. Certain business-type activities that are not a part of the primary government are included as component units. The largest proprietary component units in terms of assets are the Illinois Toll Highway Authority and the Illinois Housing Development Authority. Combined proprietary fund component unit operating revenues and expenses for the fiscal year were \$682 million and \$676 million, respectively. This compares to revenues of \$506 million and expenses of \$527 million for fiscal year 1995.

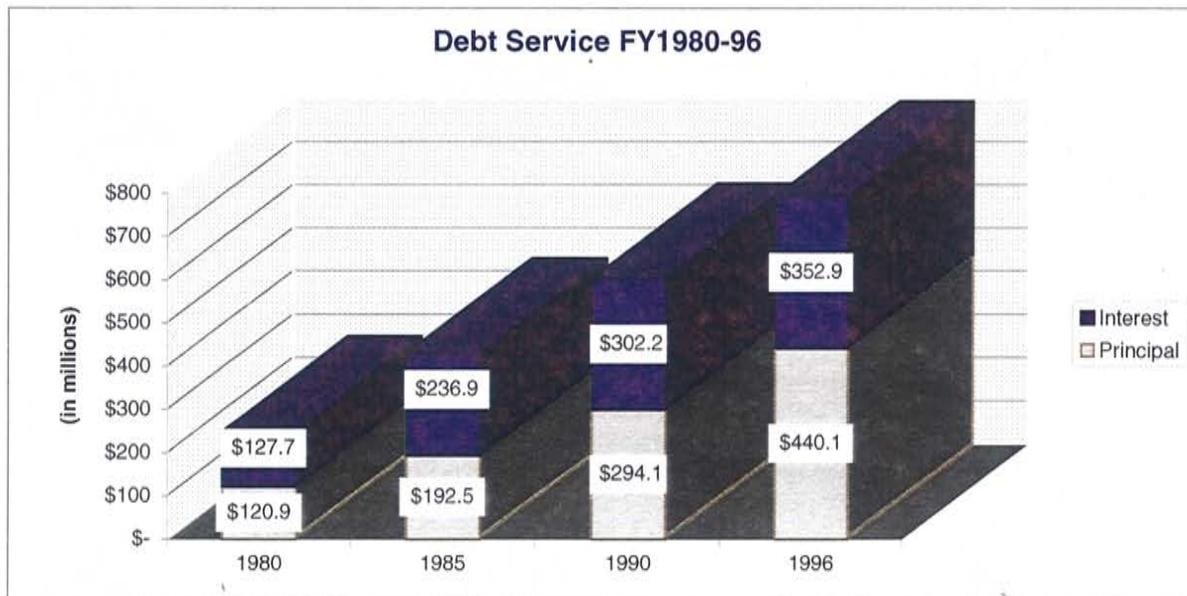
Debt Administration

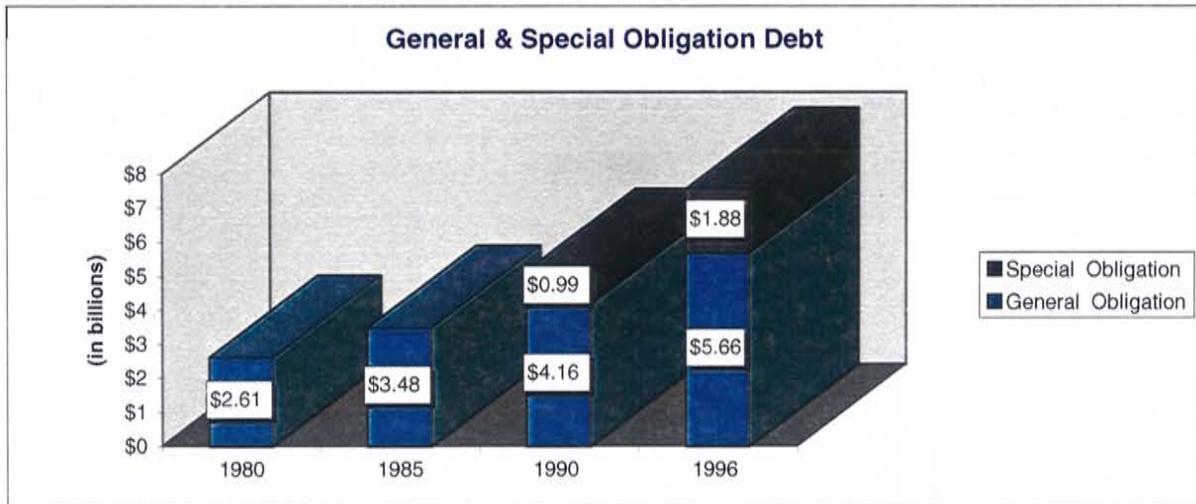
On February 3, 1995, the Illinois general obligation bond rating was lowered from "Aa" to "A1" by Moody's Investors Service. Standard & Poor's Corporation ("S & P") rating remained at "AA-". General obligation bond ratings had previously been adjusted downward in August 1992, from "Aa1" to "Aa" (Moody's) and from "AA" to "AA-" (S & P) to reflect the Illinois cash shortfall. Special obligation bond ratings remained the same, ranging from "AAA" by S & P for Build Illinois bonds to "A" by Moody's for Civic Center bonds. Among the states, Illinois

is a moderate debt state with outstanding general and special obligation bonds at June 30, 1996 totaling \$7.538 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.

General and special obligation bonds aggregating \$975 million and \$80 million, respectively, were issued during fiscal year 1996 at average interest rates ranging from 5.1% to 5.7%. During fiscal year 1995, general and special obligation bonds totaling \$650 million and \$135 million, respectively, were issued at average rates ranging from 5.9% to 6.3%. Debt service principal and interest costs of \$440.1 million and \$352.9 million, respectively were paid in fiscal year 1996.

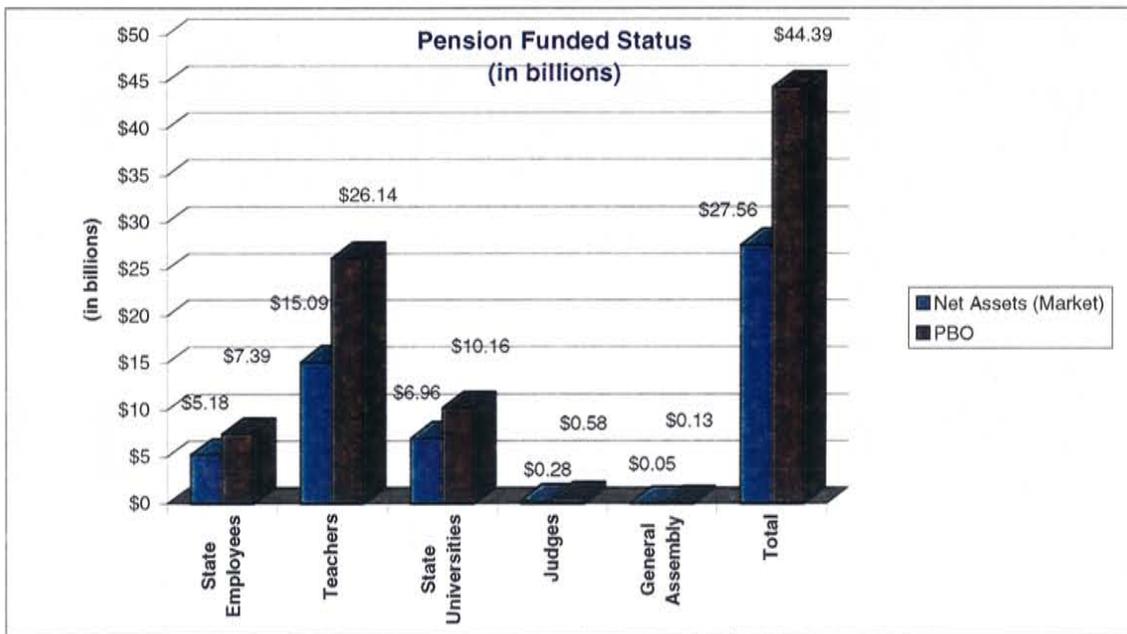
The dramatic increase since fiscal year 1980 is displayed below and on page xxii.





In addition to general and special obligation bonds, Illinois has \$4.445 billion of revenue bonds, \$104 million of notes payable and \$1.876

billion of other long-term obligations outstanding as of June 30, 1996.



Retirement Systems

Total net assets of the State's five pension trust funds, on a *market value basis*, aggregated \$27.6 billion at June 30, 1996 (\$23.6 billion at cost). The most current actuarial valuations of the pension trust funds indicated that the actuarial present value of credited projected benefits (i.e., the pension benefit obligation) was \$44.4 billion,

exceeding net assets of the funds by \$16.8 billion on a market basis (\$20.8 billion at cost). On a *market value basis*, the funding ratio for all funds combined increased to 62% at June 30, 1996 from 59% at June 30, 1995. On a cost basis, the funding ratio increased slightly to 53% at June 30, 1996 from 52% at June 30, 1995.

For many years, including fiscal year 1996 the State has not funded the pension systems in accordance with actuarially determined contribution requirements. This resulted in underfunding of GAAP pension expense by \$1.58 billion for fiscal year 1996 and by \$11 billion on a cumulative basis since 1981. During August, 1994, the Governor signed into law Public Act 88-0593. This law, which became effective July 1, 1995 (i.e., fiscal year 1996) will have a significant impact on the future of the State of Illinois' pension liability and unfunded pension obligation. This law provides for a 50-year funding plan with a 15-year phase-in and a "continuing appropriation." 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.

Risk Management

The State's risk management program encompasses a wide range of State government activities. Generally, the State has elected to retain most exposures to risk, with only limited purchase of commercial insurance. Among the exceptions are coverage for real property at the James R. Thompson Center in Chicago, the State Retirement Systems building, and the Regional State Office complex in Collinsville. Limited commercial coverage for personal property includes a small portion of the State's fleet of motor vehicles, certain telecommunications equipment, the fixed and rotary wing aircraft fleet, some State watercraft, selected items of electronic data processing equipment, a portion of the State's collection of fine art, as well as a small number of other property and liability exposures.

The State retains workers' compensation and auto liability exposures, including claims management. Other major retained risks include employee fidelity and surety, as well as general liability. The State's risk management program also includes legal representation and indemnification of employees sued for violation of civil and

constitutional rights and other tort liabilities while acting in an official capacity.

MAJOR INITIATIVES

For the Year. Major initiatives for the year generally reflect the priorities set in the budgetary process. Education, welfare reform, and prisons were some of the "initiatives" mandated by the General Assembly for fiscal year 1996. Other initiatives are less visible but are nonetheless important to state government. Some initiatives undertaken by the State are discussed below.

Receivables Reporting

The Comptroller's Office has reported gross receivables of \$5.8 billion at June 30, 1996, for statutory compliance reporting. Of that amount, over \$2.6 billion (46%) was estimated as uncollectible. Of the net receivable (\$3.2 billion), \$2.9 billion is over 180 days past due. The Comptroller's Office will use recently enacted legislation to improve debt collection in Illinois. (See "House Bill 2251", below). Also, the Comptroller has initiated efforts to benchmark State agencies collection efforts and report the results of those efforts. The Comptroller's Office is also supportive of legislation to allow State agencies the capability to write off debts up to \$5,000 without certification by the Attorney General's Office.

House Bill 2251

On July 11, 1996, House Bill 2251 was signed into law. This package of fiscal tools will have an important impact on State government budgeting, spending, revenue and debt collection practices. A major component of the bill is the reduction of the State's "lapse period", the time following the end of the fiscal year used for paying bills incurred by June 30th. This legislation reduces the lapse period from 3 months to 2, ending the practice of allowing fifteen months of State spending out of twelve months of revenue. The State will be able to close its books sooner, allowing more timely financial reporting to State lawmakers, policy makers and other users.

The legislation also requires professional and artistic and certain other contractual services to meet the "GAAP" definition of a liability in order to be paid during lapse period. That is, the services must be both *contracted and performed by June 30* to be paid from the expiring appropriation.

Another major focus of the legislation is management of debt collection activities. Under the new legislation's last call provisions, the Debt Collection Board is establishing timetables and procedures for uncollected debt that is not subject to a repayment plan. These new measures will assist State agencies in doing a better job of bringing in delinquent dollars.

Pension Legislation

The State's pension liability for the five state sponsored retirement systems recorded in the General Long-Term Obligations Account Group at June 30, 1996 was over *\$11 billion*. This is the amount recorded since the State started reporting on a GAAP basis in 1981. Another measure of the pension liability, the unfunded pension benefit obligation, is based on actuarial data and is disclosed in the note 10 of the financial statements as *nearly \$21 billion* at June 30, 1996.

P.A. 88-0593, effective for fiscal year 1996, provides for a systematic 50 year funding plan with an ultimate goal to fund the cost of maintaining and administering the pension systems at an actuarial funded ratio of 90%. The legislation allows for a 15 year funding phase-in period and establishes a "continuing" appropriation, removing the appropriation of these funds from the annual budgetary process and requiring "automatic" funding in accordance with the actuarial amounts. The Comptroller's Office considers this a positive step and will monitor compliance with this new law.

State Agency Consolidations

In an effort to simplify organizational structure, improve accountability, increase accessibility, and to achieve efficiency and effectiveness in operation, several State agencies were restructured during fiscal year 1996. The consolidations were

accomplished by "Executive Orders" and statutory law as explained below.

1. Executive Order Number 2 (1995), effective July 1, 1995, changed the name of the Department of Conservation to the Department of Natural Resources and transferred to it various rights, powers, duties and functions of the Department of Natural Resources ("ENR"), the Department of Mines and Minerals, the Abandoned Mined Lands Reclamation Council and the Division of Water Resources of the Department of Transportation. Other divisions of ENR and Conservation were transferred to the Department of Commerce and Community Affairs, Environmental Protection Agency, and Historic Preservation Agency.

2. Effective January 1, 1996, the governance and control of the Board of Governors of State Colleges and Universities ("BOG") and the Board of Regents ("BOR") was transferred to the individual universities that were formerly part of those boards (except for Sangamon State University ("SSU") which became part of the University of Illinois). The legislation abolishes the BOG and BOR and with the SSU merger, eliminates three State agencies.

3. Executive Order Number 1 (1996), effective June 1, 1996, changed the name of the Commissioner of Banks and Trust Companies to the Office of Banks and Real Estate and transferred to it the rights, powers, duties, and functions of the Office of Commissioner of Savings and Residential Finance.

4. The State Community College of East St. Louis was abolished as a State agency effective July 1, 1996 (110 ILCS 805/4-1) and established as a self-governing community college.

For the Future. Statewide accounting changes, education, corrections, devolution of federal programs and human services reorganization are some of the areas where future initiatives are anticipated. These future initiatives are discussed below.

Statewide Accounting Management System (“SAMS”)

SAMS will replace the Comptroller’s Uniform Statewide Accounting System (“CUSAS”) on July 1, 1997. Initially, the conversion will be as transparent as possible to other State agencies. After the initial year, agencies will see additional changes as the Comptroller’s Office begins to take full advantage of the capabilities of the new system. Some of these capabilities include electronic report delivery, electronic commerce, information warehouse queries, electronic data interchange, electronic benefits transfer, and use of the Internet and World Wide Web.

Year 2000

One immediate benefit of SAMS will be that it provides a solution to the year 2000 problem. This is a common issue all organizations must address related to their computer systems. As a space saving convention, most computer systems have been developed using a two digit fiscal year. When the year 2000 arrives, these systems will not be able to accommodate the four positions needed to specify the new millennium. The cost for the State to convert 85 separate accounting and information systems is astronomical and it becomes more expensive as time progresses. This represents a large, unplanned expenditure that State agencies must quickly address.

Education

During the 1996 school year, 1.886 million students were enrolled in Illinois public elementary and secondary schools. The State Board of Education projects that public school enrollments will increase to 1.944 million pupils by the 2005 school year. With increasing enrollment and the need for a more educated work force, State funding for education is a critical issue. The Governor’s Commission on Education Funding has recommended that the State provide at least 50% of funding for public elementary and secondary education while at the same time providing substantial local property tax relief. Implementing the Commission’s recommendations will be a challenge considering the State’s share of education funding was 32% in school year 1995-96.

Corrections

The Department of Corrections predicts that its current adult capacity “ceiling” of 41,314 prison inmates will be exceeded in fiscal year 1997. Prison overcrowding will be exacerbated when the prisons begin to feel the effects of the new Truth-in-Sentencing law. The law requires murderers and those convicted of other serious crimes to serve all or most of their court-imposed sentences. The Department of Corrections estimates that Truth-in-Sentencing will cost the State \$320 million over the next ten years. These costs may be mitigated if the State can develop new alternatives for prison housing.

Devolution of Federal Programs

As the federal government continues to downsize, the State stands to inherit the responsibility for programs that used to be administered from Washington. While devolution will most likely result in more effective programs, there is a danger. If the federal government transfers programs to the State without returning a sufficient amount of tax dollars to adequately pay for them, the State’s finances will suffer.

Superagency

Planning efforts continue to combine the State’s human services agencies. The State will gain many operating efficiencies when the merger becomes a reality. One example is a common information services system. This will enable the State to use a single point of entry to collect data once from each person who may use multiple programs. Such uses of technology allow the State to do more with less.

Receivables

With an increasing demand for State resources, the State must manage the resources it has in a smarter fashion. Receivables, money owed the State, is an often overlooked resource. The Comptroller’s Office is sponsoring several initiatives to improve receivables management. One of these initiatives would require agencies to submit receivables to the Comptroller’s Offset system more quickly. Another will require agencies to transfer old debts to a Debt Collection Board which can either collect the debt, write it off, or return it to the agency.

ECONOMIC AND FISCAL OUTLOOK

ECONOMIC OUTLOOK

Growth in foreign trade offers Illinois companies extraordinary opportunities for new sales, but opens Illinois markets to a World full of opportunistic foreign companies. The true test of an economy's competitiveness is how well it meets this international competition. Once derogatively referred to as part of the rust belt, Illinois has instead developed a dynamic economy that is a serious world trade participant.

Home to such major exporters as Caterpillar, Motorola, and Abbott Labs, Illinois exports totaled \$30.5 billion during 1995 - fifth highest among the states. And Illinois exports have grown rapidly in recent years. The value of Illinois exports increased 49.8% between 1993 and 1995 which was the ninth largest rate of increase among the states.

Manufacturing exports were led by industrial machinery and computers with \$7.7 billion in exports in 1995 followed closely by electric and electronic equipment (\$6.8 billion). Four other manufacturing sectors also had exports valued over \$1 billion including chemical products (\$4.2 billion), transportation equipment (\$2.0 billion), food products (\$1.7 billion), and scientific and measuring instruments (\$1.3 billion).

Illinois also ranked third in agricultural export sales in 1995 with total agricultural exports valued at \$3.4 billion. Specialization in corn and soybean production is reflected in Illinois' rank as the second largest exporter of each crop.

Illinois' success in international trade has been based on technical expertise and a strong resource base rather than low labor costs as the state has maintained its position as one of the country's wealthiest states. Illinois per capita income during fiscal year 1996 stood at \$25,847, 8.5% or \$2,035 greater than the national average.

The Illinois economy takes advantage of its many natural strengths. During 1995 the state was the second largest producer of corn and soybeans and the third largest producer of hogs. Illinois agri-business has developed to add value to these products. Illinois is the number one ethanol producer among the states, and with such major Illinois companies as Archer Daniels Midland and A.E. Staley (both headquartered in Decatur, the soybean capital of the world), produces a wide variety of specialized products based on corn and soybeans.

Illinois continues to be home to major producers of heavy equipment including agricultural equipment (such as the Deere plants in the Quad Cities), construction equipment (Caterpillar, which is based in Peoria and is the world's largest earth moving equipment company), and machine tools (a specialty of the Rockford area). Although manufacturing payrolls have been trimmed in recent years, an average of 974,000 Illinoisans held manufacturing jobs during fiscal year 1996.

Illinois' central location makes it the logical transportation hub for the nation. As home to O'Hare airport, the nation's largest, and excellent highway and railroad networks, the low distribution costs from basing an operation in Illinois allows for the continued generation of new jobs in transportation and merchandising. During fiscal year 1996, 327,000 Illinoisans were employed in the transportation, communications, and public utilities sector, while 1.3 million were employed in wholesale and retail trade.

The state's role as the central distribution point for agricultural commodities caused it to develop as the world's leading futures market. Illinois continues to be a national leader in financial industries such as banking, derivatives trading, and insurance and is corporate headquarters for many of the country's leading companies. During fiscal year 1996, finance, insurance, and real estate employed an average of 384,000 Illinoisans.

As home to 40 of the Fortune 500 companies, Illinois ranked third among the states, trailing only New York and California.

Maintaining its reputation for technical innovation, Illinois is home to major government research laboratories such as the Argonne National Laboratory and the Fermi National Accelerator Lab, major private research labs such as those operated by Amoco Oil and Tellabs, major private universities including Northwestern University and the University of Chicago, and the state's network of nine public universities including the University of Illinois, home of the Beckman Institute. The brainpower generated from these institutions continues to make Illinois a major center for technological advancement and a logical location for the production of advanced products.

Forecast for the Future

The most recent economic forecast for the Illinois economy prepared by the consulting firm of DRI/McGraw-Hill sees Illinois employment growing at an annual rate (1.2%), slightly below the national average through 2001. Across the nation, employment growth is estimated at between 1.5% and 1.6% during the same period. The study notes that the Midwest economy, including Illinois, has benefited from the continuing emergence of high-tech manufacturing activities.

The longer term forecast expects continued growth in the Illinois economy, particularly in the service and trade sectors. Between 1996 and 2012, Illinois is expected to add 894,000 jobs, a 16% increase. Over 550,000 of these new jobs are expected to be in services where employment is expected to increase 34.6%. An additional 207,000 new jobs are expected in retail and wholesale trade for a 15.4% increase. In contrast, manufacturing employment is expected to decline by 68,000 jobs or 7.0% over the next sixteen years.

The long term forecast is vulnerable to unexpected economic fluctuations. Traditionally, the Illinois economy, with its emphasis on durable manufacturing, has been extremely sensitive to the business cycle. However, the increased emphasis on services and finance in the Illinois economy and better control over inventories by manufacturers are likely to reduce the impact of economic downturns on Illinois.

Long-Term Demographic Trends

The steady increase in the Illinois population is expected to continue into the twenty-first century. U.S. Census Bureau estimates released in 1996 predict that the Illinois population will increase from 11.5 million in the 1990 census to 13.1 million in 2020.

However, a significant increase in the percentage of older Illinoisans may have an impact on the types of services demanded from state government. In 1970, 9.8% of the Illinois population was age 65 or over. In 1995, this group had increased to 12.5% of the Illinois population. The Census Bureau projection for 2020 is for 14.9% of the Illinois population to be age 65 or older. In contrast, the share of Illinoisans in the 18 to 64 group is expected to drop from 61.0% to 60.1% and the share of Illinoisans in the 17 or under group is expected to drop from 26.4% to 25.0% between 1995 and 2020.

FISCAL OUTLOOK

For the third consecutive year the state's General Fund GAAP balance improved, rising from a \$1.204 billion deficit in 1995 to a \$952 million deficit in 1996. Fiscal year 1996 also marked the fourth straight year of improvement in the state's General Funds budgetary balance (measured on a cash basis) as the balance rose from a \$341 million deficit in fiscal year 1995 to a \$292 million deficit in 1996.

The state's daily cash availability also improved. Building on the progress of the prior three years, overdue payables from the General Funds were reduced steadily throughout the year. Although payment delays were still commonplace, those delays were shorter than during the previous five years.

The GAAP and cash basis improvements were made possible by two factors. First, due to the continued strength of the economy, Illinois' General Funds saw an increase of \$934 million or 5.5% in "base" revenue (total revenue excluding short-term borrowing) in fiscal year 1996 - the third largest increase on record. Second, the state

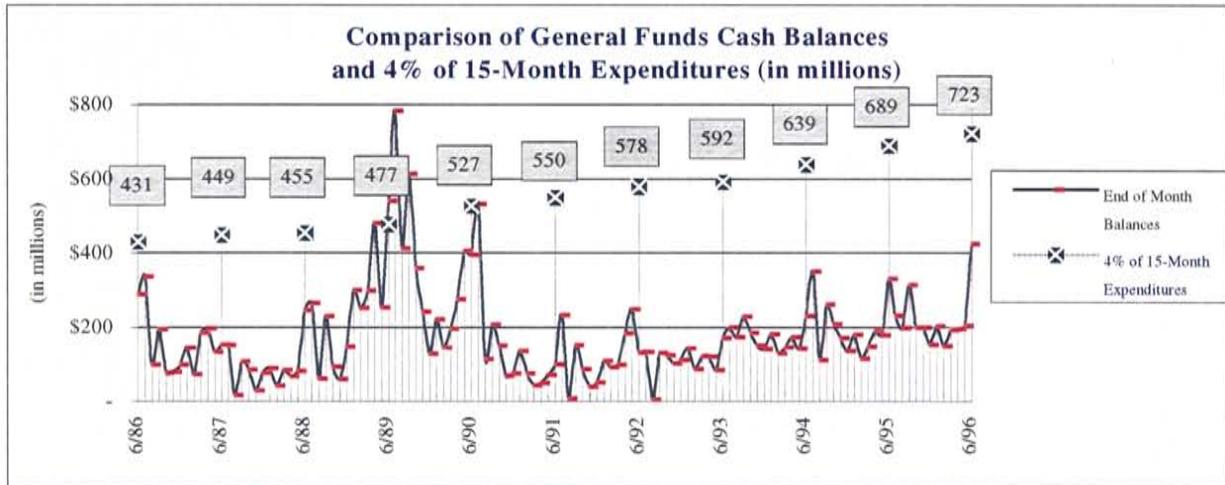
was able to significantly reduce the level of unpaid Medicaid bills carried over from the prior year. This marks the second year in a row that such liabilities were reduced.

Between 1994 and 1995, Section 25 General Fund liabilities payable out of future year appropriations declined by \$451 million. Of that amount, \$8 million was attributable to the state's group health insurance program for employees, retirees, and their dependents administered by the Department of Central Management Services. The remaining \$443 million reduction in liabilities can be traced to the Medicaid program.

In 1996, Section 25 deferrals dropped by \$648 million. While deferrals for group health insurance grew \$87 million, Medicaid deferrals fell by \$737 million. This brings the two year reduction in the Medicaid deficit to a remarkable \$1.180 billion, reflecting the cumulative impact of increased appropriations, program cuts and an extended freeze on reimbursement rates.

While there have been improvements across a broad spectrum, the fact that Illinois still has both GAAP and budgetary deficits as well as persistent problems in paying bills in a timely manner suggests that there is room for further improvement. Although the magnitude of needed improvement may be subject to debate, a comparison to benchmarks suggested by the financial community is useful in placing the state's fiscal health in perspective.

Those involved in evaluating the fiscal health of governments generally believe that the ability to maintain working balances in the range of 4%-5% of 15-month budgetary expenditures indicates a strong fiscal position. As evident in the chart on page xxix, the state's General Funds end-of-month balances have not been near the 4% threshold since fiscal year 1990.



In order to continue to improve its fiscal health, the state faces several challenges. To build balances to more acceptable levels and reduce overdue bills, resources must continue to be directed to these purposes. This will not be easy. The ability to allocate resources will be constrained on one hand by revenue growth and on the other by the competing budgetary needs of programs such as education and those administered by the Departments of Mental Health, Corrections, Children and Family Services and Public Aid.

Since revenue growth will mirror the strength of the economy, the record revenue growth of fiscal years 1995 and 1996 is not likely to be repeated in the near future. In fact, fiscal year 1997 General Funds base revenue growth is currently estimated at \$724 million, \$210 million less than in fiscal year 1996 and barely more than half the 1995 increase.

Although Section 25 deferred liabilities appear to be largely under control, continued efforts will be required to keep deferrals from again becoming a budgetary black hole. This is especially applicable to the Medicaid program.

The size, scope and demographics of Medicaid are not static but are driven by several dynamic factors. Advances in medicine have resulted in new and beneficial, but often extremely costly treatments. The aging of the population in general, and in Illinois in particular, means that one of the fastest growing and most expensive to

treat segments of the population will exert even stronger influence on the demand for health care services. In addition, fundamental changes in the Medicaid program at the federal level will have a profound effect on the state's budget. All of these pressures and more will also result in significant changes in the way health care services are both paid for and delivered.

Future budgets will also have to address longer-term issues, particularly funding for the state's pension systems. In the past, adequate pension funding was deferred to future years in order to make room in the annual budgets for other more immediate program needs. With the enactment of P.A. 88-593, Illinois began to seriously address its public pension funding problems in fiscal year 1996.

Unlike past funding legislation which was largely ignored in the budget process, one of the key provisions of the new law provides the Comptroller with continuing appropriation authority to make sure that required pension contributions are made each year. In fiscal year 1996, the first year of the new funding legislation, state employer contributions totaled \$552 million in accordance with the funding plan. Assuming no increase in pension benefits and also assuming that the law is not changed to allow the funding plan to be deferred, the state's annual contribution is estimated to nearly double to \$1.1 billion over the next five years.

Independent Audit

The Illinois Auditor General has elected to perform a "department by department" single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-128, Audits of State and Local Governments, and, for State universities, Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions. Separate departmental financial reports for those State agencies subject to the Single Audit Act include the schedule of federal financial assistance, findings and recommendations, and the auditor's reports on internal control and compliance with applicable laws and regulations. The Illinois Auditor General has performed an audit of the accompanying general purpose financial statements in accordance with generally accepted auditing standards, and his unqualified opinion is presented herein.

Certificate of Achievement

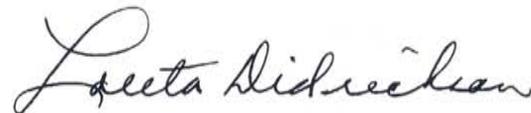
The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Illinois for its comprehensive annual financial report ("CAFR") for the fiscal year ended June 30, 1995. This is the twelfth consecutive year that the State has received this prestigious award in governmental financial reporting. In order to be awarded a Certificate of Achievement, the State of Illinois published an easily readable and efficiently organized CAFR whose contents conform to program standards. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

We believe our current report continues to conform to the Certificate Program's requirements. I will be submitting this report to the GFOA to determine its eligibility for another certificate.

Acknowledgments

I would like to thank and recognize my financial reporting staff, the Auditor General's Office and all State agencies who cooperated with this year's GAAP financial statement process. The timely completion of this year's CAFR would not have been possible without this exceptional cooperative effort and you are to be commended for your hard work.

Sincerely,



Loleta Didrickson
Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1995

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.



Arthur R. Lynch
President

Jeffrey L. Essler
Executive Director

Illinois State Government

Legislative Branch

House of Representatives
118 Rep's

Senate
59 Senators

Auditor General
William G. Holland

Secretary of State
George H. Ryan

Treasurer
Judy Baar Topinka

Lieutenant Governor
Bob Kustra

Legislative Support Agencies

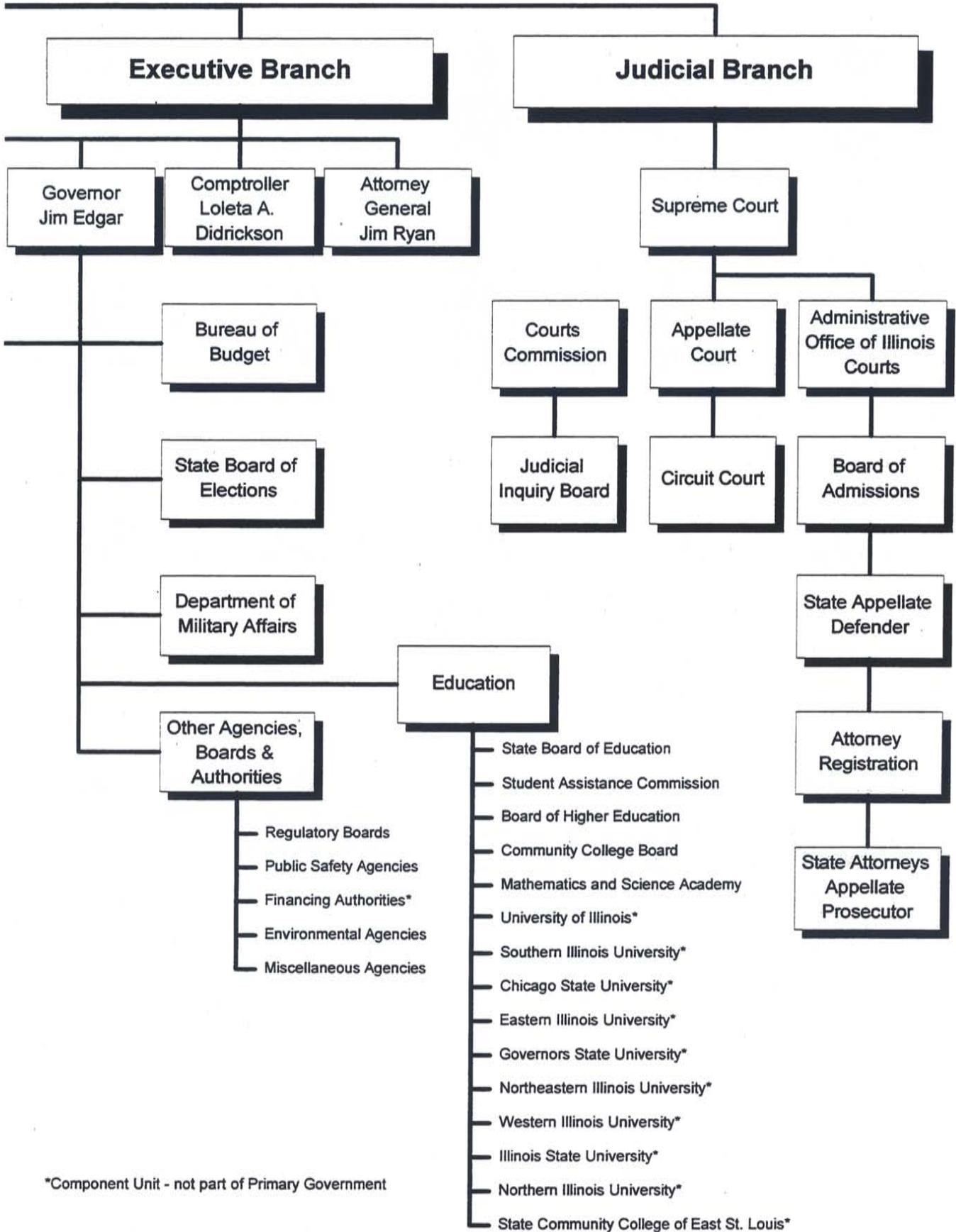
- Joint Committee on Legislative Support Services
- Joint Committee on Administrative Rules
- Economic and Fiscal Commission
- Commission on Intergovernmental Cooperation
- Legislative Audit Commission
- Legislative Information System
- Legislative Printing Unit
- Legislative Research Unit
- Legislative Reference Bureau
- Legislative Space Needs Commission
- Citizens Assembly

Pension Systems

- General Assembly
- Judges
- State Employees
- State Universities
- Teachers

Civil Administrative Code Departments

- Aging
- Agriculture
- Alcoholism and Substance Abuse
- Central Management Services
- Children and Family Services
- Commerce and Community Affairs
- Corrections
- Employment Security
- Financial Institutions
- Human Rights
- Insurance
- Labor
- Lottery
- Mental Health
- Mines and Minerals
- Natural Resources
- Nuclear Safety
- Professional Regulation
- Public Aid
- Public Health
- Rehabilitation Services
- Revenue
- State Police
- Transportation
- Veterans' Affairs



*Component Unit - not part of Primary Government

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FINANCIAL SECTION

The Financial Section which follows includes the auditor's report, the general purpose financial statements and the combining and individual fund and account group statements and schedules.



STATE OF ILLINOIS
WILLIAM G. HOLLAND
AUDITOR GENERAL

Honorable James "Pate" Philip, President of the Senate
Honorable Lee A. Daniels, Speaker of the House
Members of the General Assembly
Honorable Jim Edgar, Governor
Honorable Loleta Didrickson, Comptroller

We have audited the accompanying general-purpose financial statements of the State of Illinois as of and for the year ended June 30, 1996 as listed in the foregoing Table of Contents for Section II. These general-purpose financial statements are the responsibility of the State's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements listed in the foregoing Table of Contents for Section II present fairly, in all material respects, the financial position of the State of Illinois as of June 30, 1996, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and budgetary schedules, listed in the Table of Contents for Section II, are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the State of Illinois. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

The statistical and economic data listed in the Table of Contents for Section III were not audited by us, and accordingly, we do not express an opinion thereon.

William G. Holland

WILLIAM G. HOLLAND
Auditor General
State of Illinois

Springfield, Illinois
December 31, 1996

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GENERAL PURPOSE FINANCIAL STATEMENTS

General Purpose Financial Statements provide a summary overview of the financial position of all funds and account groups and of the operating results by fund type. They also serve as an introduction of the more detailed statements and schedules that follow.

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State of Illinois

Combined Balance Sheet - All Fund Types, Account Groups
and Discretely Presented Component Units

June 30, 1996 (Expressed in Thousands)

	Governmental Fund Types				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
ASSETS AND OTHER DEBITS						
Assets:						
Cash and cash equivalents	\$ 599,406	\$ 1,886,433	\$ 215,354	\$ 258,057	\$ 83,380	\$ 70,490
Investments	66,047	251,222	287,895	36,749	116,246	
Receivables, net:						
Taxes	727,303	331,342				
Intergovernmental	487,269	1,168,794	2	5,016	7,762	354
Other	147,355	119,382	2,129	85	32,756	2,054
Due from other funds	205,879	297,788			16,351	144,720
Due from component units	27,623	950		8,632		5,273
Due from primary government						
Inventories	24,875	40,179			6,605	12,537
Prepaid expenses					534	431
Loans and notes receivable	50,259	47,902	25,500		706,948	
Restricted assets (\$144,749 cash equivalents)					287,063	108
Property, plant and equipment, net					4,428	39,042
Other assets	9,285	195,581			3	
Other debits:						
Amount available in debt service funds for:						
Retirement of general obligation bonds						
Retirement of special obligation bonds						
Retirement of other obligations						
Amount to be provided for:						
Retirement of general obligation bonds						
Retirement of special obligation bonds						
Retirement of other obligations						
Pension liabilities						
Total assets and other debits	\$ 2,345,301	\$ 4,339,573	\$ 530,880	\$ 308,539	\$ 1,262,076	\$ 275,009
LIABILITIES, EQUITY and OTHER CREDITS						
Liabilities:						
Accounts payable and accrued liabilities	\$ 1,857,024	\$ 480,710		\$ 75,225	\$ 55,846	\$ 153,249
Intergovernmental payables	818,682	919,454		9,209	4	102
Due to other funds	300,111	303,731	\$ 10	719	5,045	3,348
Due to component units	151,153	18,922	884	42		7
Due to primary government						
Deferred revenues	169,646	269,982		6,511	10,256	
Liabilities payable from restricted assets						
Depository and other liabilities		984	224		20,103	21,258
Notes payable					95,954	
Accrued retirement costs						
General obligation bonds payable					859,348	
Special obligation bonds payable						
Revenue bonds payable						
Other obligations					74,834	10,928
Total liabilities	3,296,616	1,993,783	1,118	91,706	1,121,390	188,892
Equity and other credits:						
Contributed capital						18,960
Investment in fixed assets						
Retained earnings:						
Reserved					93,294	
Unreserved					47,392	67,157
Fund balances (deficits):						
Reserved for:						
Encumbrances	104,878	1,489,062		395,751		
Unemployment compensation benefits						
Net assets available for plan benefits						
Other	73,490	785,850	25,500			
Unreserved:						
Designated			504,262			
Undesignated	(1,129,683)	70,878		(178,918)		
Total equity (deficit) and other credits	(951,315)	2,345,790	529,762	216,833	140,686	86,117
Total liabilities, equity and other credits	\$ 2,345,301	\$ 4,339,573	\$ 530,880	\$ 308,539	\$ 1,262,076	\$ 275,009

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

Fiduciary Fund Type	Account Groups		Total (Memorandum Only) Primary Government	Component Units	Total (Memorandum Only) Reporting Entity
	Trust and Agency	General Fixed Assets			
\$ 4,371,804 27,324,775			\$ 7,484,924 28,082,934	\$ 635,063 1,683,212	\$ 8,119,987 29,766,146
311,286			1,369,931		1,369,931
12,720			1,681,917	61,995	1,743,912
1,222,098			1,525,859	161,867	1,687,726
35,690			700,428	41,415	741,843
3,132			45,610		45,610
				171,066	171,066
			84,196	48,211	132,407
			965	37,026	37,991
			830,609	1,653,537	2,484,146
			287,171	389,477	676,648
22,209	\$ 4,588,214		4,653,893	6,911,058	11,564,951
933,437			1,138,306	94,111	1,232,417
		\$ 367,221	367,221		367,221
		132,098	132,098		132,098
		4,943	4,943		4,943
		5,289,308	5,289,308		5,289,308
		1,748,894	1,748,894		1,748,894
		1,635,099	1,635,099		1,635,099
		11,026,202	11,026,202		11,026,202
\$ 34,237,151	\$ 4,588,214	\$ 20,203,765	\$ 68,090,508	\$ 11,888,038	\$ 79,978,546
\$ 679,818			\$ 3,301,872	\$ 620,661	\$ 3,922,533
2,483,540			4,230,991	2,852	4,233,843
87,464			700,428	41,415	741,843
58			171,066		171,066
				45,610	45,610
2,328			458,723	70,640	529,363
				28,423	28,423
5,433,028			5,475,597	165,594	5,641,191
			95,954	8,234	104,188
		\$ 11,026,202	11,026,202		11,026,202
		5,656,529	5,656,529		5,656,529
		1,880,992	1,880,992		1,880,992
15,019			874,367	3,570,659	4,445,026
			1,640,042	150,523	1,876,327
8,701,255		20,203,765	35,598,525	4,704,611	40,303,136
			18,960	33,530	52,490
	\$ 4,588,214		4,588,214	4,553,962	9,142,176
			93,294	277,289	370,583
			114,549	1,278,005	1,393,554
295			1,989,986	58,211	2,048,197
1,927,945			1,927,945		1,927,945
23,584,663			23,584,663		23,584,663
1,312			886,152	1,024,055	1,910,207
			504,262	9,657	513,919
21,681			(1,216,042)	(52,282)	(1,268,324)
25,535,896	4,588,214		32,491,983	7,183,427	39,675,410
\$ 34,237,151	\$ 4,588,214	\$ 20,203,765	\$ 68,090,508	\$ 11,888,038	\$ 79,978,546

State of Illinois

Combined Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances - All Governmental Fund Types, Expendable Trust Funds and Discretely Presented Component Units

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Governmental Fund Types				Fiduciary	Total
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	(Memorandum Only) Primary Government
REVENUES						
Income taxes	\$ 6,723,196	\$ 627,090				\$ 7,350,286
Sales taxes	4,755,462	1,764,859				6,520,321
Motor fuel taxes		1,197,288				1,197,288
Public utility taxes	821,718	225,302				1,047,020
Other taxes	1,237,935	457,624			\$ 1,205,838	2,901,397
Federal government	4,092,054	4,293,423	\$ 395	\$ 647	23,366	8,409,885
Licenses and fees	87,939	932,588	231			1,020,758
Interest and other investment income	136,297	65,783	35,493	2,219	111,926	351,718
Other	462,817	578,049	4,509	18,125	35,856	1,099,356
Total revenues	18,317,418	10,142,006	40,628	20,991	1,376,986	29,898,029
EXPENDITURES						
Current:						
Health and social services	7,660,746	1,070,964			361	8,732,071
Education	4,501,929	1,189,886		60,978		5,752,793
General government	1,061,247	3,826,734	403	25,946	3,005	4,917,335
Social assistance	1,426,459	1,416,404			1,288,811	4,131,674
Transportation	28,801	2,417,543		180,826		2,627,170
Public protection and justice	1,184,700	296,258			455	1,481,413
Natural resources and recreation	111,130	213,084		40,448	186	364,848
Debt service:						
Principal	11,456	4,179	440,715			456,350
Interest	59,444	19,142	355,001			433,587
Capital outlays	73,894	85,251		207,083	290	366,518
Total expenditures	16,119,806	10,539,445	796,119	515,281	1,293,108	29,263,759
Excess (deficiency) of revenues over (under) expenditures	2,197,612	(397,439)	(755,491)	(494,290)	83,878	634,270
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
Proceeds from notes and general/special obligation bond issues				728,944		728,944
Proceeds from general/special obligation bond refunding issues			318,040			318,040
Operating transfers-in	1,161,512	2,342,386	888,191	281	2,678	4,395,048
Operating transfers from component units		18				18
Operating transfers-out	(1,894,581)	(1,796,200)	(46,252)	(8,635)	(44,807)	(3,790,475)
Operating transfers to component units	(1,234,593)	(46,474)		(121,679)		(1,402,746)
Capital lease financing	21,906	4,505				26,411
Proceeds from certificates of participation				90,052		90,052
Payment to refunded bond escrow agent			(318,040)			(318,040)
Net other sources (uses) of financial resources	(1,945,756)	504,235	841,939	688,963	(42,129)	47,252
Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources	251,856	106,796	86,448	194,673	41,749	681,522
Fund balances (deficit), July 1, 1995, as previously reported	(1,203,944)	2,317,544	444,198	21,276	1,905,791	3,484,865
Restatement/reclassification of fund balances		(78,550)	(884)	884	363	(78,187)
Fund balances (deficit), July 1, 1995, as restated	(1,203,944)	2,238,994	443,314	22,160	1,906,154	3,406,678
Residual equity transfers-in	773					773
FUND BALANCES (DEFICIT), JUNE 30, 1996	\$ (951,315)	\$ 2,345,790	\$ 529,762	\$ 216,833	\$ 1,947,903	\$ 4,088,973

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

Component Units	Total (Memorandum Only) Reporting Entity
--------------------	--

	\$ 7,350,286
	6,520,321
	1,197,288
	1,047,020
\$ 18,819	2,920,216
20,701	8,430,586
169	1,020,927
1,245	352,963
6,891	1,106,247
47,825	29,945,854

1,310	8,733,381
206	5,752,999
15,616	4,932,951
53	4,131,727
	2,627,170
	1,481,413
151	364,999
4	456,354
12	433,599
29	366,547
17,381	29,281,140
30,444	664,714

	728,944
	318,040
	4,395,048
	18
(10,726)	(3,801,201)
	(1,402,746)
	26,411
	90,052
	(318,040)
(10,726)	36,526

19,718	701,240
29,184	3,514,049
78,187	--
107,371	3,514,049
	773
\$ 127,089	\$ 4,216,062

State of Illinois

Combined Statement 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 (See Note 2)

For the Year Ended June 30, 1996 (Expressed in Thousands)

	General Funds			Highway Funds		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES						
Income taxes	\$ 6,466,000	\$ 6,646,811	\$ 180,811			
Sales taxes	4,900,000	4,798,415	(101,585)			
Motor/fuel taxes				\$ 1,177,200	\$ 1,171,509	\$ (5,691)
Public utility taxes	801,000	833,080	32,080			
Federal government	3,078,000	3,257,726	179,726	624,100	647,738	23,638
Other	1,182,000	1,193,532	11,532	762,299	752,393	(9,906)
Less:						
Refunds	11,844	8,154	(3,690)	26,745	12,709	(14,036)
Total revenues	16,415,156	16,721,410	306,254	2,536,854	2,558,931	22,077
EXPENDITURES						
Current						
Health and social services	6,841,252	6,782,009	(59,243)			
Education	5,655,408	5,648,350	(7,058)			
General government	986,495	966,735	(19,760)	236,677	234,575	(2,102)
Transportation	34,565	34,348	(217)	2,112,252	2,048,782	(63,470)
Social assistance	1,505,354	1,466,753	(38,601)	1,440	1,440	--
Public protection and justice	1,207,071	1,189,530	(17,541)	52,733	52,732	(1)
Natural resources and recreation	111,270	110,605	(665)			
Debt service:						
Principal						
Interest						
Capital outlays	119,524	103,674	(15,850)	32,856	32,391	(465)
Total expenditures	16,460,939	16,302,004	(158,935)	2,435,958	2,369,920	(66,038)
Excess (deficiency) of revenues over (under) expenditures	(45,783)	419,406	465,189	100,896	189,011	88,115
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
Proceeds from general and special obligation bond issues	200,000	200,000	--			
Operating transfers-in	2,709,000	2,765,031	56,031	1,233,049	1,250,363	17,314
Operating transfers-out	(3,318,000)	(3,335,658)	(17,658)	(1,379,572)	(1,396,142)	(16,570)
Budgetary funds-nonbudgeted accounts						
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts	(454,783)	48,779	503,562	(45,627)	43,232	88,859
Budgetary fund balances (deficits), July 1, 1995, as previously reported						
Reclassifications between budgetary/nonbudgetary funds-net	(341,159)	(341,159)	--	534,909	534,909	--
Budgetary fund balances (deficits), July 1, 1995, as reclassified						
	(341,159)	(341,159)	--	534,909	534,909	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (795,942)	\$ (292,380)	\$ 503,562	\$ 489,282	\$ 578,141	\$ 88,859

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

University Funds			Special State Funds			Bond Financed Funds		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 1,384,909	\$ 1,384,909	\$ --			
			465,393	472,077	6,684			
			18,664	30,348	11,684			
			226,723	227,617	894			
\$ 420,459	\$ 414,781	\$ 25 (5,678)	1,324,884	1,392,333	67,449	\$ --	\$ 10	\$ 10
			3,403,144	3,523,261	120,117			
			792,204	780,044	(12,160)			
420,422	414,802	(5,620)	6,031,513	6,250,501	218,988	--	10	10
			2,347,406	2,087,407	(259,999)			
387,543	375,997	(11,546)	183,174	125,807	(57,367)	45,175	43,069	(2,106)
			3,173,349	2,896,161	(277,188)	26,797	22,794	(4,003)
			215,481	199,698	(15,783)	187,290	182,336	(4,954)
657	586	(71)	300	89	(211)			
			200,046	158,115	(41,931)			
			315,743	267,993	(47,750)	57,503	57,139	(364)
			35,356	30,061	(5,295)	324,825	318,667	(6,158)
423,556	406,644	(16,912)	6,463,203	5,762,487	(700,716)	641,590	624,005	(17,585)
			(3,134)	8,158	11,292	(431,690)	488,014	919,704
						(641,590)	(623,995)	17,595
			300,000	300,000	--	800,000	728,944	(71,056)
1,740	1,888	148	1,283,386	1,264,879	(18,507)			
(2,259)	(2,257)	2	(1,714,583)	(1,746,081)	(31,498)			
			(84,893)	(84,893)	--			
			(3,653)	7,789	11,442	(647,780)	221,919	869,699
						158,410	104,949	(53,461)
			(6,403)	(6,403)	--	338,413	338,413	--
						91,933	91,933	--
			(6,403)	(6,403)	--	338,413	338,413	--
						91,933	91,933	--
\$ (10,056)	\$ 1,386	\$ 11,442	\$ (309,367)	\$ 560,332	\$ 869,699	\$ 250,343	\$ 196,882	\$ (59,461)

(continued)

State of Illinois

Combined Statement 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 (See Note 2)

For the Year Ended June 30, 1996 (Expressed in Thousands)

(continued)

	Debt Service Funds			Federal Trust 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	\$ 240	\$ 338	\$ 98	\$ 2,391,491	\$ 2,054,145	\$ (337,346)
Other	9,086	29,842	20,756	94,703	122,065	27,362
Less:						
Refunds				2,911	337	(2,574)
Total revenues	9,326	30,180	20,854	2,483,283	2,175,873	(307,410)
EXPENDITURES						
Current:						
Health and social services				803,839	554,284	(249,555)
Education				1,007,249	858,944	(148,305)
General government				608,463	308,548	(299,915)
Transportation				150,752	150,752	--
Social assistance				222,059	160,101	(61,958)
Public protection and justice				120,097	73,840	(46,257)
Natural resources and recreation				57,458	41,110	(16,348)
Debt service:						
Principal	1,410,986	1,405,382	(5,604)			
Interest	258,061	258,061	--			
Capital outlays				16,722	12,301	(4,421)
Total expenditures	1,669,047	1,663,443	(5,604)	2,986,639	2,159,880	(826,759)
Excess (deficiency) of revenues over (under) expenditures	(1,659,721)	(1,633,263)	26,458	(503,356)	15,993	519,349
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
Proceeds from general and special obligation bond issues	318,040	318,040	--			
Operating transfers-in	1,380,275	1,389,625	9,350	40,380	37,711	(2,669)
Operating transfers-out				(13,539)	(5,774)	7,765
Budgetary funds-nonbudgeted accounts				(32,608)	(32,608)	--
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts	38,594	74,402	35,808	(509,123)	15,322	524,445
Budgetary fund balances (deficits), July 1, 1995, as previously reported	301,888	301,888	--	(149,571)	(149,571)	--
Reclassifications between budgetary/nonbudgetary funds-net						--
Budgetary fund balances (deficits), July 1, 1995, as reclassified	301,888	301,888	--	(149,571)	(149,571)	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ 340,482	\$ 376,290	\$ 35,808	\$ (658,694)	\$ (134,249)	\$ 524,445

Revolving Funds			State Trust Funds			Total (Memorandum Only)		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 292,462	\$ 292,462	\$ --	\$ 7,850,909	\$ 8,031,720	\$ 180,811
			22,923	22,923	--	5,657,855	5,562,954	(94,901)
						1,218,787	1,224,780	5,993
						1,027,723	1,060,697	32,974
			227,776	167,894	(59,882)	7,646,491	7,520,199	(126,292)
\$ 229,629	\$ 224,502	\$ (5,127)	262,006	360,981	98,975	6,363,326	6,621,367	258,041
18	17	(1)				833,759	801,265	(32,494)
229,611	224,485	(5,126)	805,167	844,260	39,093	28,931,332	29,220,452	289,120
			3,452	1,222	(2,230)	9,995,949	9,424,922	(571,027)
5,767	3,334	(2,433)	202,792	153,939	(48,853)	7,487,108	7,209,440	(277,668)
185,535	166,299	(19,236)	153,989	114,584	(39,405)	5,371,305	4,709,696	(661,609)
700	647	(53)				2,701,040	2,616,563	(84,477)
			121,794	83,827	(37,967)	1,851,604	1,712,796	(138,808)
44,974	38,415	(6,559)	3,179	1,158	(2,021)	1,628,100	1,513,790	(114,310)
			5,481	3,245	(2,236)	547,455	480,092	(67,363)
						1,410,966	1,405,382	(5,604)
						258,061	258,061	
18,220	15,515	(2,705)	2,482	1,947	(535)	577,689	541,773	(35,916)
255,196	224,210	(30,986)	493,169	359,922	(133,247)	31,829,297	29,872,515	(1,956,782)
(25,585)	275	25,860	311,998	484,338	172,340	(2,897,965)	(652,063)	2,245,902
						1,618,040	1,546,984	(71,056)
--	116	116	(6,600)	(4,572)	2,028	6,641,230	6,705,041	63,811
	(1,454)	(1,454)				(6,427,953)	(6,487,366)	(59,413)
			(467,464)	(467,464)	--	(584,965)	(584,965)	--
(25,585)	(1,063)	24,522	(162,066)	12,302	174,368	(1,651,613)	527,631	2,179,244
7,937	7,937	--	69,749	69,749	--	847,696	847,696	--
			264	264	--	264	264	--
7,937	7,937	--	70,013	70,013	--	847,960	847,960	--
\$ (17,648)	\$ 6,874	\$ 24,522	\$ (92,053)	\$ 82,315	\$ 174,368	\$ (803,653)	\$ 1,375,591	\$ 2,179,244

State of Illinois

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances - All Proprietary Fund Types, Nonexpendable and Pension Trust Funds, and Discretely Presented Component Units

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Proprietary Fund Type		Fiduciary Fund Type		Total (Memorandum Only)	Total (Memorandum Only)	
	Enterprise	Internal Service	Nonexpendable Trust	Pension Trust	Primary Government	Component Units	Reporting Entity
OPERATING REVENUES							
Charges for sales and services	\$ 1,770,507	\$ 895,619	\$ 19		\$ 2,666,145	\$ 355,876	\$ 3,022,021
Contributions:							
Employer				\$ 697,657	697,657		697,657
Employee				744,236	744,236		744,236
Other	36,128				36,128		36,128
Interest and other investment income	73,906	35	179	2,629,527	2,703,647	157,744	2,861,391
Other	30,428	538	7		30,973	168,721	199,894
Total operating revenues	1,910,969	896,192	205	4,071,420	6,878,786	682,341	7,561,127
OPERATING EXPENSES							
Costs of sales and services	164,536	177,226			341,762	5,279	347,041
Benefit payments and refunds	106,738	490,375		1,955,601	2,552,714	32,820	2,585,534
Prizes and claims	838,968				838,968		838,968
Interest	49,285	795		1,049	51,129	225,260	276,389
General and administrative	109,974	27,690	21	21,021	158,706	297,064	455,770
Depreciation	1,596	17,205		2,163	20,964	68,237	89,201
Other	9,486	7,794	44	925	18,249	47,389	65,638
Total operating expenses	1,280,583	721,085	65	1,980,759	3,982,492	676,049	4,658,541
Operating Income	630,386	175,107	140	2,090,661	2,896,294	6,282	2,902,586
NONOPERATING REVENUES (EXPENSES)							
Investment income	3,031	1,773			4,804	37,250	42,054
Interest expense	(2,941)	(755)			(3,696)	(63)	(3,759)
Other revenues	217	4,220			4,437	82,248	86,885
Other expenses	(205)	(6,608)			(6,813)	(93)	(6,906)
Income before operating transfers	630,488	173,737	140	2,090,661	2,895,026	125,634	3,020,660
Operating transfers-in		191			191	12,403	12,594
Operating transfers from primary government						17,597	17,597
Operating transfers-out	(604,448)	(262)	(54)		(604,764)	(1,677)	(606,441)
Operating transfers to component units		(168,988)			(168,988)		(168,988)
Net Income	26,040	4,678	86	2,090,661	2,121,465	153,957	2,275,422
Retained earnings/fund balances, July 1, 1995	114,646	63,252	3,244	21,494,002	21,675,144	1,402,337	23,077,481
Residual equity transfers-out		(773)			(773)		(773)
RETAINED EARNINGS/FUND BALANCE,							
JUNE 30, 1996	\$ 140,686	\$ 67,157	\$ 3,330	\$ 23,584,663	\$ 23,795,836	\$ 1,558,294	\$ 25,352,130

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

State of Illinois

Combined Statement of Cash Flows - All Proprietary Fund Types,
Nonexpendable Trust Funds and Discretely Presented Component Units

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Proprietary Fund Type		Fiduciary Fund Type	Total (Memorandum Only)	Component Units	Total (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	Primary Government		Reporting Entity
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from sales and services	\$ 1,802,867	\$ 849,425	\$ 19	\$ 2,652,311	\$ 609,037	\$ 3,261,348
Cash payments to suppliers for goods and services	(290,794)	(662,591)	(2)	(953,387)	(138,744)	(1,092,131)
Cash payments to employees for services	(82,384)	(51,691)		(134,075)	(91,155)	(225,230)
Cash receipts from other operating activities	143,064	126	16	143,206	2,507,488	2,650,694
Cash payments for other operating activities	(1,029,290)	(1,748)	(62)	(1,031,100)	(2,845,390)	(3,876,490)
Net cash provided by (used in) operating activities	543,463	133,521	(29)	676,955	41,236	718,191
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Proceeds from borrowing	178,289			178,289	4,375	182,664
Principal paid on borrowing	(53,835)			(53,835)	(1,875)	(55,710)
Interest paid on borrowing	(2,552)			(2,552)		(2,552)
Operating grants received					92	92
Operating transfers-in from other funds		191		191	3,404	3,595
Operating transfers from primary government					26,597	26,597
Operating transfers-out to other funds	(604,290)	(223)	(54)	(604,567)	(2,678)	(607,245)
Operating transfers to component units		(168,988)		(168,988)		(168,988)
Operating transfers to primary government		(1,094)		(1,094)	(1)	(1,095)
Other noncapital financing activities	160	245		405	11,071	11,476
Net cash provided by (used in) noncapital financing activities	(482,228)	(169,869)	(54)	(652,151)	40,985	(611,166)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(1,341)	(4,339)		(5,680)	(137,484)	(143,164)
Principal paid on bond maturities and equipment contracts	(7,588)	(19,483)		(27,071)	(25,999)	(53,070)
Interest paid on bond maturities and equipment contracts		(752)		(752)	(39)	(791)
Proceeds from sale of equipment					58	58
Other capital and related financing activities		1,873		1,873		1,873
Net cash (used in) capital and related financing activities	(8,929)	(22,701)		(31,630)	(163,464)	(195,094)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investment securities	(169,740)		(26)	(169,766)	(118,601)	(288,367)
Proceeds from sale and maturities of investment securities	192,510			192,510	171,841	364,351
Interest and dividends on investments	2,825	1,815	178	4,818	37,723	42,541
Net cash provided by investing activities	25,595	1,815	152	27,562	90,963	118,525
Net increase (decrease) in cash and cash equivalents	77,901	(57,234)	69	20,736	9,720	30,456
Cash and cash equivalents, July 1, 1995	108,490	127,724	2,109	238,323	432,727	671,050
Cash and cash equivalents, June 30, 1996	\$ 186,391	\$ 70,490	\$ 2,178	\$ 259,059	\$ 442,447	\$ 701,506
Reconciliation of cash and cash equivalents to the balance sheet:						
Total cash and cash equivalents per the balance sheet	\$ 83,380	\$ 70,490	\$ 4,371,804	4,525,674	\$ 635,063	\$ 5,160,737
Add: restricted cash equivalents	103,011			103,011	41,736	144,749
Less: expendable trust, pension, and non-proprietary component units			(4,369,626)	(4,369,626)	(234,354)	(4,603,980)
Cash and cash equivalents, June 30, 1996	\$ 186,391	\$ 70,490	\$ 2,178	\$ 259,059	\$ 442,447	\$ 701,506
Reconciliation of operating income to net cash provided by (used in) operating activities:						
OPERATING INCOME	\$ 630,386	\$ 175,107	\$ 140	\$ 805,633	\$ 6,292	\$ 811,925
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:						
Depreciation	1,596	17,205		18,801	68,237	87,038
Provision for uncollectible accounts	42	5		47	387	434
(Increase) decrease in accounts receivable	(108,241)	4,444	2	(103,795)	(81,187)	(184,982)
(Increase) decrease in due from other funds	7,888	(86,131)	1	(78,242)	(2,238)	(80,478)
(Increase) decrease in due from component units		564		564		564
(Increase) decrease in due from primary government					(152)	(152)
(Increase) decrease in inventory	(560)	(95)		(655)	(72)	(727)
(Increase) decrease in prepaid expenses	184	2,147		2,331	275	2,606
Increase (decrease) in accounts payable and accrued liabilities	13,859	19,598		33,457	11,400	44,857
Increase (decrease) in intergovernmental payables	1	(63)		(62)	(72)	(134)
Increase (decrease) in due to other funds	(2,443)	51		(2,392)	(1,497)	(3,889)
Increase (decrease) in due to component units		(70)		(70)		(70)
Increase (decrease) in due to primary government					605	605
Increase (decrease) in deferred revenues	(142)	(3)	6	(139)	(112)	(251)
Increase (decrease) in other liabilities	905	762		1,667	5,260	6,927
Increase (decrease) in liabilities payable from restricted assets					404	404
Other	(12)		(178)	(190)	33,704	33,514
Total adjustments	(86,923)	(41,586)	(169)	(128,678)	34,944	(93,734)
Net cash provided by (used in) operating activities	\$ 543,463	\$ 133,521	\$ (29)	\$ 676,955	\$ 41,236	\$ 718,191
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES						
Capital leases (initial year):						
Fair market value	\$ --	\$ 508	\$ --	\$ 508	\$ --	\$ 508

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

State of Illinois

Combining Statement of Changes in Fund Balances -
University and College Component Units

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Component Unit					
	Chicago State University	Eastern Illinois University	Western Illinois University	Illinois State University	Northern Illinois University	Southern Illinois University
REVENUES AND OTHER ADDITIONS						
Unrestricted current fund revenues	\$ 21,244	\$ 54,244	\$ 66,997	\$ 109,574	\$ 128,897	\$ 209,931
Federal and local grants and contracts-restricted	15,291	5,278	8,818	44,077	12,537	41,115
State grants and contracts-restricted	893	369		6,095	3,025	5,701
Other State sources		393				
Private gifts, grants and contracts-restricted	152	2,747	2,887	5,728	7,204	25,629
Investment income	44	843	758	1,480	901	2,996
Realized gain on investments-restricted (net)		832		1,776		795
Interest and fees on loans receivable	29	107	44	210	181	333
Expended for plant facilities:						
Current funds		4,661	6,135	9,479	12,626	18,121
Plant funds	5,453	3,174	1,435	3,208	14,824	37,189
Other						
Retirement of long-term obligations	100	3,954	8,241	3,656	1,401	2,006
Other	17,781	1,995	17,084	3,981	708	4,404
Total revenues and other additions	60,987	78,597	112,399	189,264	182,304	348,220
EXPENDITURES AND OTHER DEDUCTIONS						
Educational and general expenditures	67,530	89,096	110,064	211,208	208,752	449,212
Auxiliary enterprises expenditures	3,235	19,263	24,535	32,274	45,571	46,325
Hospital expenditures						
Independent operations expenditures						
Foundation expenditures	680	2,032	2,127	4,126	3,348	13,458
Indirect costs recovered	631	321	497	833	1,700	4,184
Refunds of grants and adjustments to grants						313
Loan cancellations and write-offs	13	47	27	93	42	59
Change in allowance for uncollectible notes	149		133	7	18	116
Administrative and collection costs	43	14	32	42	251	319
Expended for plant facilities (including noncapitalized expenditures of \$30,490)	37	5,087	5,169	4,769	15,942	46,137
Retirement of long-term obligations	1,524	4,870	3,664	4,372	5,853	4,859
Disposal of plant facilities	565	1,064	1,165	3,981	4,805	8,213
Other	4,614	10,868	24,647	3,615	149	921
Total expenditures and other deductions	79,021	132,862	172,060	265,320	286,431	574,116
TRANSFERS-ADDITIONS(DEDUCTIONS)						
Nonmandatory:						
Transfers-in	19	43				782
Operating transfers from primary government	35,889	56,859	66,695	107,315	123,794	276,043
Transfers-out			(52)	(30)		(406)
Operating transfers to primary government		(3)			(15)	
Other		(1)				1,862
Total transfers	35,908	56,898	66,643	107,285	123,779	278,281
Net increase	17,874	2,833	6,982	31,229	19,652	52,385
Fund balances, July 1, 1995						737,881
Residual equity transfers-in/out	55,241	135,149	192,929	327,009	374,162	54
FUND BALANCES, JUNE 30, 1996	\$ 73,115	\$ 137,982	\$ 199,911	\$ 358,238	393,814	\$ 790,320

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

Component Unit (continued)

University of Illinois	Non-Major Component Units	Total
\$ 870,556	\$ 41,233	\$ 1,502,676
295,938	16,034	439,088
33,197	1,425	50,705
	342	735
186,732	1,490	232,569
27,939	164	35,125
21,159	(12)	24,550
1,327	118	2,349
86,836	5,601	143,459
53,337	211	118,831
9,324	550	9,874
31,707	1,227	52,292
169,168	3,724	218,845
1,787,220	72,107	2,831,098
1,647,397	127,519	2,910,778
143,888	3,466	318,557
244,494		244,494
5,828		5,828
12,843	1,098	39,712
64,186	345	72,697
629		942
642	69	992
(190)	87	320
2,486	183	3,370
71,405	838	149,384
43,585	221	68,948
31,143	4,484	55,420
139,568	14	184,396
2,407,904	138,324	4,055,838
813,628	73,914	1,554,137
(337)	(19)	(844)
		(18)
		1,861
813,291	73,895	1,555,980
192,607	7,678	331,240
3,068,299	1,324,641	5,130,821
76,468	(1,161,012)	--
\$ 3,337,374	\$ 171,307	\$ 5,462,061

State of Illinois

**Combining Statement of University and College Current Funds -
Revenues, Expenditures and Other Changes
University and College Component Units**

For the Year Ended June 30, 1996 (Expressed In Thousands)

	Unrestricted					
	Chicago State University	Eastern Illinois University	Western Illinois University	Illinois State University	Northern Illinois University	Southern Illinois University
REVENUES						
Tuition and fees	\$ 15,960	\$ 27,948	\$ 27,152	\$ 57,311	\$ 57,363	\$ 85,451
Federal and local grants and contracts	892	186		659	1,715	2,663
State grants and contracts		232		140	383	373
Private gifts, grants and contracts	600	840	546	74	2,227	1,303
Investment income	2	668	1,060	732	756	2,518
Sales and services	3,563	23,223	35,065	44,819	63,633	113,869
Other	227	1,147	3,174	5,839	2,820	3,754
Total revenues	21,244	54,244	66,997	109,574	128,897	209,931
EXPENDITURES AND MANDATORY TRANSFERS						
Educational and general:						
Instruction	26,993	40,760	37,806	55,040	84,867	158,725
Research		137	720	2,940	3,751	9,721
Public service	339	2,116	1,277	6,566	5,048	15,094
Academic support	4,321	7,948	10,135	13,225	22,377	67,917
Student services	3,954	10,094	10,791	21,773	9,883	33,708
Institutional support	8,715	10,596	26,046	35,246	41,060	54,300
Operation and maintenance of plant	6,458	7,526	9,725	15,078	15,632	40,320
Scholarships and fellowships	1,947	948	2,937	7,464	8,176	5,652
Total educational and general	52,727	80,125	99,437	157,332	190,794	385,437
Auxiliary enterprises	3,235	19,263	24,535	32,085	45,552	45,675
Hospitals						
Independent operations						
Total expenditures	55,962	99,388	123,972	189,417	236,346	431,112
Mandatory transfers:						
Retirement of long-term obligations	555	3,664	2,690	4,205	5,346	4,430
Student loan matching grants		267	25	4	35	192
Renewals and replacements			662	2,550	2,122	462
Other	(47)		172			
Total mandatory transfers	508	3,931	3,549	6,759	7,503	5,084
Total expenditures and mandatory transfers	56,470	103,319	127,521	196,176	243,849	436,196
OPERATING TRANSFERS AND ADDITIONS (DEDUCTIONS)						
Transfers-in from component units	19					406
Operating transfers from primary government	34,248	47,844	59,276	87,272	112,587	228,380
Transfers-out to component units						
Operating transfers to primary government						
Other transfers	(130)	(1,496)	(1,453)	(1,373)	(548)	(3,269)
Excess (deficiency) of restricted receipts over (under) transfers to revenue						
Other additions (deductions)		8		977	(180)	71
Total operating transfers and additions (deductions)	34,137	46,356	57,823	86,876	111,859	225,588
TOTAL INCREASES (DECREASES) IN FUND BALANCES	\$ (1,089)	\$ (2,719)	\$ (2,701)	\$ 274	\$ (3,093)	\$ (677)

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

Unrestricted (continued)

University of Illinois	Non-Major Component Units	Total
\$ 264,630	\$ 30,038	\$ 565,853
56,727	392	63,234
2,536		3,664
8,406	316	14,312
1,576	280	7,592
514,987	3,799	802,958
21,694	6,408	45,063
870,556	41,233	1,502,676
507,747	40,229	952,167
76,346	43	93,658
96,599	1,349	128,388
114,801	6,965	247,689
45,521	6,875	142,599
109,285	37,495	322,743
134,270	11,812	240,821
94,399	1,862	123,385
1,178,968	106,630	2,251,450
143,878	3,441	317,664
244,466		244,466
5,828		5,828
1,573,140	110,071	2,819,408
33,256	221	54,367
248	124	895
4,540	87	10,423
	233	358
38,044	665	66,043
1,611,184	110,736	2,885,451
		425
763,283	45,155	1,378,045
	(324)	(8,593)
(33,859)	(3)	(32,986)
729,424	44,828	1,336,891
\$ (11,204)	\$ (24,675)	\$ (45,884)

(continued)

State of Illinois

Combining Statement of University and College Current Funds -
Revenues, Expenditures and Other Changes
University and College Component Units

For the Year Ended June 30, 1996 (Expressed in Thousands)

(continued)	Restricted					
	Chicago State University	Eastern Illinois University	Western Illinois University	Illinois State University	Northern Illinois University	Southern Illinois University
REVENUES						
Tuition and fees						
Federal and local grants and contracts	\$ 14,622	\$ 4,066	\$ 8,297	\$ 43,916	\$ 11,792	\$ 38,570
State grants and contracts		167		6,095	2,918	5,532
Private gifts, grants and contracts	152	2,413	1,799	4,505	5,297	20,262
Investment income	44	629	286	946	84	1,266
Sales and services					79	
Other		748	386	498		281
Total revenues	14,818	8,023	10,768	55,960	20,170	65,911
EXPENDITURES AND MANDATORY TRANSFERS						
Educational and general:						
Instruction	1,297	693	2,491	2,312	1,871	10,778
Research	1,744	197	884	9,397	6,869	18,299
Public service	3,026	4,944	3,113	161	4,228	20,050
Academic support	211	1,450	871	1,134	456	5,340
Student services	1,184	12	18	1,340	31	777
Institutional support	288	116	78	1,703	264	411
Operation and maintenance of plant	33	21		29	2	229
Scholarships and fellowships	7,600	3,088	5,286	42,048	7,538	21,167
Total educational and general	15,383	10,521	12,741	58,124	21,257	77,051
Auxiliary enterprises				189	19	650
Hospitals						
Independent operations						
Total expenditures	15,383	10,521	12,741	58,313	21,276	77,701
Mandatory transfers:						
Retirement of long-term obligations		121				
Student loan matching grants		(222)				
Renewals and replacements						
Other	(92)		(172)			
Total mandatory transfers	(92)	(101)	(172)			
Total expenditures and mandatory transfers	15,291	10,420	12,569	58,313	21,276	77,701
OPERATING TRANSFERS AND ADDITIONS (DEDUCTIONS)						
Transfers-in from component units		43				376
Operating transfers from primary government	473	2,357	1,853	2,383	1,121	11,820
Transfers-out to component units			(52)	(30)		(406)
Operating transfers to primary government		(3)			(15)	
Other transfers	177	(285)	(63)	(179)	(172)	600
Excess (deficiency) of restricted receipts over (under) transfers to revenue	(78)	497	177	758	(102)	2,169
Other additions (deductions)		142		81		(679)
Total operating transfers and additions (deductions)	572	2,751	1,915	3,013	832	13,880
TOTAL INCREASES (DECREASES) IN FUND BALANCES	\$ 99	\$ 354	\$ 114	\$ 660	\$ (274)	\$ 2,090

Restricted (continued)

University of Illinois	Non-Major Component Units	Total	Total Current Funds
			\$ 565,853
\$ 231,226	\$ 15,505	\$ 367,994	431,228
30,919	1,509	47,140	50,804
145,572	1,343	181,343	195,655
13,862	143	17,260	24,852
		79	803,037
98,920	27	100,860	145,923
520,499	18,527	714,676	2,217,352
113,244	2,744	135,430	1,087,597
222,141	252	259,783	353,441
96,287	5,621	137,428	265,816
54,916	435	64,813	312,502
1,642	6,668	11,672	154,271
1,895	572	5,327	328,070
1,259	2	1,575	242,396
36,698	5,270	128,695	252,080
528,082	21,564	744,723	2,996,173
10	25	893	318,557
28		28	244,494
			5,828
528,120	21,589	745,644	3,565,052
587		708	55,075
		(222)	673
	32	32	10,455
	(233)	(497)	(139)
587	(201)	21	66,064
528,707	21,388	745,665	3,631,116
8,545	2,880	31,432	1,409,477
(337)	(19)	(844)	(844)
		(18)	(18)
(7,656)	25	(7,553)	(16,146)
17,651	(634)	20,438	20,438
519	3	66	(32,920)
18,722	2,255	43,940	1,380,831
\$ 10,514	\$ (606)	\$ 12,951	\$ (32,933)

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STATE OF ILLINOIS
Notes to the Financial Statements
June 30, 1996

1. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

A. Basis of Presentation

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

B. 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, account groups, elected offices, departments and agencies as well as boards, commissions, authorities, and universities and colleges 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, Attorney General, Secretary of State, Comptroller, and Treasurer. The judicial branch is composed of a seven-member Supreme Court, five districts of Appellate courts and twenty-two 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 are 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, and is generally the focal point for users of the financial statements. Component units are legally separate organizations for which the State is financially accountable. An overview of the State's component units is presented in the financial statements by "discrete" presentation (i.e., columns presently separately from the primary government). Condensed financial statements for the State's discretely presented component units are displayed in note 18.

Discretely Presented Component Units

Component units are reported in separate columns to emphasize that they are legally separate from the State. Complete financial statements of the individual component units can be obtained from the respective component unit administrative offices (as listed in parenthesis below). Except for the Board of Trustees of the University of Illinois whose current board is elected, the major component units presented below have governing bodies appointed by the governing board of the State. The State is financially accountable for these component units, and, therefore, they are reported in separate "discrete" columns in the State's financial statements.

1. *Illinois Grain Insurance Corporation* ("Corporation"). The board of directors of the Corporation consists of five State officials who administer the Illinois Grain Insurance Fund. The State can impose its will on the Corporation and is obligated to provide funding to satisfy claims when corporate funds are insufficient. (Administrative Offices: PO Box 19281, Springfield, Illinois 62794-9281).

2. *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 substantively approves the Authority's budget. (Administrative Offices: 10 Collinsville Ave., East St. Louis, Illinois 62201).
3. *Illinois Medical District Commission ("Commission")*. The Commission was created to maintain and expand a designated "medical district." The State substantively approves the Commission's budget. (Administrative Offices: 600 S. Hoyne, Chicago, Illinois 60612).
4. *Comprehensive Health Insurance Plan ("CHIP") Board*. The CHIP provides an alternate market for health insurance for eligible Illinois residents having a preexisting health condition. The State provides significant operating subsidies to the CHIP. (Administrative Offices: 400 West Monroe Street, Suite 202, Springfield, Illinois 62704).
5. *Illinois Farm Development Authority ("Authority")*. The Authority provides loan programs for acquisition and development of agricultural facilities. The State guarantees certain debt of the Authority in the event of default by the debtor. (Administrative Offices: 427 East Monroe Street, Suite 201, Springfield, Illinois 62701).
6. *Illinois Health Facilities Authority ("IHFA")*. The IHFA provides assistance and alternative methods of financing to health institutions to aid them in providing quality care. IHFA issues tax-exempt debt to finance its operations. (Administrative Offices: 180 North Stetson Avenue, Suite 1100, Chicago, Illinois 60601).
7. *Illinois Development Finance Authority ("IDFA")*. The IDFA provides funding for industrial, commercial and manufacturing development in areas of Illinois with critical unemployment. The State appropriates funds for certain IDFA programs. (Administrative Offices: 233 South Wacker Drive, Suite 5310, Chicago, Illinois 60606).
8. *Illinois Housing Development Authority ("IHDA")*. The IHDA issues notes and bonds to make loans for the acquisition, construction and rehabilitation of housing and to make loans to encourage home ownership. The State approves bonds and notes issued by the IHDA and is secondarily liable for its debt if there are not sufficient IHDA monies to pay principal and interest. (Administrative Offices: 401 North Michigan Avenue, Suite 900, Chicago, Illinois 60611).
9. *Illinois Rural Bond Bank ("Bond Bank")*. The Bond Bank provides assistance to rural governmental units by providing adequate capital markets and facilities for borrowing money and financing public improvements at low interest rates. The State is secondarily liable for payment of principal and interest on the Bond Bank debt. Excess reserves of the Bond Bank must be returned to the State's General Fund. (Administrative Offices: 427 East Monroe Street, Suite 202, Springfield, Illinois 62701).
10. *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 approves new toll highways and issuance of bonds. (Administrative Offices: One Authority Drive, Downers Grove, Illinois 60515).
11. *Southwestern Illinois Development Authority ("Authority")*. The Authority was created to promote and enhance economic development in Southwestern Illinois. The State approves bonds issued by the Authority. (Administrative Offices: 1 Eastport Plaza Dr., Collinsville, Illinois 62234).
12. *Boards' of Trustees of Eastern Illinois University ("EIU"), Western Illinois University ("WIU"), Chicago State University ("CSU"), Northeastern Illinois University ("NEIU"), Governors State University ("GSU"), Illinois State University ("ISU"), and Northern Illinois University ("NIU") ("boards")*. The boards of the respective universities operate, manage, control and maintain the schools. Until January 1, 1996, these universities were legally controlled by the Board of Governors and Board of Regents which have been abolished. The State provides significant financial support to the boards of the universities. (Administrative Offices:
 - CSU, 9501 South King Dr., Chicago, Illinois 60628
 - EIU, 113 West Old Main, Charleston, Illinois 61920
 - GSU, Route 54 & Stuenkel Rd., University Park, Illinois 60466
 - NEIU, 5500 N. St. Louis Avenue, Chicago, Illinois 60625
 - WIU, 1 University Circle, Macomb, Illinois 61455
 - ISU, Campus Box 1100, Normal, Illinois 61790-1100
 - NIU, Altgeld Hall 104, DeKalb, Illinois 60115).

13. *Board of Trustees of Southern Illinois University ("SIU Board")*. The SIU Board operates, manages, controls and maintains Southern Illinois University. The State provides significant financial support to the SIU Board. (Administrative Offices: Colyer Hall, Carbondale, Illinois 62901).
14. *Board of Trustees of the University of Illinois ("U of I Board")*. The current U of I Board is an elected body and manages the University of Illinois. As existing board members' terms expire, they will be appointed by the Governor. The State provides significant financial support to the U of I Board. (Administrative Offices: 346 Administration Building, 506 South Wright Street, Urbana, Illinois 61801).
15. *State Community College of East St. Louis Board of Trustees ("Board")*. The Board operates the State Community College of East St. Louis. The State provides significant financial support to the Board. (Administrative Offices: 601 James R. Thompson Boulevard, East St. Louis, Illinois 62201).

Condensed financial statement information is presented in note 18 for each of the State's discretely presented component units.

Joint Ventures

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 nation's first multi-state environmental endowment 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 Substances Control Agreement and the binational Great Lakes Water Quality Agreement.

A state becomes a member of the organization by agreeing to contribute an amount set forth in the articles of incorporation. Illinois' required contribution is \$15 million of which \$10.8 million has been paid. Illinois currently is in default under the articles of incorporation and is subject to various sanctions. The required contributions from all member states at December 31, 1995 was \$81 million of which \$76.8 million has been paid. The Fund's net assets on that date were \$81 million.

Once a state agrees to make the required contribution, that state's governor becomes a "member" of the corporation. Each member is entitled to elect two

individuals to the board of directors. Budgetary and financial decisions rest with the board of directors except where restricted by the articles of incorporation. Two-thirds of the Fund's income is used to finance projects compatible with the organization's objectives as set forth in the articles of incorporation. The remaining one-third of income is paid to member states in proportion to the amount and period of time that each state's contribution was invested with the Fund ("state shares"). Illinois' state share was \$90 thousand in 1995 and nearly \$1.1 million since the Fund's inception. The affirmative vote of all of the members is required for all actions of the Fund. Complete financial statements of the Fund can be obtained from the Fund's administrative offices at 35 East Wacker Drive, Chicago, Illinois 60601.

Related Organizations

The State's officials are also responsible for appointing the majority of the boards of other organizations, but the State's accountability does not go beyond making the appointments. The State, generally the Governor, in certain instances with the advice and consent of the Senate, appoints the members of the following boards:

- Central Midwest Interstate Low-Level Radioactive Waste Commission
- Havana Regional Port District
- Kaskaskia Regional Port District
- Mt. Carmel Regional Port District
- Shawneetown Regional Port District
- Southwest Regional Port District
- Tri-City Regional Port District
- Waukegan Port District
- White County Port District
- Illinois Community College System Foundation

The State maintains accounting records for the Central Midwest & Interstate Low-Level Radioactive Waste Commission. The Illinois Community College Board provides nominal support services for the Illinois Community College System Foundation. These are the only related-party activities that the State has with the above organizations.

Jointly Governed Organizations

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 organization's purpose and, in certain instances, pays annual dues or assessments. The Governor, sometimes with the advice and consent of the Senate, appoints the number of board members (as indicated in parenthesis below) of the following organizations:

- Bi-State Development Agency of the Missouri/Illinois Metropolitan District (5 of 10)
- Education Commission of the States (7 of approximately 350)
- Illinois/Indiana Bi-State Commission (2 of 12)
- Illinois/Indiana Bridge Commission (5 of 10)
- Illinois Valley Regional Port District (2 of 5)
- Interstate Mining Commission (1 of 17)
- Jackson/Union Counties Port District (4 of 23)
- Joliet Regional Port District (3 of 7)
- Lawyers Trust Fund (3 of 9)
- Midwestern Higher Education Commission (5 of 60)
- Northeastern Illinois Planning Commission (5 of 33)
- Ohio River Valley Water Sanitation Commission (2 of 18)
- Southwestern Illinois Metropolitan & Regional Planning Commission (8 appointed)
- Wabash Valley Interstate Commission (7 of 14)

The State has no significant related-party activities with the above organizations.

C. Fund Accounting

Financial activities of the State are organized on the basis of individual funds and account groups, each of which is a separate accounting entity segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations. The financial activities of the State accounted for in the accompanying financial statements have been classified into the following fund categories and account groups:

Governmental Fund Types

General - Transactions related to resources obtained and used for those services traditionally provided by a state government which are not required to be accounted for in other funds are accounted for in the

General Fund. These services include, among others, social assistance, education (other than institutions of higher 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.

Special Revenue - Transactions related to resources obtained from specific revenue sources (other than for expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes are accounted for in special revenue funds. 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 - Transactions related to governmental resources obtained and accumulated to pay interest and principal on general long-term obligations (other than capital leases, compensated absences, workers' compensation, and unfunded retirement costs) are generally accounted for in debt service funds.

Capital Projects - Transactions related to resources obtained and used for the acquisition or construction of major capital facilities, including those provided to political subdivisions and other public organizations, which are charged to expenditures (other than those financed by proprietary, fiduciary, and university and college fund types) are accounted for in capital projects funds. Such resources are derived principally from proceeds of general and special obligation bond issues.

Proprietary Fund Types

Enterprise - Enterprise 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, or where periodic measurement of the results of operations is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service - Internal service funds account for the operations of State agencies which render services and provide goods to other State agencies or governmental units on a cost-reimbursement basis.

Fiduciary Fund Types

Trust -

Expendable - Expendable trust funds account for assets held by the State in a trustee capacity where the principal and income may be expended in the course of the funds' designated operations.

Nonexpendable - Nonexpendable trust funds account for assets held by the State in a trustee capacity where only the income may be expended in the course of the funds' designated operations.

Pension - Pension trust funds account for transactions, assets, liabilities and net assets available for plan benefits of the various State public employee retirement systems.

Agency

Agency funds account for the various taxes, deposits, deductions, and property collected by the State, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

Universities and Colleges

University and college funds account for the operations of State universities and colleges, including their related foundations and associations (referred to as university related organizations or "UROs"). The UROs are component units of their related universities and the universities are, in turn, component units of the State. The discrete presentation of the universities and colleges within the State's financial statements is in accordance with NACUBO accounting and reporting principles. The universities are reported in the financial statements based upon their legal ownership as follows:

- Chicago State, Eastern Illinois, Governors State, Northeastern Illinois, Western Illinois, Illinois State, and Northern Illinois are managed, operated, controlled, and maintained by individual boards of trustees at those universities.
- Board of Trustees of Southern Illinois University - Southern Illinois University at Carbondale, Edwardsville, and the Medical School at Springfield are operated, managed, controlled, and maintained by the SIU Board of Trustees.
- University of Illinois Board of Trustees - The University of Illinois at Champaign-Urbana, Chicago, Springfield, and the Medical Center at

Chicago, are managed by the University of Illinois Board of Trustees.

Account Groups

General Fixed Assets. General fixed assets acquired or constructed for use by the State in the conduct of its activities, other than those accounted for in proprietary, fiduciary and university and college fund types are accounted for in the General Fixed Assets Account Group.

General Long-Term Obligations. Unmatured general and special obligation bonds, unfunded retirement costs, and other long-term obligations not recorded in proprietary, fiduciary and university and college fund types are recorded in the General Long-Term Obligations Account Group.

D. Basis of Accounting and Measurement Focus

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Governmental Fund and Expendable Trust Funds. The accounts of the general, special revenue, debt service, capital projects and expendable trust funds are reported using a current financial resources measurement focus and modified accrual basis of accounting. Under this measurement focus only current assets and current liabilities are normally included on the balance sheet. Fund balance represents a measure of "available spendable resources." Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available to finance expenditures of the fiscal year). "Measurable" means when the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Significant revenue sources which are susceptible to accrual include individual and corporate income taxes, sales taxes, public utility taxes and motor fuel taxes.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual

requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one type, monies must be expended on the specific purpose or project before any amounts will be paid to the State; therefore, revenues are recognized based upon the expenditure recorded. In the other type, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Modifications to the accrual basis of accounting include:

- Self assessed taxes, principally income, excise and wealth taxes, are recognized as receivables and revenues in the period to which they apply subject to their availability.
- Fines, penalties, licenses and other miscellaneous revenues are recognized when received since they normally are only measurable at that time.
- Interest on long-term obligations reflected in the General Long-Term Obligations Account Group is recognized in the debt service funds when it becomes payable.

Proprietary Funds, and Nonexpendable and Pension Trust Funds. The accounts of the enterprise, internal service, and nonexpendable and pension trust funds are reported using the capital maintenance measurement focus and the accrual basis of accounting. Under this measurement focus all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity is segregated into contributed capital and retained earnings components. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

As permitted by GASB Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, generally, the State has elected to apply only statements and interpretations of the Financial Accounting Standards Board, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Agency Funds. The accounts of agency funds are reported using the modified accrual basis of accounting as described above for governmental and expendable trust funds. Agency funds do not measure nor report operations. Instead, changes in assets and liabilities are presented for agency funds.

University and College Funds. The accounts of the university and college funds are reported using the accrual basis of accounting with the following exceptions:

- Depreciation expense related to plant fund assets generally is not recorded.
- Revenues and expenditures of an academic term encompassing more than one fiscal year are solely reported in the fiscal year in which the program is predominantly conducted.

E. Eliminations

Eliminations have been integrated into the report to eliminate those items which would significantly overstate the financial activities of certain funds and intrafund accounts within the related fund type.

F. Total (Memorandum Only) Columns

Total columns represent an aggregation of the fund type and account group financial statements. They are presented for informational purposes and do not represent consolidated financial information.

G. Budgetary Process

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/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 Comptroller's Uniform Statewide Accounting System ("CUSAS")

controls expenditures by line-item as established in approved appropriation bills and insures that appropriated expenditure amounts are not exceeded. The level of legal control is reported in a publication titled *Illinois Detailed Annual Report of Revenues and Expenditures*. A separate document is necessary since the State has over 9,200 appropriated line items. Administrative transfers between certain appropriation line-items within the same treasury held fund cannot exceed 2% of the aggregate amount appropriated to an agency from that fund. 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 they are presented for payment during the succeeding 90 day "lapse period." Certain appropriations referred to as "reappropriations" represent the continuation of a prior year's program which requires additional time for completion.

Budgeted revenues in the accompanying Combined Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) represent original estimates, while budgeted expenditures represent original appropriations modified by supplemental and amendatory and continuing appropriations aggregating \$567 million. Budgets are essentially on the cash basis, modified for expenditures during the lapse period (beginning and end of year) as described in the preceding paragraph.

CUSAS 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;

University - funds established to receive revenues such as fees, tuition and excess income from auxiliary enterprises at State-supported institutions of higher education;

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.

H. Cash Equivalents

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

I. Investments

Investments are stated on the basis of cost except for those of the State Employees' Deferred Compensation Fund, and investments in mutual funds which are stated at market value. Investment income is recorded as revenue in the General Fund, except for resources of retirement systems and certain other individual funds which are statutorily authorized to be separately invested and specifically credited with the income realized thereon. The State financial statements contain certain investments that meet the definition of "derivatives". Derivative investments are included in the pension trust funds as disclosed in note 4.

J. Inventories

Inventories for governmental funds are valued at cost, principally on the first-in, first-out consumption method.

K. Interfund Transactions

The State has the following types of interfund transactions:

Quasi-external transactions - Charges for services rendered by one fund to another are treated as revenues of the recipient fund and expenditures or expenses of the disbursing fund.

Reimbursements - Reimbursement of expenditures made by one fund for another are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Residual Equity Transfers - Nonroutine or nonrecurring transfers between funds are reported as additions to or deductions from fund equity.

Operating Transfers - Legally authorized transfers other than residual equity transfers are reported as operating transfers.

L. Property, Plant and Equipment

Fixed assets are recorded at cost or, for donated assets, at fair market value at date of acquisition.

General Fixed Assets - Fixed asset records are used by the State primarily to assure accountability. Historical cost records for certain general fixed assets are incomplete or not available. Accordingly, estimated historical costs have been used. Public domain (infrastructure) general fixed assets such as highways, bridges, and lighting systems are not capitalized. Depreciation is not provided on general fixed assets and interest expenditures incurred during the construction period are not capitalized.

Proprietary and Fiduciary Fund Types - It is the State's policy to capitalize interest expense incurred on significant assets during their construction. Generally, property, plant and equipment, excluding land, are depreciated on the straight-line method over the estimated service lives of the respective assets as follows:

	<u>Years</u>
Land improvements	20-50
Buildings and building improvements	20-50
Equipment	3-10

University and College Funds - Generally, public domain (infrastructure) assets such as streets, sidewalks, and lighting systems are not capitalized. Depreciation generally is not provided on property, plant and equipment.

M. 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 10). The State also maintains and funds public employee retirement systems for employees of the various State supported universities and 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 provisions of Accounting Principles Board (APB) Opinion No. 8. Based on actuarial consultations, the State's contributions have been less than the retirement benefits paid during the year for the last fifteen 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.

Effective July 1, 1980 the State prospectively adopted the provisions of APB Opinion No. 8 to determine pension cost. Accordingly, calculated pension cost comprises normal cost plus interest on unfunded prior service cost and amortization of prior service costs over forty years. For the period of change and subsequent years, the excess of pension cost so calculated over amounts funded represent long-term obligations of the State and have been reflected in the General Long-Term Obligations Account Group.

N. Capital Appreciation ("deep-discount") Bonds

Capital appreciation bonds are those bonds which 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 bond matures. Therefore, the net value of the bonds "accretes" (i.e., the discount is reduced) over the life of the bonds. For general and special obligation bonds, the accreted amounts are included in the General Long-Term Obligations Account Group.

O. Compensated Absences

The amounts of vested unpaid vacation and sick leave accumulated by State employees are accrued when incurred in proprietary and university and college funds, which use the accrual basis of accounting. In the governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current-year expenditures. Employees are charged for the earliest sick leave earned when the leave is used, and they are compensated for one-half of sick time accumulated after January 1, 1984 which is unused upon termination of employment. The State's liability for unused vested sick leave and vacation time, including salary related costs (e.g., social security and medicare tax), is recorded in the

accompanying financial statements at the employees' current salary level. Unless it is anticipated that compensated absences will be used in excess of a normal year's accumulation, no additional expenditures are accrued. Therefore, the entire unpaid liability for the governmental funds is recorded in the General Long-Term Obligations Account Group.

P. Workers' Compensation Liability

The fund liabilities of the General Fund, Road and Mental Health (Special Revenue) Funds include the amount of workers' compensation claims that would normally be liquidated with expendable available financial resources. The remaining liability, based on the State's workers' compensation laws, is reported in the General Long-Term Obligations Account Group and University and College Funds.

Q. Encumbrances

The State employs encumbrance accounting for all governmental fund types. All contracts, purchase orders and other commitments for goods or services that have not been received/rendered by June 30 are reported as reservations of fund balances, not as expenditures.

R. Reservations/Designations of Fund Equity

Reservations

Governmental and Fiduciary Funds - Fund balances of governmental and fiduciary fund types which are legally restricted to a specific future use or that are not available for appropriation or expenditure are reported as reservations of fund balances.

University and College Funds - Fund balances of university and college funds which are legally restricted by outside sources to specific future use are reported as reservations of fund balances.

Proprietary Funds - Reserved retained earnings of the proprietary funds are legally restricted for the payments of capital maintenance and debt service related to revenue bonds and bond anticipation notes and for other purposes.

Designations

Designations of unreserved fund balances in governmental, fiduciary and university and college

funds indicate the State's plan for use of financial resources in future periods.

S. Risk Management

Insurance in force on State-owned assets is limited except for certain university facilities. Further, the State makes no provision for anticipated losses in the event of involuntary conversions. The State's liability exposures, including workers' compensation, vehicle, employee fidelity and surety, legal representation and employee indemnification, general liability, and other tort liability are retained. Liabilities for claims, including claims incurred but not reported, are recorded in the funds or the General Long-Term Obligations Account Group as appropriate. The State has met its financial obligation associated with losses sustained from its current resources in the past, even though limited insurance coverage is purchased.

The State administers two public entity risk pools for non-state employers - one for local governments and another for school districts. The Local Government Health Insurance Reserve Fund offers a health insurance program to local governments and its employees and retirees and the Teacher Health Insurance Security Fund offers health insurance for school district teachers and retired teachers. These funds are included as enterprise funds in the State's CAFR. Detailed information on these programs can be obtained from the Department of Central Management Services which administers both plans. Separate audit reports are issued for both plans and include the required pool supplementary information.

T. Financial Reporting Standards

GASB Statement 24, *Accounting and Financial Reporting for Certain Grants and other Financial Assistance*, provides guidance on pass-through grants, food stamps, and on-behalf payments for fringe benefits and salaries and has been implemented for fiscal year 1996.

In November 1994, the GASB adopted Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. The statement requires the State to measure and disclose the annual pension cost on the accrual basis and recognize governmental fund pension expenditures on the modified accrual basis of accounting. This statement establishes a new financial reporting framework that will result in significant changes to the financial statements, notes, and add required supplementary information. The requirements of the Statement are effective for periods

beginning after June 15, 1997 (i.e., fiscal year ended June 30, 1998) with earlier implementation encouraged. The State intends to early adopt the provisions of this standard in the fiscal year ended June 30, 1997.

GASB Statement 28, *Accounting and Financial Reporting for Securities Lending Transactions*, is effective for financial statements for periods beginning after December 15, 1995. Generally, the State will implement the standard in fiscal year 1997 and, except for the Teacher's Retirement System, included in the State's financial statements as a pension trust fund, has not implemented Statement 28 in the current fiscal year.

Resources and Changes in Budgetary Fund Balances-Budget and Actual (Non-GAAP), All Budgeted Fund Groups, presents comparisons of the legally adopted budget (more fully described in Note 1-G) with actual data on a budgetary basis.

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 generally accepted accounting principles, a reconciliation (amounts expressed in thousands) of resulting basis, perspective, entity and timing differences in the excess (deficiency) of revenues over (under) expenditures/expenses and other sources (uses) of financial resources for the year ended June 30, 1996 is presented below:

2. BUDGETARY BASIS VS. GAAP:

The accompanying Combined Statement of Revenues, Expenditures, Other Sources and Uses of Financial

BUDGETARY FUND GROUPS	Primary Government						
	General	Highway	University	Special State	Bond Financed	Debt Service	Federal Trust
FINANCIAL STATEMENT FUND TYPES	General			Special Revenue	Capital Projects	Debt Service	
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources (budgetary basis).....	\$ 48,779	\$ 43,232	\$ 7,789	\$ 221,919	\$ 104,949	\$ 74,402	\$ 15,322
Adjustments:							
To adjust revenues, related receivables and deferred revenue.....	(210,104)	(46,225)	60	526,971	41,945	12,247	3,289
To adjust expenditures/expenses and related liabilities.....	436,954	(24,155)	(2)	(645,806)	(23,964)	(2,990)	(106,706)
To adjust for lapse period expenditures which were not recorded as liabilities.....	(19,154)	(316)	2	10,917	2,761	(1)	108,593
Excess (deficiency) of revenues over (under) expenditures/expenses and other sources (uses) of financial resources into financial resources (GAAP basis) - budgetary classifications.....	256,475	(27,464)	7,849	114,001	125,711	83,658	20,498
Reclassifications & adjustments:							
To reclassify excess (deficiency) of revenues over (under) expenditures/expenses and other sources (uses) of financial resources into financial statements fund types.....	(7,805)	27,464	(7,849)	(7,389)	(32)	(407)	(20,498)
To record excess (deficiency) of revenues over (under) expenditures/expenses and other sources (uses) of financial resources for nonbudgeted funds and accounts.....	3,186			184	68,994	3,197	
Excess (deficiency) of revenues over (under) expenditures/expenses and other sources (uses) of financial resources (GAAP basis).....	\$ 251,856	\$ --	\$ --	\$ 106,796	\$ 194,673	\$ 86,448	\$ --

Primary Government (Continued)					Component Units		
Revolving	State Trust		Expendable Trust	Non-Expendable Trust			
Internal Service		Enterprise			Governmental	Proprietary	University & College
\$ (1,063)	\$ 12,302						
15,104	(417,476)						
(8,587)	410,843						
(28)	9,504						
5,426	15,173						
(388)	(15,173)	\$ 3,414	\$ 48	\$ 39	\$ 20,493	\$ 1	\$ 8,082
(360)		22,626	41,701	47	(775)	153,956	323,158
\$ 4,678	\$ ---	\$ 26,040	\$ 41,749	\$ 86	\$ 19,718	\$ 153,957	\$ 331,240

3. RESTATEMENTS/ RECLASSIFICATIONS OF FUND BALANCES:

The fund balance of the ESCO COP Debt Service Fund, a primary government debt service fund, has been restated to reflect unrecorded fiscal year 1995 transactions. These transactions relate to energy service agreements into which various agencies entered that have been classified as certificates of participation.

The fund balance of the ESCO COP Capital Projects Fund, a primary government capital projects fund, has been restated to reflect unrecorded fiscal year 1995 transactions. These transactions relate to energy service agreements into which various agencies entered that have been classified as certificates of participation.

The Affordable Housing Trust Fund has been reclassified from a primary government special revenue fund to a component unit governmental fund. This reclassification reflects that the programs financed by the fund are administered by the Illinois Housing Development Authority, a component unit of the State.

The Quincy Veterans' Home Benefits Fund has been reclassified from a special revenue fund to an expendable trust fund to better reflect the nature of the fund.

The July 1, 1995 fund balances (amounts expressed in thousands) have been restated/reclassified as follows:

	Primary Government				Component Units
	Fund Types				Discretely Presented
	Special Revenue	Debt Service	Capital Projects	Expendable Trust	Governmental
Fund Balance, June 30, 1995 as previously stated.....	\$ 2,317,544	\$ 444,198	\$ 21,276	\$ 1,905,791	\$ 29,184
Restatements:					
To adjust for unrecorded activity.....		(884)	884		
Reclassifications:					
To reclassify the fund balance of the Illinois Affordable Housing Trust Fund.....	(78,187)				78,187
To reclassify the fund balance of the Quincy Veterans' Home Benefits Fund.....	(363)			363	
Fund Balance, July 1, 1995 as restated.....	\$ 2,238,994	\$ 443,314	\$ 22,160	\$ 1,906,154	\$ 107,371

4. DEPOSITS AND INVESTMENTS:

The State Treasurer is the custodian of the State's cash, cash equivalents, and investments for most funds maintained in the State Treasury. Funds maintained outside the State Treasury (locally held funds) have independent authority to manage their own cash and investments. As described later, the funds of the State's retirement systems are invested separately.

Investment Policy -

General

Statutes authorize public agencies, including the State of Illinois Primary Government and its Component Units, to engage in a wide variety of investment

activities. These include bonds, notes, certificates of indebtedness, treasury bills or other securities guaranteed by the United States; interest-bearing savings accounts, certificates of deposit, or interest-bearing time deposits or any other investments that constitute direct obligations of any bank; short-term obligations of certain qualified United States corporations; short-term discount obligations of the Federal National Mortgage Association; shares or other securities legally issued by certain state or federal savings and loan associations; insured dividend-bearing share accounts and certain other accounts of chartered credit unions; certain money market mutual funds; Public Treasurer's Pool; and repurchase agreements that meet certain instrument and transaction requirements.

Statutes require that investments purchased must mature or be redeemable prior to the date they will be needed to pay expenditures.

The investments of the State's five retirement systems (classified as pension trust funds) are governed by the State Pension Code. Authorized investments consist of bonds, equities, real estate, venture capital and other activities that are consistent with the "prudent person" rule. The "prudent person" rule, as adopted by the Illinois General Assembly in 1982, states that fiduciaries must discharge their duties with the care, skill, prudence and diligence which a prudent person acting in a like capacity and familiar with such matters would use under conditions prevailing at the time.

In addition to statutory requirements, Primary Government agencies and Component Units have adopted their own supplemental investment practices which further regulate such activities.

Derivatives

Certain State agencies, principally Teachers Retirement System (TRS) and State Universities Retirement System (SURS), invest in derivative securities. A derivative security is an investment whose payoff depends upon the value of other assets such as commodity prices, bond and stock prices or a market index. In general, a derivative is used to modify exposure to undesirable risks, to increase portfolio liquidity and flexibility, or to enhance investment yields within the level of risk defined in the agency's investment guidelines.

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

TRS and SURS invest in the following types of derivatives: foreign currency forward contracts,

collateralized mortgage obligations (CMO's), financial futures, and financial options.

Foreign currency forward contracts are used to hedge against the currency risk in agencies' foreign stock and fixed income security portfolios. Foreign currency forward contracts are an agreement to buy 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 not recognized until the maturity or the settlement date of the contract. Foreign currency forward contracts represent an off-balance sheet obligation because there are no balance sheet assets or liabilities associated with those contracts. As of June 30, 1996, SURS foreign currency forward contracts purchased were fully off-set by foreign currency forward contract sold, resulting in a net book value of \$0. As of June 30, 1996, the net unrealized gain on foreign currency forward contracts totaled \$5,597 (expressed in thousands). As of June 30, 1996, TRS had a net unrealized gain on the foreign currency forward contracts totaling \$17,068 (expressed in thousands).

Financial futures are an agreement to buy or sell a specific amount of an asset at a specified delivery or maturity date for an agreed-upon price. As the market value of the futures contract varies from the original contract price, a gain or loss is recognized and paid to the clearinghouse. Financial futures represent an off-balance sheet obligation because there are no balance sheet assets or liabilities associated with those contracts. The cash or securities to fulfill these obligations are held in the investment portfolio.

Financial options are an agreement that gives one party the right, but not the obligation, to buy 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, TRS and SURS receive a premium at the outset of the agreement and bear the risk of an unfavorable change in the price of the financial instrument underlying the option. Premiums received are recorded as a liability when the financial option is written, and gains or losses are recognized at the time the options are exercised or when they expire. As purchasers of financial options, TRS and SURS pay a premium at the outset of the agreement and the counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option. Premiums paid are recorded as an asset when the financial option is purchased and gains or losses are recognized when the options are exercised by the agency or they expire.

Type of Derivative Contract	Contractual Principal Outstanding* (expressed in thousands)	
	Teachers Retirement System	Universities Retirement System
Domestic Interest Rate Products		
Fixed income futures purchased.....	\$ 1,745,698	\$ 331,600
Fixed income futures sold.....		8,700
Fixed income written put options.....	1,138,682	71,750
Fixed income purchased put options.....		1,000
Fixed income written call options.....	61,939	
International Interest Rate Products		
International fixed income futures purchased.....	4,105	500,000
International fixed income bond call options.....	3,302	
International fixed income written put options.....		1,237,000
Eurodollar purchased put options.....		1,237,000
Domestic Equity Products		
S&P 500 index futures purchased.....	696,766	
Written S&P 500 index call options.....	100,302	
Written S&P 500 index put options.....	38,916	
Stock written call options.....	15,214	
Stock written put options.....	983	
International Equity Products		
Index futures purchased.....	128,057	74,755
Index international equity written call options.....	815	
Index international equity written put options.....	1,098	
Foreign Currency Products		
Currency futures.....	45,358	
Written call options.....	78,896	
Written put options.....	102,394	
*The contractual principal amounts listed above represent the market value of the underlying assets the derivative contracts control. Contractual principal values do not represent actual balance sheet values.		

As of June 30, 1996, SURS book and market values (expressed in thousands) of option contracts written were (\$1,907) and (\$3,397), respectively. As of June 30, 1996, TRS book and market values (expressed in thousands) of option contracts written were (\$11,330) and (\$7,071), respectively. The book value of option contracts written represents the premiums received, and the market value represents the amount to be paid to close all positions as of that date.

As of June 30, 1996, SURS book and market value (expressed in thousands) of option contracts purchased were \$47 and \$31, respectively. The book value of option contracts purchased represents the premiums paid, and the market value represents the amount to be received to close all positions as of that date.

The above table represents the derivative positions held by TRS and SURS at June 30, 1996 in financial futures and financial options. Additional information concerning the derivative investments of TRS and

SURS can be obtained from their separately issued annual reports.

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

Deposits

Primary Government

On June 30, 1996, the carrying amount of the State's Primary Government cash deposits (amounts expressed in thousands) was \$1,144,963 and the bank balance was \$1,716,844. Of the bank balance, \$1,580,994 was covered by federal depository insurance or by collateral held by the State or the State's agent in the State's name, \$2,008 was covered by collateral held in the pledging bank's trust department or by its agent in the

State's name, and \$133,842 was uninsured and uncollateralized.

Component Units

On June 30, 1996, the carrying amount of the State's Component Units cash deposits (amounts expressed in thousands) was \$252,498, and the bank balance was \$243,087. Of the bank balance, \$138,081 was covered by federal depository insurance or by collateral held by the State or the State's agent in the State's name, \$71,905 was covered by collateral held in the pledging bank's trust department or by its agent in the State's name, and \$33,101 was uninsured and uncollateralized. At June 30, 1996, the State Treasurer held \$413 of the component unit agencies bank balances.

By statute, public monies deposited in financial institutions must either be collateralized; insured by an agency of the federal government; or not exceed 75% of the capital stock and surplus, 75% of the net worth, or 50% of the unimpaired capital and surplus of a financial institution.

Investments

Investments (amounts expressed in thousands), are categorized below to give an indication of the level of custodial credit risk assumed by the State at June 30, 1996. Category 1 includes investments that are insured or registered or for which the securities are held by the State or its agent in the State's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty trust department or agent in the State's name. Category 3, includes uninsured and unregistered investments for which the securities are held by the counterparty, or by a trust department or agent but not in the State's name. All of the amounts shown below in category 3, pertain to the enterprise fund type.

The master repurchase agreements utilized by the Treasurer require the broker or financial institution to maintain the market value of collateral securities at 102% of the agreement. The carrying amount, accrued interest, was approximately \$1,376,840 and the market value of the collateral securities to be resold based on commitments under the repurchase agreements was approximately \$1,404,810 as of June 30, 1996.

Primary Government	Category			Carrying Amount	Market Value
	1	2	3		
Repurchase agreements.....	\$ 2,874,372			\$ 2,874,372	\$ 2,874,372
U.S. Treasury and Agency obligations.....	6,054,720		\$ 4,263	6,058,983	7,351,373
Commercial paper.....	1,277,201	\$ 2,944		1,280,145	1,280,185
Corporate debt securities.....	4,583,578			4,583,578	4,640,149
Corporate equity securities.....	8,673,225			8,673,225	10,718,199
	<u>\$ 23,463,096</u>	<u>\$ 2,944</u>	<u>\$ 4,263</u>	<u>23,470,303</u>	<u>26,864,278</u>
Investment contracts.....				487,104	520,183
Tangible property.....				2,754,910	2,585,910
Investments in mutual funds.....				7,992,803	10,028,094
				<u>\$ 34,705,120</u>	<u>\$ 39,998,465</u>

Component Units	Category			Carrying Amount	Market Value
	1	2	3		
Repurchase agreements.....	\$ 276,835	\$ 12,829	\$ 289,664	\$ 289,664	\$ 289,664
U.S. Treasury and Agency obligations.....	\$ 723,436	46,944	20,011	790,391	766,279
Commercial paper.....	111		10,643	10,754	10,781
Corporate debt securities.....	132,280	7,978	17,543	157,801	156,622
Corporate equity securities.....	48,753	848	24,059	73,660	87,044
	<u>\$ 904,580</u>	<u>\$ 332,605</u>	<u>\$ 85,085</u>	<u>1,322,270</u>	<u>1,310,390</u>
Investment contracts.....				468,675	468,675
Tangible property.....				11,924	28,195
Investments in mutual funds.....				465,343	514,892
				<u>\$ 2,268,212</u>	<u>\$ 2,322,152</u>

Of the amounts shown above in category 3, the university funds constitutes 83%.

Reconciliation to Balance Sheet

The balance sheet account cash and cash equivalents contains certain short-term investments (included as investments above) to reflect their liquidity. In

addition, the disclosures related to deposits and investments above include certain items that the balance sheet shows as restricted assets or other assets. A reconciliation is provided below.

Amount Per Note:	Deposits	Investments
Primary Government.....	\$ 1,144,963	\$ 34,705,120
Component Units.....	252,498	2,268,212
Cash Equivalents.....	6,829,703	(6,829,703)
Restricted Assets.....	(107,086)	(377,483)
Other Assets.....	(91)	
Amount Per Balance Sheet		
Total (Memorandum Only) Reporting Entity.....	\$ 8,119,987	\$ 29,766,146

Governmental Accounting Standards Board Statement 28

In May 1995, the GASB issued Statement 28, "Accounting and Financial Reporting for Securities Lending Transactions." The Statement provides guidance on the appropriate accounting for securities lending transactions. The Statement requires cash received as collateral on securities lending transactions to be reported as an asset on the Balance Sheet along with any liabilities resulting from the related transactions. Securities lending transactions collateralized by letters of credit are not reported as assets or liabilities in the financial statements. The Statement also requires additional disclosures relating to these transactions. The State is required to adopt GASB Statement No. 28 for the fiscal year ending June 30,

1997. TRS, reported as a pension trust fund, elected to early implement this statement. Therefore, the investments and depository and other liabilities reflected on the Combined Balance Sheet for the fiduciary fund type include \$1,517,642 (expressed in thousands) related to collateral received from securities lending transactions. The interest and other investment income reflected on the Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances includes gross security lending income of \$50,378 (expressed in thousands) and securities lending interest expense of \$47,448 (expressed in thousands).

5. TAXES RECEIVABLE:

Taxes receivable (amounts expressed in thousands) at June 30, 1996 consisted of the following:

	Fund Types				Total (Memorandum Only)
	General	Special Revenue	Expendable Trust	Agency	
Income taxes.....	\$ 641,056	\$ 79,142		\$ 1,864	\$ 722,062
Sales taxes.....	584,445	265,934		58,883	909,262
Motor fuel taxes.....		191,243		559	191,802
Public utility taxes.....	25,037	70,186			95,223
Unemployment compensation taxes.....			\$ 244,382		244,382
Other taxes.....	243,914	15,408		5,598	264,920
	1,494,452	621,913	244,382	66,904	2,427,651
Less: Allowance for uncollectible taxes	767,149	290,571			1,057,720
Taxes Receivable, net.....	\$ 727,303	\$ 331,342	\$ 244,382	\$ 66,904	\$ 1,369,931

6. DUE FROM/TO OTHER FUNDS AND COMPONENT UNITS:

The following balances (amounts expressed in thousands) at June 30, 1996 represent due from/to

Fund Type/Fund	Due From			Due To		
	Other Funds	Component Units	Primary Government	Other Funds	Component Units	Primary Government
Primary Government						
General.....	\$ 205,879	\$ 27,623		\$ 300,111	\$ 151,153	
Special Revenue:						
State Construction Account.....	47,515			4		
Local Government Distributive.....	80,211			625		
Public Transportation.....	34,221					
Motor Fuel Tax.....	21,727			73,396		
Road.....	42,925	79		33,721	5,859	
Grade Crossing Protection.....	1,500					
Unemployment Compensation Special Administration.....	3,935			12,000		
Title III Social Security and Employment Services.....	12,408			2,743	5	
Personal Property Tax Replacement.....				78,834		
State and Local Sales Tax Reform.....				29,356		
County and Mass Transit District.....				17,633		
Build Illinois.....	9,450					
Drivers Education.....	1,816			5		
Special Purposes Trust.....	6,605			1,497		
State Gaming.....				26,471		
Child Support Enforcement Trust.....				2,875	22	
Other.....	35,475	871		24,571	13,036	
	<u>297,788</u>	<u>950</u>		<u>303,731</u>	<u>18,922</u>	
Debt Service.....				10	884	
Capital Projects:						
ESCO COP Capital Projects.....		8,632				
Other.....				719	42	
		<u>8,632</u>		<u>719</u>	<u>42</u>	
Enterprise:						
State Lottery.....	16,108			1,591		
Other.....	243			3,454		
	<u>16,351</u>			<u>5,045</u>		
Internal Service:						
Communications Revolving.....	17,800	2,954		935	6	
Statistical Services Revolving.....	16,124	23		379		
State Garage Revolving.....	6,196	15		442	1	
Health Insurance Reserve.....	100,426	2,267		884		
Working Capital Revolving.....	3,688	7		324		
Other.....	486	7		384		
	<u>144,720</u>	<u>5,273</u>		<u>3,348</u>	<u>7</u>	
Trust and Agency:						
Expendable Trust -						
Unemployment Compensation Trust.....	2,588	79		3,945		
Other.....	165			104	58	
	<u>2,753</u>	<u>79</u>		<u>4,049</u>	<u>58</u>	
Pension Trust -						
State Employee's Retirement System.....	11,605			89		
State Universities Retirement System.....	8	2,945				
Other.....	988			96		
	<u>12,601</u>	<u>2,945</u>		<u>185</u>		

Note 6 (continued)

Fund Type/Fund	Due From			Due To		
	Other Funds	Component Units	Primary Government	Other Funds	Component Units	Primary Government
Agency.....	\$ 20,336	\$ 108		\$ 83,230		
Total Trust and Agency.....	35,690	3,132		87,464	\$ 58	
Total (Memorandum Only)						
Primary Government.....	700,428	45,610		700,428	171,066	
Component Units						
Governmental.....	\$ 91		\$ 58	\$ 751		\$ 4
Proprietary:						
Housing Development Authority.....	15,178			14,519		1
Toll Highway Authority.....			4,418			641
Other.....	4,511		2	4,509		10
University and College:						
Chicago State University.....	2,347		413	2,370		271
Eastern Illinois University.....	12		4,709			4,097
Western Illinois University.....			2,695	14		250
Northern Illinois University.....	1,247		2,849	1,933		133
Southern Illinois University.....	6,400		7,111	6,108		6,101
University of Illinois.....	11,296		145,843	10,875		33,649
Other.....	333		2,968	336		453
Total Component Unit.....	41,415		171,066	41,415		45,610
Total (Memorandum Only) - Reporting Entity	\$ 741,843	\$ 45,610	\$ 171,066	\$ 741,843	\$ 171,066	\$ 45,610

7. LOANS AND NOTES RECEIVABLE:

Loans and notes receivable (amounts expressed in thousands) at June 30, 1996 consisted of the following:

	Fund Types				Total (Memorandum Only)	
	General	Special Revenue	Debt Service	Enterprise	Primary Government	Component Units
Mortgage loan program.....	\$ 109	\$ 133			\$ 242	\$ 1,580,940
Student loan program.....	6,982	1,095		\$ 709,473	717,550	103,311
Business loan program.....	51,970	17,043			69,013	298
Port districts construction.....	15,628				15,628	
Other.....	2,398	35,878	\$ 25,500		63,776	1,832
	77,087	54,149	25,500	709,473	866,209	1,686,381
Less: Allowance for uncollectible accounts.....	26,828	6,247		2,525	35,600	32,844
Loans and notes receivable, net.....	\$ 50,259	\$ 47,902	\$ 25,500	\$ 706,948	\$ 830,609	\$ 1,653,537

In the accompanying financial statements, the General and Special Revenue fund types reflect loans and notes receivable of \$98.2 million. Fund balances in the amount of \$87.9 million have been reserved to indicate their long-term nature and that they are not available to meet current appropriation or expenditure needs.

A portion of the General Fund's business loan programs (\$34.2 million) represents various funds' pooled resources that the State has invested in a pilot mortgage program.

Hotel Loans - Effective January 12, 1987, two of the General Fund program's outstanding mortgage loans aggregating \$28.9 million were restructured. One of these loans with an original balance of \$15.5 million was restructured again effective January 1, 1990. The remaining loan totalling \$13.4 million in original value was restructured effective January 1, 1991. Through June 30, 1996, the Treasurer recorded a provision for the write-down of \$17.1 million for these two properties

based on independent valuations. These two loans have been classified as nonperforming assets.

Commercial Loans - During fiscal year 1989, two of the remaining business loans outstanding, with balances aggregating \$6.0 million, were restructured. During fiscal years 1993 and 1994, the Treasurer recorded write-down provisions totalling \$1.9 million (i.e. \$1.7 million and \$150 thousand, respectively). On August 24, 1994 one of these loans, with an original loan balance of \$3.3 million was declared in default, and as such, has been classified as a nonperforming asset. On October 28, 1994, the other business loan was restructured.

In 1995, the Treasurer authorized the Trustee to sell the mortgage notes. However, the Attorney General opined that both his and the Governor's consent were required, which was not provided. Affiliates of the owners of the hotel loans filed a lawsuit against the Trustee and the Treasurer seeking specific performance of the buy-sell agreement on the agreed to terms. This lawsuit is still pending and the ultimate outcome of this proceeding is not presently determinable.

The write-down of the above Hotel and Commercial loans is not considered forgiveness of the obligations and collection efforts will continue for the entire loan balance, including principal and interest.

8. PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment (amounts expressed in thousands) at June 30, 1996 consisted of the following:

	General Fixed Assets Account Group	Fund Types				Total (Memorandum Only) Primary Government	Component Units
		Enterprise	Internal Service	Non- Expendable Trust	Pension Trust		
Land and land improvements.....	\$ 566,307		\$ 335	\$ 104	\$ 1,850	\$ 568,596	\$ 2,761,178
Buildings and building improvements.....	2,671,526		16,691		13,714	2,701,931	2,881,334
Equipment.....	1,270,154	\$ 11,636	175,948		19,100	1,476,838	1,946,979
Construction in progress.....	80,227					80,227	322,611
	4,588,214	11,636	192,974	104	34,664	4,827,592	7,912,102
Less: Accumulated depreciation.....		7,208	153,932		12,559	173,699	1,001,044
	\$ 4,588,214	\$ 4,428	\$ 39,042	\$ 104	\$ 22,105	\$ 4,653,893	\$ 6,911,058

Changes in general fixed assets (amounts expressed in thousands) for the year ended June 30, 1996 are presented below:

	Balance July 1, 1995	Additions	Deletions/ Net Transfers	Balance June 30, 1996
Land and land improvements.....\$...	558,707	\$ 10,779	\$ 3,179	\$ 566,307
Buildings and building improvements.....	2,559,113	27,509	(84,904)	2,671,526
Equipment.....	1,177,717	139,987	47,550	1,270,154
Construction in progress.....	72,384	189,723	181,880	80,227
	\$ 4,367,921	\$ 367,998	\$ 147,705	\$ 4,588,214

Construction in progress (amounts expressed in thousands) for general fixed assets, and component units as of June 30, 1996 is composed of the following:

Project	Project Authorization	Expended through June 30, 1996	Committed	Available Authorization
General Fixed Assets Account Group -				
TAMMS Super Maximum Facility.....	\$ 50,791	\$ 19,917	\$ 30,554	\$ 320
Forensic Unit, Elgin MHC.....	28,025	6,127	19,070	2,828
Adult Psychiatric Ctr - Elgin MHC.....	15,631	5,652	9,005	974
Forensic Unit, Alton MHC.....	14,624	12,668	1,625	331
Other.....	310,208	35,863	89,089	185,256
Total.....	\$ 419,279	\$ 80,227	\$ 149,343	\$ 189,709
Component Units -				
State Toll Highway Improvements.....	\$ 261,260	\$ 136,551	\$ 124,709	\$ ---
Chemical Life Sciences Laboratory - U of I.....	58,760	55,032	---	3,728
Ambulatory Care Facility - U of I.....	55,000	1,994	2,059	50,947
Science Building - ISU.....	29,400	20,719	8,681	---
Faraday Engineering Building - NIU.....	28,138	25,234	712	2,192
Steam Plant Addition/Remodeling - SIUC.....				---
Faraday Hall Addition - NIU.....	27,786	25,074	2,072	640
Engineering & Technology Building - SIU.....				---
Total.....	\$ 460,344	264,604	\$ 138,233	\$ 57,507
Projects less than \$10,000.....		58,007		
Total.....		\$ 322,611		

9. NOTES PAYABLE:

The State agencies listed below generally issue short-term notes, normally secured by specific revenue sources, to provide temporary financing. Outstanding

notes payable (amounts expressed in thousands) at June 30, 1996 were as follows:

Fund Type/Agency	Amount Outstanding	Interest Rates	Annual Maturity To
Primary Government -			
Enterprise:			
Illinois Student Assistance Commission.....	\$ 95,954	See Below	Demand
Component Unit -			
Proprietary:			
Southwestern IL Development Authority.....	700	0% to 6%	2008
Universities and Colleges:			
Northern Illinois University.....	2,656	5% to 9%	2002
Northeastern Illinois University.....	370	6%	2020
Southern Illinois University.....	1,803	3% to 7%	2009
University of Illinois.....	2,705	6% to 9%	2000
	<u>7,534</u>		
Total Component Unit.....	8,234		
Total (Memorandum Only) Reporting Entity	\$ 104,188		

Illinois Student Assistance Commission (Commission) -

The Commission is authorized to issue Student Loan Revenue Notes. The notes and related interest are payable solely from the revenues and other resources of the Commission. On June 30, 1996, the Commission had \$96 million of notes outstanding due 2005 or upon demand. The interest rate is 69.875% of the weekly 91-day U.S. Treasury bill rate, with a minimum interest rate of 3.38% and a maximum interest rate of 11.725%.

Southwestern Illinois Development Authority (SWIDA) -

The SWIDA has obtained notes payable from the Danforth Foundation and the Pulitzer Publishing Company in the amounts of \$500 thousand and \$100 thousand, respectively. These notes have interest rates ranging from 5.5% to 6% and mature on December 31, 1996. The proceeds from these notes are to be used to purchase and perform the necessary development requirements imposed by the National Park Service and

the Department of Interior on the real property that the SWIDA will donate to the National Park Service of the Department of Interior. This property is to be used by the National Park Service in extending the Jefferson National Expansion Memorial Historic Site to the East St. Louis Riverfront. In addition, the SWIDA has obtained a note payable from the Department of Commerce and Community Affairs in the amount of \$100 thousand, the proceeds of which were used for start-up costs. This note is non-interest bearing and matures on July 1, 2008. As of June 30, 1996, the total amount of notes payable outstanding was \$700 thousand.

Universities and Colleges -

Universities and colleges have issued notes payable aggregating \$7.5 million at June 30, 1996. The notes are generally secured through revenues (i.e., lease payment agreements) derived from the operations of the projects constructed, although portions of the notes outstanding are unsecured.

10. RETIREMENT SYSTEMS:

The State of Illinois sponsors five defined benefit public employee retirement systems ("PERS") which are included in the State's financial statements as pension trust funds.

Plan Descriptions -

- State Employees' Retirement System ("SERS") is the administrator of a single-employer PERS established in 1944 and governed by Article 14 of the Illinois Pension Code. SERS provides coverage to most State employees who are not eligible for another State sponsored plan. Employees who retire at or after age 60 with 8 years of credited service (or at age 55 with at least 30 years of credited service with reduced benefits) are entitled to an annual retirement benefit, payable monthly for life, in an amount based upon final average compensation and credited service. Employees with 35 years of credited service may retire at any age with full benefits.
- Teachers' Retirement System ("TRS") is the administrator of a cost-sharing, multiple-employer PERS established in 1939 and governed by Article 16 of the Illinois Pension Code. TRS provides coverage to teachers employed by public school districts in Illinois (excluding Chicago). The State of Illinois is legally mandated to make contributions by appropriations to the TRS, even though most covered employees are not State employees. Members may draw a retirement annuity at age 62 after 5 years of service; at age 60 after 10 years; and at age 55 after 20 years (with a reduction in the annuity of ½% for each month the member is under age 60 if less than 35 years of service).
- State Universities Retirement System ("SURS") is the administrator of a cost-sharing, multiple-employer PERS established in 1941 and governed by Article 15 of the Illinois Pension Code. SURS provides coverage to faculty and staff of State universities, community colleges and related agencies. The State of Illinois is legally mandated to make contributions by appropriations to SURS, even though some covered employees are not State employees. Members are eligible for normal retirement at age 62 with 5 years of covered

service, age 55 with 8 years of covered service, or at any age with 35 years of covered service. Police and fire fighters are eligible for normal retirement age 55 with 20 years of service, or at age 50 with 25 years of service.

- Judges' Retirement System ("JRS") is a single-employer PERS established in 1941 and governed by Article 18 of the Illinois Pension Code. The System covers judges and associate judges of the Illinois courts. Participants have vested rights to full retirement benefits beginning at age 60 with 10 years of service credit, or reduced retirement benefits beginning at age 55. Participants also have vested rights to benefits at age 62 upon attaining 6 years of credited service or at age 55 upon completing 28 years of credited service.
- General Assembly Retirement System ("GARS") is a single-employer PERS established in 1947 and governed by Article 2 of the Illinois Pension Code. GARS provides coverage to members of the General Assembly and certain elected State Officials. Participants have vested rights to retirement benefits beginning at age 62 with 4 years of service credit or at age 55 with 8 years of service credit.

Participation in the SERS, TRS and SURS plans by respective eligible employees is generally required. JRS participation is mandatory unless an election not to participate is filed within 30 days of the option. Participation in the GARS is optional.

Although specific benefits of the above PERS vary by plan, they include periodic annuity payments with automatic annuity increases after retirement, survivors benefits, and under specified conditions, lump sum death benefits. In some plans, group health insurance and disability benefits are provided. Participants who terminate service may receive, upon application, a refund of their total contribution. The State has not expressed any intention to discontinue its contributions and close the plans' enrollment. However, it would be able to do so, subject to the constitutionally vested rights of plan participants, by appropriately amending State law. Table I summarizes information by plan (dollar amounts only expressed in thousands) at June 30, 1996.

Table I

	SERS	TRS	SURS	JRS	GARS	Total
Employee Groups						
Retirees and beneficiaries						
currently receiving benefits.....	39,232	59,664	25,091	719	353	125,059
Terminated employees						
entitled to benefits but not yet receiving them.....	3,138	37,072	34,446	35	108	74,799
Active employees:						
Vested.....	50,655	132,545	42,324	576	106	226,206
Nonvested.....	28,557		33,764	290	75	62,686
Total active employees	79,212	132,545	76,088	866	181	288,892
Total participants	121,582	229,281	135,625	1,620	642	488,750
Employer						
Covered payroll.....	\$ 2,871,501	\$ 4,734,000	\$ 2,330,038	\$ 75,996	\$ 8,825	\$ 10,020,360
Total payroll.....	\$ 3,058,481	\$ 5,789,000	\$ 2,626,525	\$ 91,343	\$ 10,620	\$ 11,575,969

Funding Status and Progress

The amounts shown in Table II as the pension benefit obligation (“PBO”) are standard disclosure measures of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The standard measure is intended to help users assess the funding status of the systems on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited

projected benefits and is independent of the funding method used to determine contributions to the systems.

The pension benefit obligations were computed as part of the actuarial valuations performed as of June 30, 1996. Significant actuarial assumptions used in the valuations include (a) rates of return on investment of present and future assets of 8% per year, (b) postemployment benefit increases of 3% per year and (c) projected salary increases as follows:

	SERS	TRS	SURS	JRS	GARS
Salary increase due to inflation.....	4.5%	4.0%	4.5%	4.5%	4.5%
Salary increase due to seniority/merit.....	*	3.4%	2.5%	1.0%	1.5%
Total salary increase assumption.....	5.0%-9.2%	7.4%	7.0%	**6.0%	**6.5%

* Varies with age, increasing in increments (1/2% every five years) from .5% at age 65 to 4.7% at age 20.

** Includes a .5% “general” salary increase assumption in addition to inflation and seniority/merit.

During fiscal year 1996 there were no changes in benefit provisions or actuarial assumptions which affected the pension benefit obligation of the retirement systems. The total unfunded pension benefit obligation

and related information (amounts expressed in thousands) applicable to each retirement system at June 30, 1996 is disclosed in Table II below.

	SERS	TRS	SURS	JRS	GARS	Total
Pension Benefit Obligation For:						
Retirees and beneficiaries						
currently receiving benefits						
and terminated employees						
not yet receiving benefits.....	\$ 3,457,051	\$ 13,838,057	\$ 4,169,106	\$ 325,192	\$ 95,488	\$ 21,884,904
Current employees -						
Accumulated employee						
contributions including allocated						
investment earnings.....	1,856,443	3,002,052	2,676,703	71,463	7,602	7,614,263
Employer-financed vested.....	1,879,980	3,890,372	3,097,776	104,447	13,738	8,986,313
Employer-financed non-vested.....	197,418	5,411,303	211,454	76,690	10,537	5,907,402
Total Pension Benefit Obligation.....	7,390,892	26,141,794	10,155,039	577,792	127,365	44,392,882
Net assets available for						
benefits, at cost.....	4,396,969	13,829,711	5,082,891	232,433	42,625	23,584,629
Unfunded Pension Benefit						
Obligation.....	\$ 2,993,923	\$ 12,312,083	\$ 5,072,148	\$ 345,359	\$ 84,740	\$ 20,808,253
Net assets available for benefits,						
at market value.....	\$ 5,178,680	\$ 15,091,720	\$ 6,959,816	\$ 277,099	\$ 51,405	\$ 27,558,720

Contributions Required and Contributions Made

The systems' funding requirements have been established by statute (Public Act 88-593, effective July 1, 1995) and provides for a systematic 50 year funding plan with an ultimate goal to achieve "90% funding" of the systems' liabilities. In addition, the new 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.

Prior to the new legislation, Public Act 86-273, effective August 23, 1989, required that, starting with fiscal year 1990, the employer contributions made by the State shall be increased incrementally over a seven year period so that by fiscal year 1996 the minimum State employer contribution shall be an amount that is sufficient to meet the normal cost and amortize the unfunded actuarial liability over forty years as a level percent of payroll as determined under the projected

unit credit actuarial cost method. The State contribution, as a percentage of the applicable employee payroll, shall be increased in equal annual increments over the seven year period until the funding requirement specified above is met. Generally, the State did not meet its required contributions under this Act.

Employee contributions are based on fixed percentages ranging from 4% to 11.5% applied to an employee's annual compensation, supplemented by contributions provided by the State. The State's actual funding of the retirement systems is governed by *appropriation* law and the State has met its funding requirement established by *statutory* law for the fiscal year ended June 30, 1996. 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. The statutory funding requirement and the

actual amounts funded (expressed in thousands) by retirement system for fiscal year 1996 are presented in Table III below. Neither the new legislation nor Public Act 86-0273 funding plans conform with official

accounting pronouncements, particularly APB 8. The requirements of both Public Acts are significantly different than the APB 8 funding requirements shown in Table V.

	SERS	TRS	SURS	JRS	GARS
Statutory funding requirement (Public Act 88-593).....	\$ 146,360	\$ 328,618	\$ 123,911	\$ 12,129	\$ 2,400
Contributions made by the State of Illinois.....	146,398	330,074	123,911	12,129	2,400
1996 Statutory (Excess).....	\$ (38)	\$ (1,456)	\$ --	\$ --	\$ --

All retirement systems use the projected unit credit actuarial cost method. There were no current year changes in the method used to calculate or establish

retirement costs. Table IV summarizes contribution information by plan (amounts expressed in thousands) for the year ended June 30, 1996.

	SERS	TRS	SURS	JRS	GARS
Contributions made:					
By employees.....	\$ 137,220	\$ 399,084	\$ 197,005	\$ 9,786	\$ 1,141
% of current year covered payroll.....	4.8%	8.4%	8.5%	12.9%	12.9%
By employers.....	\$ 146,398	\$ 389,362	\$ 147,368	\$ 12,129	\$ 2,400
% of covered payroll:					
1996	5.1%	8.2%	6.3%	16.0%	27.2%
1995	5.0%	13.5%	5.7%	14.8%	26.3%
1994	4.9%	11.0%	6.2%	15.2%	24.6%

Net funding deficits are the amount by which retirement costs calculated in accordance with APB 8 exceed contributions made by the State. These amounts, aggregating \$1,580.6 million for the year ended June 30, 1996, are reflected in the General Long-Term

Obligations Account Group and Changes in Long-Term Obligations (see Note 15). Table V presents the 1996 net funding deficits (amounts expressed in thousands) by pension plan.

	SERS	TRS	SURS	JRS	GARS	TOTAL
1996 retirement costs (calculated in accordance with APB 8).....	\$ 335,219	\$ 1,307,230	\$ 590,105	\$ 37,711	\$ 7,942	\$ 2,278,207
Contributions made by employers.....	146,398	389,362	147,368	12,129	2,400	697,657
1996 net funding deficits included in the accompanying financial statements as accrued retirement costs.....	\$ 188,821	\$ 917,868	\$ 442,737	\$ 25,582	\$ 5,542	\$ 1,580,550

TRS and SURS are the State's two cost-sharing, multiple employer PERS. As referred to above under plan descriptions, most covered employees of the TRS are not State employees. Also, some covered employees of the SURS are not State employees. The

actuarial required contribution by the State expressed as a percentage of the actuarial required contribution for all employers for the TRS and SURS approximated 96% for both of those systems for fiscal year 1996.

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Required 10-year trend information is presented in each of the retirement systems' annual

reports. Table VI presents the required three-year trend information except for employer contributions expressed as percentages of annual covered payroll which is presented in Table IV of this note.

		<u>SERS</u>	<u>TRS</u>	<u>SURS</u>	<u>JRS</u>	<u>GARS</u>
Net assets available for benefits (at cost) expressed as a % of the pension benefit obligation (percentage funded):	1996	59%	53%	50%	40%	33%
	1995	56%	53%	50%	41%	34%
	1994	57%	55%	52%	43%	37%
Unfunded pension benefit obligation expressed as a % of annual covered payroll:	1996	104%	260%	218%	454%	960%
	1995	111%	257%	210%	411%	897%
	1994	106%	221%	193%	382%	812%

Postemployment Benefits

In addition to providing pension benefits, the State Employees Group Insurance Act requires that the State pay the cost of basic noncontributory health and dental, and life insurance benefits to annuitants who are former State employees. This includes annuitants of all of the State's retirement systems, excluding the Teachers' Retirement System.

Legislation transferring the administration of the TRS health insurance program to the Illinois Department of Central Management Services ("CMS") took effect January 1, 1996. It established a funding mechanism consisting of a one-half of 1 percent contribution from active teachers and matching appropriations from the State to pay the subsidy portion of participating annuitants during fiscal year 1996. Persons enrolling in TRS managed care or residing in areas with no managed care receive a 75% premium subsidy. All others receive a 50% subsidy. At June 30, 1996, 31,356 TRS annuitants were enrolled in the health plan, receiving \$43.4 million in direct cash subsidies. TRS will continue to be responsible for program enrollment and eligibility determination. CMS will be responsible

for providing information and consultation to plan participants. Substantially all of the State's employees may become eligible for postemployment benefits if they eventually become an annuitant. Health and dental benefits include basic benefits for annuitants under the State's self-insurance plan and insurance contracts currently in force. Life insurance benefits are limited to five thousand dollars per annuitant age 60 and older.

For fiscal year 1996, the State did not segregate payments made to annuitants from those made to current employees for health and dental, and life insurance benefits. The total cost of all members including postemployment health and dental, and life insurance benefits is recognized as an expenditure in the accompanying financial statements as claims are reported and are financed on a pay-as-you-go basis. For fiscal year 1996, the cost of providing postemployment health and dental, and life insurance benefits for approximately 64,000 annuitants was estimated to be \$104 million and \$11.8 million, respectively.

11. GENERAL OBLIGATION BONDS:

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 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 as an energy source. 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. General obligation bonds are redeemed over a period not to exceed 30 years, from available resources in the debt service funds. However, the State of Illinois has generally issued 25 year serial bonds with equal amounts of principal maturing each year except for capital appreciation and refunding bonds which mature in varying amounts. Additionally, Illinois offerings, with the exception of anti-pollution bonds, generally 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 at a redemption price not to exceed 102% of par value.

General obligation bonds outstanding and bonds authorized but unissued (amounts expressed in thousands) at June 30, 1996 were as follows:

Purpose	Outstanding		Authorized but Unissued
	Interest Rates	Amount	
Capital development.....	3.25% to 11.5%	\$ 1,972,479	\$ 554,041
Transportation.....	3.50% to 11.5%	1,810,053	237,627
Anti-Pollution.....	3.50% to 12.0%	325,370	4,928
School construction.....	3.50% to 11.5%	92,642	59,225
Coal development.....	3.55% to 11.5%	39,211	106,514
Refunding.....	3.90% to 6.7%	1,416,774	440,856
		\$ 5,656,529	\$ 1,403,191

Changes in general obligation bonds during the year ended June 30, 1996 are summarized in Note 15.

Future general obligation debt service requirements (amounts expressed in thousands) at June 30, 1996 were as follows:

Year Ending June 30	Principal	Interest	Total
1997	\$ 463,655	\$ 208,382	\$ 672,037
1998	463,025	190,842	653,867
1999	452,900	174,420	627,320
2000	450,625	158,787	609,412
2001	457,055	143,735	600,790
Thereafter	4,459,080	1,000,288	5,459,368
	<u>\$ 6,746,340</u>	<u>\$ 1,876,454</u>	<u>\$ 8,622,794</u>
Less: Unaccreted appreciation	(1,069,811)		
	<u>\$ 5,656,529</u>		

On December 5, 1995, the State issued \$315.8 million in general obligation bonds with an interest rate of 5.13% to advance refund \$303.4 million of certain callable maturities of previously issued general obligation bonds which had interest rates ranging from 5.25% to 11.75%. The principal of the refunded bonds is to be redeemed on various dates through 1998 at redemption prices ranging from 101% to 102%. The net proceeds of \$318.0 million (after including the reoffering premium) were used to purchase U. S. governmental securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability for those bonds has been removed from the General Long-Term Obligations Account Group. At June 30, 1996, the outstanding balance of the defeased bonds was \$241.1 million.

The refunding transaction has saved the State aggregate debt service payments of \$38.4 million and will result in an economic gain or present value savings of \$25.7 million over the life of the refunded bonds.

In prior years, the State defeased certain callable maturities of general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the accompanying financial statements. At June 30, 1996, the outstanding balance of the defeased bonds was \$327.4 million. These bonds have interest rates ranging from 5.8% to 12% and their principal is to be redeemed on various dates through 2001 at redemption prices varying from 100% to 102%.

Subsequent to June 30, 1996, the State issued \$185 million of general obligation bonds which mature annually from 1997 through 2021 with interest rates ranging from 4.875% to 6%.

12. SPECIAL OBLIGATION BONDS:

Special obligation bonds have been authorized and issued to provide funds for the Build Illinois Program, 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's Metropolitan Civic Center Support Act (Support Act) was amended on September 3, 1985, to allow the issuance of bonds to refinance the State's metropolitan Civic Center Support Program and to provide additional capital for new projects to be financed under the Support Act. The refinancing of the State's Metropolitan Civic Center Support Program is discussed further in Note 14. The Support Act was amended further on September 11, 1990, to allow the

issuance of bonds for making construction and improvement grants by the Secretary of State, as State Librarian, to public libraries and library systems. Special obligation bonds are payable primarily from dedicated portions of the State's sales tax and the horse racing privilege tax and are redeemed over a period of not more than 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 (amounts expressed in thousands) at June 30, 1996 were as follows:

Purpose	Outstanding		Authorized but Unissued
	Interest Rates	Amount	
Build Illinois:			
Public infrastructure.....	3.7% to 7.5%	\$ 582,688	\$ 172,899
Business development.....	5.5% to 7.5%	7,863	1
Education.....	3.7% to 7.5%	293,655	(4,817)
Environment.....	3.7% to 7.5%	12,376	1,895
Refunding.....	3.7% to 7.0%	809,965	Unlimited
		1,706,547	169,978
Civic Center:			
Civic centers.....	5.4% to 9.2%	79,327	113,282
Libraries.....	5.4% to 6.4%	9,418	582
Refunding.....	6.00% to 7.35%	85,700	Unlimited
		174,445	113,864
		\$ 1,880,992	\$ 283,842

Bonds issued in excess of authorized amounts for Education will be eliminated through reallocations from future bond sales.

ended June 30, 1996, are summarized in Note 15.

Future special obligation debt service requirements (amounts expressed in thousands) at June 30, 1996 were as follows:

Changes in special obligation bonds during the year

Year Ending June 30	Principal	Interest	Total
1997	\$ 68,005	\$ 98,259	\$ 166,264
1998	69,660	96,154	165,814
1999	72,170	93,128	165,298
2000	74,310	90,410	164,720
2001	75,465	87,622	163,087
Thereafter	1,649,670	854,293	2,503,963
	\$ 2,009,280	\$ 1,319,866	\$ 3,329,146
Less: Unaccrued appreciation.....	(128,288)		
	\$ 1,880,992		

In prior years, the State defeased certain callable maturities of Build Illinois and Civic Center bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability of the defeased bonds are not included in

the accompanying financial statements. At June 30, 1996, the outstanding balance of the defeased bonds was \$651.9 million. These bonds have interest rates ranging from 5.6% to 8.2% and their principal is to be redeemed on various dates through 2008 at redemption prices varying from 100% to 105%.

13. 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. In addition, certain authorities have issued debt which is classified as "conduit" debt of the State.

Revenue bonds issued by individual agencies are supported by fees, rentals, tolls assessed to users and loan repayments. Issuing agencies of the primary government include the Illinois Student Assistance Commission (Student Loan Revenue Bonds) and the State Universities Retirement System of Illinois (State Universities Retirement System Special Revenue Bonds). Component unit issuing agencies include the

Illinois Housing Development Authority (Housing Development, Multi-Family Housing, Residential Mortgage, Multi-Family Program, Homeowner Mortgage Revenue and Affordable Housing Program Trust Fund Bonds), Illinois State Toll Highway Authority (Construction Revenue Bonds), Illinois Rural Bond Bank (Bond Bank Revenue Bonds), and universities consisting of Chicago State University, Eastern Illinois University, Northeastern Illinois University, Western Illinois University, Illinois State University, Northern Illinois University, Southern Illinois University and the University of Illinois (University Revenue Producing Facilities Construction Bonds).

Bonds outstanding (amounts expressed in thousands) at June 30, 1996, net of unamortized discounts, were as follows:

Agency	Amount Outstanding	Interest Rates	Annual Maturity To
Primary Government -			
Enterprise:			
Illinois Student Assistance Commission.....	\$ 859,348	3.90% to 18.000%	2025
Trust:			
State Universities Retirement System.....	15,019	7.25% to 7.450%	2005
Total (Memorandum Only) Primary Government	\$ 874,367		
Component Unit -			
Proprietary:			
Illinois Housing Development Authority.....	\$ 2,017,926	3.65% to 15.000%	2031
Illinois State Toll Highway Authority.....	957,155	3.50% to 8.400%	2017
Illinois Rural Bond Bank.....	50,605	3.85% to 7.300%	2025
	<u>3,025,686</u>		
Universities and Colleges:			
Chicago State University.....	23,740	4.50% to 6.150%	2023
Eastern Illinois University.....	34,388	4.90% to 9.375%	2016
Northeastern Illinois University.....	2,075	6.00% to 6.200%	2013
Western Illinois University.....	39,899	4.10% to 5.800%	2020
Illinois State University.....	45,860	5.50% to 7.350%	2014
Northern Illinois University.....	46,480	6.00% to 10.050%	2017
Southern Illinois University.....	51,882	5.60% to 7.125%	2018
University of Illinois.....	300,649	3.00% to 9.700%	2022
	<u>544,973</u>		
Total Component Unit	3,570,659		
Total (Memorandum Only) Reporting Entity	\$ 4,445,026		

Changes in revenue bonds during the year ended June 30, 1996 are summarized in Note 15.

Revenue bond debt service requirements, principal and interest, (amounts expressed in thousands) as of June 30, 1996 were as follows:

Year Ending June 30	Primary Government					
	Enterprise		Trust		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
1997	\$ 30,365	\$ 93,751	\$ --	\$ --	\$ 30,365	\$ 93,751
1998	35,977	91,772	--	--	35,977	91,772
1999	50,263	89,710	--	--	50,263	89,710
2000	49,192	86,820	--	--	49,192	86,820
2001	36,095	83,870	--	--	36,095	83,870
Thereafter	664,130	968,082	25,825	--	689,955	968,082
	<u>\$ 866,022</u>	<u>\$ 1,414,005</u>	<u>\$ 25,825</u>	<u>\$ --</u>	<u>\$ 891,847</u>	<u>\$ 1,414,005</u>
Less:						
Unaccreted appreciation	(1,756)		(10,806)		(12,562)	
	<u>\$ 864,266</u>		<u>\$ 15,019</u>		<u>\$ 879,285</u>	

Year Ending June 30	Component Unit					
	Proprietary		University and College		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
1997	\$ 60,310	\$ 189,720	\$ 27,610	\$ 17,156	\$ 87,920	\$ 206,876
1998	65,615	188,317	29,790	15,997	95,405	204,314
1999	68,710	184,359	30,990	15,283	99,700	199,642
2000	73,105	180,405	32,625	14,481	105,730	194,886
2001	78,175	176,246	33,140	13,580	111,315	189,826
Thereafter	2,900,312	2,221,032	705,054	143,756	3,605,366	2,364,788
	<u>\$ 3,246,227</u>	<u>\$ 3,140,079</u>	<u>\$ 859,209</u>	<u>\$ 220,253</u>	<u>\$ 4,105,436</u>	<u>\$ 3,360,332</u>
Less:						
Unaccreted appreciation	(202,583)		(311,119)		(513,702)	
	<u>\$ 3,043,644</u>		<u>\$ 548,090</u>		<u>\$ 3,591,734</u>	

Total principal debt service requirements for the primary government include bond discounts of \$4.9 million for enterprise funds. Component unit bond discounts include \$18 million for proprietary funds and \$3.1 million for university funds.

Illinois Student Assistance Commission (Commission) -

The Commission issues student loan revenue bonds, the proceeds of which are used to purchase student loans from eligible lenders and to issue Stafford subsidized and nonsubsidized loans to Illinois residents. The bonds mature annually in varying amounts, bearing interest ranging from 3.9% to 18%. Bonds outstanding exclusive of refunding issues may not exceed \$1,150 million (\$859.4 million was outstanding at June 30, 1996, net of \$4.9 million of unamortized discounts). All student loans purchased by the Commission and all loans financed from the proceeds of bonds issued, along

with all revenues received from or on account of these bonds, are pledged as collateral for the bonds. Any losses are guaranteed as to principal and interest by the Commission's Guarantee Loan Program, which can be subrogated to the United States Department of Education.

The bond resolutions provide for early retirement for bonds maturing on or after March 1, 1997, at 102% of par, with the premium decreasing periodically until March 1, 2005, after which unmaturing bonds can only be retired at par value. Pursuant to the bond resolutions, reserves for bond retirement and interest payments aggregated \$65.7 million at June 30, 1996.

Included within the \$859.4 million of outstanding revenue bonds are \$225 million of taxable revenue bonds, Series B, Series C, Series D, Series 1996A and Series 1996B, the proceeds of which were used to purchase student loans. The bonds mature at various dates, bearing interest rates as determined by the remarketing agent that would enable the bonds to be

sold at a price equal to their principal amount, but not to exceed 18% per annum for the Series B and Series C bonds, 15% per annum for the Series D and Series 1996B bonds and 12% per annum for the Series 1996A bonds.

The bonds, if in a weekly or monthly mode, are subject to purchase on demand of the holder at a price equal to principal plus accrued interest on seven days' notice and delivery to the remarketing agent. The remarketing agent is authorized to sell the repurchased bonds at a price equal to their principal amount by adjusting the interest rate.

Irrevocable letters of credit have been issued by Sumitomo Bank, Limited (Chicago Branch) for the Series B bonds, by Student Loan Marketing Association (Sallie Mae) for the Series C bonds and by Bank of America Illinois for the Series 1996A and the Series 1996B bonds. In addition, irrevocable letters of credit have been issued by Sumitomo Bank, Limited (Chicago Branch) and Industrial Bank of Japan, Limited (Chicago Branch) for the Series D bonds. Under these letters of credit, Citibank, N.A., State Street Bank and Trust Company, N.A. and The First National Bank of Chicago, acting as tender agent, paying agent, and bond registrar for Series B and Series C bonds, for Series D bonds and for Series 1996A and Series 1996B bonds, respectively, are entitled to draw the amount needed (a) to pay interest on the bonds on each interest payment date; (b) to pay principal and interest on the bonds called for redemption; (c) to pay principal and interest on the bonds resulting from an acceleration of maturity due to an event of default; and (d) to pay the tender price of bonds tendered or required to be tendered for purchase which is not to be paid from remarketing proceeds or from certain funds held under the indenture. The letters of credit are valid through September 29, 1999, for the Series B bonds, through December 1, 1997, for the Series C bonds, through September 22, 1998 for the Series D bonds, and through February 28, 2001 for the Series 1996A and Series 1996B bonds unless extended or renewed. If exercised, the letter of credit for the Series B bonds carries a variable interest rate of 2% plus the greater a) of the prime rate or b) the Federal funds rate plus .5% per annum. The letter of credit for the Series C bonds carries a variable interest rate of 1.75% plus the average yield of the 13 week U.S. Treasury Bill. The letter of credit for the Series D bonds carries the Federal funds rate plus .5% per annum for the initial 30 days and, thereafter, carries the prime rate plus 2.5%. The letter of credit for the Series 1996A and Series 1996B bonds carries a variable interest rate, however, not to exceed 20% per annum.

If the remarketing agent is unable to resell any bonds that are "put" within 180 days of the "put" date, the Commission is required to repay the amounts drawn on the letters of credit for the redemption of these bonds. Repayments of amounts drawn on the letters of credit will be made by the Commission from the trustee accounts.

The Commission is required to pay to Sumitomo Bank, for the Series B bonds, on the date of issuance of the letter of credit an origination fee of .15% of the line of credit and, thereafter, a quarterly commitment fee of .45% of the available amount of the letter of credit. On the date of issuance of the letter of credit issued by the Student Loan Marketing Association, the Commission is required to pay \$50,000 and, thereafter, a quarterly commitment fee of .6% of the available amount of the letter of credit. For the issuance of the letter of credit for the Series D bonds, the Commission is required to pay to Sumitomo Bank and Industrial Bank of Japan \$75,000 and, thereafter, a quarterly commitment fee of .55% of the available amount of the letter of credit. On the date of the issuance of the letter of credit for the Series 1996A and the Series 1996B bonds, the Commission paid 10% to Bank of America Illinois and a quarterly commitment fee of .55% of the variable amount of the letter of credit.

State Universities Retirement System (System) -

The System issued revenue bonds to finance the design, acquisition, construction and equipping of a new permanent administrative office building. The bonds are capital appreciation bonds with interest rates ranging from 7.25% to 7.45%. These bonds are payable solely from and secured by a pledge of and first lien on the net revenues derived from investments of the System. They are not payable from any employer or employee contributions to the System. The bond resolutions do not provide for early redemption prior to maturity. At June 30, 1996, bonds outstanding were \$15 million.

Illinois Housing Development Authority (IHDA) -

The IHDA was created in 1967 to increase the production of low and moderate income housing in Illinois by providing mortgage loans. The IHDA is authorized to have bonds and notes outstanding in an aggregate principal amount not to exceed \$3,600 million exclusive of refunding issues. Bonds issued must mature within 50 years from the date of issue, bearing interest rates as determined by the IHDA.

Subsequent to July 1, 1983, the maximum interest rate cannot exceed 11% or 70% of the prime rate, whichever is greater. All revenue bonds issued to provide mortgage loans are secured by first mortgage liens on the related developments.

In the event that IHDA determines that funds will not be sufficient for the payment of the principal of and interest on its bonds during the next succeeding State fiscal period, the Chairman of IHDA shall certify to the Governor on or before September of the then current State fiscal period the amount required by 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 for IHDA.

At June 30, 1996, bonds outstanding aggregated \$2,035.9 million, before unamortized discounts of \$18 million. Sinking funds established pursuant to bond resolutions at year end aggregated \$80.3 million. The bonds mature annually through 2031, bearing interest from 3.65% to 15%. The bonds provide for early redemption at the option of IHDA, in whole or in part, in inverse order of maturity at varying premiums which decrease periodically.

Included within the \$2,035.9 million of outstanding revenue bonds are \$414.1 million of Multi-Family Program Bonds, \$385.8 million of Homeowner Mortgage Revenue Bonds and \$105.2 million of Affordable Housing Program Trust Fund Bonds which are not a debt of the State of Illinois and, therefore, the State of Illinois is not liable for them. However, \$314.1 million of the Multi-Family Program Bonds are direct and general obligations of the IHDA and the full faith and credit of the IHDA is pledged for their repayment. The remainder of the bonds are special, limited obligations of the IHDA with a claim for payment solely from pledged property.

The IHDA has also issued \$69.8 million of Housing Revenue Bonds, Series 1985 which are secured by a joint and several guaranty of the Metropolitan Life Insurance Company, Pittway Corporation and Metro Properties, to provide construction and permanent financing for one development with 600 dwelling units. On May 13, 1987, this guaranty was replaced by a guaranty from Fuji Bank and approved by the bondholders of the Housing Revenue Bonds. In addition, the IHDA has issued \$12.4 million of Multi-Family Mortgage Revenue Bonds, Series 1989 which are secured by a guarantee of the Government National Mortgage Association, to provide construction and permanent financing of multi-family housing development of which certain units are intended for

occupancy by low to moderate income persons. Also, the IHDA has issued \$70.5 million of Multi-Family Housing Revenue Bonds, Series 1991, Series 1993 and Series 1995. The Series 1991 and Series 1995 bonds were used to finance the costs of acquiring, rehabilitating and equipping multi-family residential rental housing projects. The Series 1993 bonds were used to refund on a current basis a portion of the IHDA's Multi-Family Housing Bonds. Additionally, the IHDA has issued \$61.8 million of Section 8 Housing Revenue Bonds, the proceeds of which were used to (1) provide financing for the acquisition of several developments, (2) pay issuance costs, and (3) fund debt service reserves. These bonds are special, limited obligations of the IHDA and can only be repaid from payments received with respect to the mortgage loans. The bonds are not a debt of the IHDA or the State of Illinois and neither are liable on the bonds. They are, however, included in the IHDA's authorized debt limitation. As of June 30, 1996, \$215.9 million of these bonds were outstanding.

Subsequent to June 30, 1996, the IHDA issued Homeowner Mortgage Revenue Bonds, 1996 Series C and 1996 Series D, in the amounts of \$26 million and \$11.3 million, respectively. The Series 1996 C bonds mature in 2020 through 2028 at interest rates ranging from 5.625% to 7.58%. The Series 1996 D bonds are convertible option bonds subject to mandatory tender no later than September 2, 1997, at initial interest rates of 3.8% to 3.9%.

Illinois State Toll Highway Authority (THA) -

The THA issued revenue bonds to finance construction of the State toll highway system and to refund all currently outstanding bonds of the Authority. The bond resolutions provide for early redemption at the option of the THA, in whole or in part, at a cost not to exceed 102% of par value, declining periodically through December 31, 2004. All unmatured bonds outstanding January 1, 2005, are redeemable thereafter at par. In accordance with the provisions of the bond resolutions, debt reserves on deposit with and invested by the Bond Trustee at June 30, 1996, aggregated \$140.4 million.

Included within the THA's outstanding revenue bonds are \$178.2 million of refunding revenue bonds, Series 1993B. The bonds mature in 2010, bearing interest rates as determined by the remarketing agent that would result in the market value of the bonds being 100% of the principal amount, plus accrued interest, but not to exceed 22% per annum.

The bonds, if in a daily mode, are subject to purchase by demand of the holder at a price equal to the principal amount plus accrued interest on notice and delivery to the remarketing agent. If the bonds are in any other interest mode except a fixed rate, they are subject to purchase by demand of the holder at the same price but on seven days' notice and delivery to the remarketing agent.

If the remarketing agent is unable to resell any bonds that are "put", the THA has entered into a reimbursement agreement with Societe Generale (New York Branch) to purchase the bonds. The purchased bonds rate will be equal to the prime lending rate plus 2% per annum, however, not to exceed 22% per annum. Under an irrevocable letter of credit issued by Societe Generale, the First Chicago Trust Company of New York, New York, NY, acting as tender agent, is entitled to draw an amount sufficient to pay the purchase price of bonds delivered to it. The letter of credit is valid through December 31, 2009 and such payment shall be made by the delivery of purchased bonds.

The THA was required to pay to Societe Generale, on the date of closing of the letter of credit an origination fee of .05% per annum of the face amount of the letter of credit. In addition, the THA must pay .20% per annum of the maximum available amount to be drawn under the letter of credit. In conjunction with the issuance of the Series 1993B bonds, the THA entered into an interest rate swap, with Societe Generale, to mitigate the effect of changes in interest rates on its demand bonds. The swap effectively changes the THA's interest costs on the \$178.2 million bonds due in 2010 to a fixed rate of 4.92% for the life of the bonds. The THA is exposed to credit risk of nonperformance by Societe Generale. This risk could result in the THA's not receiving the agreed upon payments from Societe Generale if the variable interest rate exceeds 4.92%. However, the THA does not anticipate nonperformance. The amounts shown in the schedule of revenue bond debt service requirements are based on the fixed rate effects of this interest rate swap.

Illinois Rural Bond Bank (Bank) -

The Bank issues revenue bonds and notes whose proceeds are used for (1) the purchase of securities of local Illinois governmental units to include the establishing or increasing reserves in securing the payment of the bonds and/or interest on the bonds and (2) to pay, fund or refund any bonds issued by the Bank. The Bank is authorized to have bonds and notes outstanding in an aggregate original principal amount not to exceed \$150 million.

In the event that the Bank determines that funds will not be sufficient for the payment of the principal and interest on its bonds and notes, the Chairman of the Bank shall certify to the Governor, as soon as possible, the amount required by the Bank to enable it to pay such principal and interest. The Governor shall include the amount so certified in the State budget as soon as practically possible; however, the General Assembly has no obligation to appropriate funds for the Bank.

At June 30, 1996, bonds outstanding aggregated \$50.6 million. Sinking funds established pursuant to bond resolutions at year end aggregated \$1 million. The bonds mature annually through 2025, bearing interest rates from 3.85% to 7.3%. The bonds provide for early redemption at the option of the Bank, in whole or in part, for bonds maturing on or after February 1, 2001, at 102% of par, with the premium decreasing periodically until February 1, 2007, after which unmaturing bonds can only be redeemed at par value.

Included within the \$50.6 million of outstanding revenue bonds are \$3.9 million of bonds which 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 these bonds is guaranteed by a financial guaranty bond issued by Capital Guaranty Insurance Company.

Subsequent to June 30, 1996, the Bank issued Bond Bank Revenue Bonds, Series 1996-B, in the amount of \$515 thousand. These bonds mature annually from 1998 through 2002 at interest rates ranging from 4.1% to 4.7%.

Universities and Colleges -

The Boards of Chicago State University, Eastern Illinois University, Northeastern Illinois University, Western Illinois University, Illinois State University, Northern Illinois University, Southern Illinois University, and the University of Illinois (hereinafter the "Boards"), as empowered by enabling acts, have issued various revenue bonds to support construction of student housing and other revenue producing facilities at State universities. These bonds do not constitute general obligations of either the State of Illinois or the Boards but, together with interest thereon, are payable solely from and are secured by, subject to the prior pledge and lien of existing refunded bonds, (i) the net revenues of the Boards; (ii) debt service grants; (iii) income received from certain special accounts; (iv) retained tuition fees (subject to prior payment of related operating and maintenance expenses); (v) certain debt service reserves; (vi) certain repair and replacement

reserves; and (vii) the principal of the special accounts arising on refundings, all as defined in the various bond resolutions. In accordance with provisions of the bond resolutions, debt service funds and reserves on deposit aggregated \$138.7 million at June 30, 1996. The bonds are callable prior to their maturity in accordance with the provisions of the bond resolutions, including premiums of up to 5%.

Contingent Liabilities -

Metropolitan Pier and Exposition Authority (McCormick Place) -

In September 1991, the State amended the Metropolitan Pier and Exposition Authority Act (Act) to authorize the issuance of \$937 million of additional bonds to finance another expansion of McCormick Place, to be effective July 1, 1992. The Act also authorizes the McCormick Place to levy certain taxes (MPEA Taxes) to secure the additional bonds and for certain other purposes. The MPEA Taxes would include (i) a sales tax within portions of the City of Chicago on food, alcoholic beverages, and soft drinks sold for consumption on the premises and on certain sales for immediate consumption off the premises, (ii) a tax at the rate of 2.5% of the gross rental receipts of hotels located within the City of Chicago, (iii) a 6% tax on gross receipts of the business of renting automobiles in Cook County, Illinois, (iv) a 6% use tax on automobiles rented outside Illinois for use in Cook County, Illinois, and (v) a tax on taxis and livery vehicles ranging from \$2 per taxi departure to \$27 per bus having a capacity of over 24 passengers. In addition, subject to appropriation, amounts of State sales tax ranging from \$61 million for fiscal year 1996 and graduating to \$93 million for fiscal year 2004 and thereafter would be available for the payment of debt service on the additional bonds to the extent that the MPEA Taxes are not sufficient for such purpose.

The McCormick Place has issued \$936.4 million in revenue bonds, the proceeds of which were used to finance this expansion. These bonds consist of current interest bonds, capital appreciation bonds, and deferred interest bonds. The current interest bonds, in the amount of \$672 million, mature annually through 2006 and from 2022 through 2027, at interest rates ranging from 4.25% to 50%. However, the \$42.8 million of bonds bearing an interest rate of 50% were sold at a premium and have yields to maturity of 5.8% and 5.88%. The capital appreciation bonds and deferred interest bonds, in the amount of \$264.4 million, mature

annually from 2006 through 2029, with a yield to maturity ranging from 6.1% to 6.75%.

In addition, the McCormick Place has previously issued \$131.8 million of revenue bonds with interest rates ranging from 5.5% to 6.7% to advance refund \$34.3 million of revenue bonds with interest rates ranging from 4.35% to 50% and a maturity date of 2004. The proceeds were used to purchase U. S. governmental securities, which were deposited in an irrevocable trust with an escrow agent to satisfy all future debt service requirements of the refunded bonds. As a result, the refunded bonds are considered defeased and the State is no longer contingently liable for them.

As of June 30, 1996, the outstanding balance of bonds which the State is contingently obligated to pay was \$1,093.3 million. The outstanding balance of the refunded bonds was \$30.8 million.

Subsequent to June 30, 1996, the McCormick Place issued \$506.8 million of refunding bonds. Included in these bonds are \$379.4 million of current interest bonds maturing from 1997 through 2027 at interest rates ranging from 4.1% to 6%. The remainder are capital appreciation bonds which mature from 2011 through 2025 at yields to maturity of 6% to 6.25%.

Southwestern Illinois Development Authority (SWIDA) -

SWIDA has issued \$106 million of revenue bonds, the proceeds of which 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 rates ranging from 5.2% to 9.25% and mature annually through 2020. The State has accepted a moral obligation to repay the bonds in the event SWIDA and the companies are unable to meet the bonds' repayment commitments.

During 1994, Wood River Township Hospital deposited \$9.1 million of cash into an irrevocable trust with an escrow agent to provide for the advance refunding of \$8.2 million of bonds maturing through 2003. As a result, the refunded bonds are considered defeased and the State no longer has a moral obligation to repay the bonds. As of June 30, 1996, the outstanding balance of bonds which the State is morally obligated to repay was \$85.9 million. The outstanding balance of the refunded bonds was \$7.5 million.

The SWIDA has also issued \$96.2 million of revenue bonds, the proceeds of which were loaned to Shell Oil

Company, Monsanto Company, Robinson Steel Company, Inc., and Anderson Hospital. These bonds are special, limited obligations of the SWIDA and can only be repaid from payments by Shell Oil Company, Monsanto Company, Robinson Steel Company, Inc., and Anderson Hospital. Unlike the bonds in the preceding paragraph, the State has not accepted a moral obligation to repay the bonds in the event the SWIDA and the companies are unable to meet the bonds' repayment commitments. At June 30, 1996, the outstanding balance was \$93.4 million.

Subsequent to June 30, 1996, the SWIDA issued \$2.9 million of refunding revenue bonds, Series 1996 which mature annually from 1997 through 2011 at interest rates ranging from 4.1% to 5.65%. In addition, the SWIDA issued \$4 million of revenue bonds, the proceeds of which were loaned to Kienstra, Inc., which do carry the moral obligation of the State.

Quad Cities Regional Economic Development Authority (Authority) -

The Authority has issued \$27.2 million of revenue bonds, the proceeds of which were loaned to HDC, Inc. and to Thoms-Proestler Company 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 (i) mortgages and security agreements from HDC, Inc. and Thoms-Proestler Company to the Authority, (ii) a leasehold mortgage and security agreement from HDC, Inc. to the Authority, (iii) an assignment of leases, rents and revenues from HDC, Inc. to the Authority, and (iv) a guaranty by HDC, Inc. to the trustee. The bonds mature semiannually through 2017 and bear interest rates of 8.7% and 9.75% until February 1, 2004, at which time the 9.75% will be reset to 10.25% plus a supplemental coupon rate, if required, whose combined rate is not to exceed the limits of Illinois law. The State has accepted a moral obligation to repay the bonds in the event the Authority and companies are unable to meet the bonds' repayment commitments. At June 30, 1996, the outstanding balance was \$26.1 million.

The Authority has also issued \$2 million of revenue bonds, the proceeds of which were loaned to Whitey's Ice Cream Manufacturers, Inc. These bonds are special, limited obligations of the Authority and can only be repaid from repayments by Whitey's Ice Cream Manufacturers, Inc. Unlike the bonds of the preceding paragraph, the State has not accepted a moral obligation to repay the bonds in the event the Authority or the Company is unable to meet the bonds' repayment

commitments. At June 30, 1996, the outstanding balance was \$2 million.

Upper Illinois River Valley Development Authority (UIRVDA) -

The UIRVDA has issued \$4 million of revenue bonds, the proceeds of which were loaned to Waste Recovery - Illinois (the Company) to finance the acquisition, construction, equipment and installation of a tire recycling and tire-derived fuel processing facility. The Company is 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 the Company. In addition, the bonds will be secured by (i) moneys held by the trustee under a debt service reserve fund established under the indenture, (ii) guaranty agreement from Waste Recovery, Inc., a Texas corporation and a general partner of the Company, to the trustee, and (iii) a separate mortgage and security agreement from the Company to the trustee granting a mortgage lien on and security interest in the project. These bonds mature annually through 2004 and bear an interest rate of 6.5%. The State has accepted a moral obligation to repay the bonds in the event the UIRVDA and the Company are unable to meet the bonds' repayment commitments. At June 30, 1996, the outstanding balance was \$3.7 million.

Defeased Revenue Bonds -

In February 1996, the University of Illinois issued \$4.1 million of revenue bonds with interest rates ranging from 4% to 5.6% to advance refund \$3.8 million of certain callable maturities of previously issued revenue bonds issued by Sangamon State University, which had interest rates ranging from 4.6% to 6.375%. The net proceeds were used to purchase U. S. governmental securities, which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result the refunded bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements.

The refunding transaction has saved the University of Illinois aggregate debt service payments of \$97 thousand and will result in an economic gain or present value savings of \$101.2 thousand over the life of the refunded bonds.

In addition, the Commission issued a total of \$49.9 million of new bonds to current refund a like amount of

outstanding bonds having interest rates ranging from 5.2% to 8%. The refunding bonds were variable rate bonds. Although the variable rate bonds have maximum and minimum rate limits, the Commission estimates that the rate will average 4.4% over the life of the bonds.

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$.6 million. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being amortized on a straight line basis over the remaining life of the old debt as a component of interest expense. As a result of the current refunding, the Commission estimates an increase in its debt service payments of some \$15.6 million over the life of the new debt and an economic gain or present value gain of \$1 million. This debt service could range from \$5.3 million to \$48.3 million, depending on interest rate fluctuations applicable to the variable rate debt; likewise, the economic gain could range from \$2.8 million to an economic loss of \$3.9 million.

Also, the IHDA issued \$32.4 million of new bonds with interest rates ranging from 3.7% to 5.95% to current refund a like amount of outstanding bonds with interest rates ranging from 6.3% to 10.625%. The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1.4 million which will be reported as a deduction from bonds payable and is being amortized over the life of the new debt, using the effective interest method, as a component of interest expense. The issuance of the refunding bonds at lower interest rates will cause aggregate debt service payments to be decreased by \$6.3 million and will result in an economic gain or present value gain of \$4 million.

On May 1, 1984, the Illinois Building Authority (IBA) effected net defeasance for all bond series which were gross defeased in prior years, and the bond series issue of February 1972 by depositing cash in an irrevocable trust to provide for all future debt payments on the

defeased bonds. Accordingly, the trust account assets and the liability for defeased bonds are not included in the financial statements. On June 30, 1996, \$.6 million of bonds outstanding are considered defeased.

In addition to the IBA, the State Toll Highway Authority, the Illinois Housing Development Authority, and State universities consisting of Chicago State University, Eastern Illinois University, Western Illinois University, Northern Illinois University, Illinois State University, Southern Illinois University, and the University of Illinois had previously defeased outstanding bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the financial statements. On June 30, 1996, \$434.3 million of bonds outstanding are considered defeased. These bonds have interest rates ranging from .05% to 10.8% with principal maturing until 2021.

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, 1996, recorded amounts of revenue bonds, net of defeased bonds, and notes outstanding (amounts expressed in thousands) as reported by authority officials were as follows:

Authority	Amount Outstanding	Interest Rates	Annual Maturity To
Illinois Health Facilities Authority.....	\$ 6,149,652	Variable	2030
Illinois Development Finance Authority:			
Environmental facilities.....	\$ 1,502,597	Variable	2028
501 (c) 3 not for profit.....	974,711	Variable	2031
Industrial development.....	921,253	Variable	2025
Infrastructure.....	481,397	3.5% to 9.0%	2021
Housing.....	204,405	Variable	2028
Insured industrial revenue.....	32,019	Variable	2021
Financially distressed city.....	20,950	5.3% to 7.5%	2013
Other.....	6,831	Variable	2006
	4,144,163		
Illinois Educational Facilities Authority.....	1,316,265	Variable	2028
Illinois Housing Development Authority.....	215,855	4.3% to 25.0%	2034
Southwestern Illinois Development Authority.....	93,416	6.5% to 15.0%	2025
Illinois Farm Development Authority.....	67,906	4.5% to 11.5%	2038
Quad Cities Regional Economic Development Authority.....	1,960	Variable	2010
	<u>\$ 11,989,217</u>		

14. OTHER LONG-TERM OBLIGATIONS:

Other long-term obligations reported in the General Long-Term Obligations Account Group and disclosed below are as follows (in millions):

Description	Reference	Amount
Metropolitan Pier and Exposition Authority (McCormick Place) liability.....	(A)	\$ 346.8
Compensated absences.....	(B)	480.9
Regional Transportation Authority liability.....	(C)	495.6
Workers' compensation liability.....	(D)	94.2
Capital lease obligations.....	(E)	32.4
Illinois Sports Facilities Authority liability.....	(F)	33.9
Installment purchase obligations.....	(G)	22.1
Certificates of participation.....	(H)	132.7
Other obligations.....	(I)	1.4
Total Other Long-Term Obligations		<u>\$ 1,640.0</u>

(A) Metropolitan Pier and Exposition Authority (McCormick Place) Liability -

In July 1984, and November 1985, the State amended the "Metropolitan Fair and Exposition Authority Act" (Act) to authorize the issuance of \$265 and \$47.5 million, respectively, for a total authorization of \$312.5 million, in additional bonds. Bond proceeds were used (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, and (3) to refund any outstanding bonds of the McCormick Place that were issued prior to July 1, 1984. The Act was further amended in July and August 1986 to authorize the issuance of refunding bonds either on a parity with or subordinated to the 1984 and 1985 bonds. In addition, in July 1989 the Act was amended to change the name to Metropolitan Pier and Exposition Authority and to expand its purposes to provide for the acquisition and improvement of the Navy Pier in Chicago.

The Illinois General Assembly also amended certain tax laws in July 1984 and November 1985 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, which replaced the Tourism Fund, as collected. The legislation provides for credits to separate accounts within the Build Illinois Fund of which the "McCormick Place Account" is one and has first priority credit of the amounts collected.

In August 1984, the McCormick Place issued \$252.5 million of bonds at interest rates ranging from 7% to 10.375% and maturing annually through 2014. Additionally, in December 1985, the McCormick Place issued \$60.1 million in bonds at interest rates varying from 6% to 8.875% and maturing annually through 2015.

During 1986, the McCormick Place issued 1986 and 1986A Series refunding bonds. The 1986 Series bonds, issued in the amount of \$324.2 million with interest rates ranging from 4.9% to 8% and maturing annually through 2014, were used to defease the remaining 1984 Series bonds. The 1986A Series bonds, issued in the

amount of \$62.6 million, were used to defease certain callable maturities of 1985 Series bonds. The 1986A Series bonds have interest rates ranging from 3.75% to 7% and mature annually through 2015. In addition, in March 1992, the McCormick Place issued 1992 Series refunding bonds in the amount of \$182.1 million at interest rates ranging from 4% to 6.75% and maturing annually through 2010. The 1992 Series bonds were used to defease certain callable maturities of 1985 Series bonds and 1986 Series bonds. The proceeds of the 1986, 1986A, and 1992 Series bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. On June 30, 1996, the entire amount of 1984 and 1986 Series bonds outstanding are considered defeased.

In July 1995, the McCormick Place issued \$54.1 million in bonds with interest rates ranging from 4.3% to 6.25% and maturing annually through 2011 to advance refund \$51.6 million of certain callable maturities of 1986 Series bonds and 1986A Series bonds which had interest rates ranging from 6.6% to 7.6%. The net proceeds were used to purchase U. S. governmental securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the General Long-Term Obligations Account Group. At June 30, 1996, the outstanding balance of the defeased bonds was \$36.4 million.

The refunding transaction has saved the McCormick Place aggregate debt service payments of \$4.2 million and will result in an economic gain or present value savings of \$2.9 million over the life of the refunded bonds.

The outstanding balance of the remaining 1986 Series refunding bonds, the 1986A Series refunding bonds, the 1992 Series refunding bonds and the 1995 Series refunding bonds was \$346.8 million and is included as "Other Obligations" in the General Long-Term

Obligations Account Group. Future McCormick Place debt service requirements (amounts expressed in thousands) at June 30, 1996 were as follows:

Year Ending June 30	Principal	Interest	Total
1997	\$ 10,955	\$ 21,154	\$ 32,109
1998	11,505	20,585	32,090
1999	12,140	19,981	32,121
2000	12,845	19,246	32,091
2001	13,630	18,473	32,103
Thereafter	285,675	138,307	423,982
	<u>\$ 346,750</u>	<u>\$ 237,746</u>	<u>\$ 584,496</u>

(B) Compensated Absences -

Most employees earn annual leave ranging from 1 to 2 days per month with maximum accumulation ranging from 20 to 50 days. At June 30, 1996, the liability for accrued annual leave was approximately \$237.3 million, including salary related costs of \$14.6 million, for the governmental funds. Until January 1, 1984, sick leave, which generally is earned one day per month with unlimited accumulation, was paid only when an employee was absent due to illness or other acceptable circumstances as outlined by personnel regulations. Effective January 1, 1984, upon death, retirement, resignation or termination from State employment, employees are able to receive payment for one-half of accumulated sick leave earned subsequent to January 1, 1984, or full service credit for such accumulated sick leave under the State Employees Article of the State Pension Code. At June 30, 1996, the liability for sick leave earned subsequent to January 1, 1984 was \$243.6 million, including \$14.5 million of salary related costs. Thus, the State's liability for compensated absences reported in the General Long-Term Obligations Account Group amounted to \$480.9 million at June 30, 1996. As explained in Note 1-O, this amount does not include compensated absences liabilities for proprietary funds and component units.

(C) Regional Transportation Authority (Authority) Liability -

The Authority is authorized by the Regional Transportation Authority Act to issue bonds in the

principal amount of \$100 million on or after January 1, 1990 and increasing \$100 million per year until January 1, 1994, for a total authorization of \$500 million to be used for Strategic Capital Improvement Projects (SCIP). These projects are to be used to acquire, repair or replace public transportation facilities in the metropolitan region as approved by the Governor. Since June 1992, the Authority has issued \$500 million of bonds with interest rates ranging from 3.75% to 9% and maturing annually through 2025.

The bonds are general obligations of the Authority to which the full faith and credit of the Authority 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 Revenue Fund to the Public Transportation 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 provides for \$40 million for 1996, \$50 million for 1997, and \$55 million for each year thereafter. 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. As of June 30, 1996, the outstanding balance included in the General Long-Term obligations Account Group is \$495.6 million.

Future Regional Transportation Authority debt service requirements (amounts expressed in thousands) at June 30, 1996 were as follows:

Year Ending June 30	Principal	Interest	Total
1997	\$ 4,325	\$ 32,147	\$ 36,472
1998	7,490	31,943	39,433
1999	7,875	31,562	39,437
2000	8,310	31,145	39,455
2001	8,770	30,690	39,460
Thereafter	458,825	425,413	884,238
	<u>\$ 495,595</u>	<u>\$ 582,900</u>	<u>\$ 1,078,495</u>

(D) Workers' Compensation Liability -

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. Claims that will be liquidated with expendable available financial resources have been recorded as a liability in the General Fund and in the Road Fund and Mental Health Fund (Special Revenue Funds), in the amounts of \$37, \$16.5 and \$17.9 million, respectively. The remaining portion of the liability, \$94.2 million as of June 30, 1996, is included in the General Long-Term Obligations Account Group. Of this liability, \$63.6, \$6.7 and \$23.9 million are expected to be paid from future resources of the General Fund, the Road Fund and the Mental Health Fund, respectively. In addition, a \$8.8 million workers' compensation liability has been included in the

University and College fund type included in component units.

(E) Lease Commitments -

The State leases 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. At June 30, 1996, assets capitalized under capitalized leases included in property, plant and equipment (amounts expressed in thousands) were as follows:

	Primary Government		
	General Fixed Assets	Proprietary Fund Types	Component Units
Land and land improvements.....			\$ 1,980
Buildings and building improvements.....	\$ 212	\$ 1,808	2,816
Equipment.....	22,915	2,380	38,451
	<u>23,127</u>	<u>4,188</u>	<u>43,247</u>
Less: Accumulated depreciation.....		1,468	1,456
	<u>\$ 23,127</u>	<u>\$ 2,720</u>	<u>\$ 41,791</u>

Future minimum commitments for noncancelable leases were as follows:
 (amounts expressed in thousands) as of June 30, 1996

Primary Government				
Year Ending June 30	Operating Leases	Capitalized Leases		Total
		General Long-Term Obligations	Proprietary Fund Types	
1997	\$ 82,410	\$ 9,908	\$ 811	\$ 93,129
1998	61,259	9,043	770	71,072
1999	39,157	4,326	379	43,862
2000	23,197	2,611	289	26,097
2001	7,606	2,440	210	10,256
Thereafter	11,012	13,486	840	25,338
Total minimum lease payments.....	<u>\$ 224,641</u>	41,814	3,299	<u>\$ 269,754</u>
Less amounts representing interest.....		9,430	517	
Present value of net minimum lease payments.....		<u>\$ 32,384</u>	<u>\$ 2,782</u>	

Component Units				
Year Ending June 30	Operating Leases	Capitalized Leases		Total
		University and College Funds	Proprietary Fund Types	
1997	\$ 5,220	\$ 9,559	\$ 593	\$ 15,372
1998	4,070	6,833	242	11,145
1999	3,193	2,911	18	6,122
2000	2,172	2,039	18	4,229
2001	1,859	1,297	10	3,166
Thereafter	13,388	3,627	--	17,015
Total minimum lease payments.....	<u>\$ 29,902</u>	26,266	881	<u>\$ 57,049</u>
Less amounts representing interest.....		3,063	208	
Present value of net minimum lease payments.....		<u>\$ 23,203</u>	<u>\$ 673</u>	

Rental payments (amounts expressed in thousands) for operating leases charged to operations during the year ended June 30, 1996 aggregated \$235,911 for the primary government and \$9,994 for component units.

(F) Illinois Sports Facilities Authority (Authority) Liability -

The Authority is authorized by the Illinois Sports Facilities Authority Act to issue bonds in the principal amount of \$150 million to be used for providing sports stadiums for professional sports teams. On March 1, 1989, \$150 million of bonds were issued with interest rates ranging from 6.8% to 7.875% and maturing annually through 2010.

The bonds are secured by payments from the Illinois Sports Facilities Fund which consist of annual payments of \$5 million from the State's Hotel Operator's Occupation Tax, \$8 million from the Authority's Hotel

Tax and \$5 million from the City of Chicago's share of the Local Government Distributive Fund. The State's maximum liability is limited to \$13 million annually, but the State anticipates that \$8 million, derived from the Authority's Hotel Tax, will reduce this liability to \$5 million annually. In fiscal year 1996, receipts from the Authority's Hotel Tax totaled \$16.9 million. As of June 30, 1996, the State's share of the outstanding principal balance was \$33.9 million.

The State (and non-State) share of future Illinois Sports Facilities Authority debt service requirements (amounts expressed in thousands) at June 30, 1996 were as follows:

Year Ending June 30	State Share		Non-State Share		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
1997	\$ 1,443	\$ 2,627	\$ 3,752	\$ 6,828	\$ 5,195	\$ 9,455
1998	1,549	2,520	4,026	6,554	5,575	9,074
1999	1,663	2,406	4,322	6,255	5,985	8,661
2000	1,787	2,282	4,648	5,933	6,435	8,215
2001	1,921	2,148	4,994	5,585	6,915	7,733
Thereafter	25,568	11,050	66,477	28,730	92,045	39,780
	\$ 33,931	\$ 23,033	\$ 88,219	\$ 59,885	\$ 122,150	\$ 82,918

(G) 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 (amounts expressed in thousands) as of June 30, 1996 were as follows:

Year Ending June 30	Installment Purchase Obligations							
	Primary Government					Component Units		
	General Long-Term Obligations		Proprietary Fund Types		Total	University and College Funds		Total
	Principal	Interest	Principal	Interest		Principal	Interest	
1997	\$ 9,241	\$ 523	\$ 13,110	\$ 838	\$ 23,712	\$ 2,877	\$ 1,028	\$ 3,905
1998	6,736	399	6,001	267	13,403	2,596	873	3,469
1999	4,504	273	2,727	57	7,561	2,461	716	3,177
2000	1,305	93	93	2	1,493	2,281	570	2,851
2001	281	23	---	---	304	1,587	458	2,045
Thereafter	---	---	---	---	---	7,483	3,717	11,200
Total future commitments....	\$ 22,067	\$ 1,311	\$ 21,931	\$ 1,164	\$ 46,473	\$ 19,285	\$ 7,362	\$ 26,647

(H) 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. During fiscal year 1996, the State, acting by and through the Bureau of the Budget, issued \$38.8 million of these certificates to provide for the construction and lease purchase of certain correctional facilities to be operated by the Department of Corrections at various sites within the State. The certificates have interest rates ranging from 4.15% to 6.375% and maturing annually through 2017. The outstanding balance of the certificates as of June 30, 1996 included in the General Long-Term Obligations Account Group was \$38.8 million.

The University of Illinois has also issued certificates of participation representing the right to receive a proportionate share of lease-purchase or installment payments. On August 1, 1990, the University of Illinois issued \$3.3 million of the certificates with an interest rate of 7.25% and maturing in 2000 to finance the construction of a facility to house academic units in Area Studies and International Programs. Also, on January 1, 1991, \$16.8 million of the certificates were

issued at interest rates ranging from 5.9% to 6.4% and maturing annually through 1998 to finance the acquisition and installation of and the construction of a building for an electrical and high temperature hot water cogeneration system. In addition, on April 1, 1995, \$29.9 million of the certificates were issued at interest rates ranging from 4.1% to 5.4% and maturing semi-annually through 2005 to finance the purchase of a firm supply of natural gas from MidCon Gas Services Corporation. The outstanding balance of the certificates as of June 30, 1996 was \$38.7 million and is included as "Other obligations" in the component units.

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 certificates as of June 30, 1996 included in the General Long-Term Obligations Account Group was \$93.9 million.

Future commitments by the State to make installment payments to pay for the assets acquired and related financing costs for State and non-State issued certificates (amounts expressed in thousands) at June 30, 1996 were as follows:

Year Ending June 30	Certificates of Participation					
	General Long-Term Obligations Account Group					
	State Issued		Non-State Issued		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
1997	\$ --	\$ 2,065	\$ 1,035	\$ 4,969	\$ 1,035	\$ 7,034
1998	455	2,168	2,200	5,447	2,655	7,615
1999	1,140	2,133	3,700	5,295	4,840	7,428
2000	1,190	2,080	3,890	5,101	5,080	7,181
2001	1,240	2,023	4,125	4,890	5,365	6,913
Thereafter.....	34,730	20,144	78,995	39,959	113,725	60,103
	<u>\$ 38,755</u>	<u>\$ 30,613</u>	<u>\$ 93,945</u>	<u>\$ 65,661</u>	<u>\$ 132,700</u>	<u>\$ 96,274</u>

Year Ending June 30	Certificates of Participation					
	Component Unit					
	State Issued		Non-State Issued		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
1997	\$ 4,795	\$ 2,020	\$ 675	\$ 261	\$ 5,470	\$ 2,281
1998	5,070	1,747	715	221	5,785	1,968
1999	7,145	1,395	760	175	7,905	1,570
2000	2,955	1,108	810	126	3,765	1,234
2001	3,435	939	865	73	4,300	1,012
Thereafter.....	15,340	2,164	455	15	15,795	2,179
	<u>\$ 38,740</u>	<u>\$ 9,373</u>	<u>\$ 4,280</u>	<u>\$ 871</u>	<u>\$ 43,020</u>	<u>\$ 10,244</u>

(I) Other Obligations -

The State's risk financing of auto liability has been determined using an estimate of claims outstanding. Claims for the auto liability that will be liquidated with expendable available financial resources have been recorded as a liability in the General Fund in the amount of \$1.7 million. The remaining portion of the liability, \$1.4 million as of June 30, 1996, is expected to be paid from future resources of the General Fund.

In addition, 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 this requirement, it was determined that an arbitrage rebate liability did not exist as of June 30, 1996.

The total of Other Obligations recorded in the General Long-Term Obligations Account Group as of June 30, 1996 was \$1.4 million.

(J) Metropolitan Exposition Auditorium and Office Building Authorities -

The General Assembly, through adoption of the "Metropolitan Civic Center Support Act" (Support Act), created the Metropolitan Exposition Auditorium and Office Building Fund (Fund) into which 33.5% of all monies received by the State as horse racing taxes are

deposited. At June 30, 1996, the balance of the Fund was \$18.6 million. The purpose of the Fund is to secure and retire a proportionate share of locally issued revenue bonds, the proceeds of which were used to construct local civic and exposition centers. The Support Act was amended in September 1985 to provide State financial support by issuing direct, limited obligation revenue bonds for the advanced refunding of any civic center bond issued before July 1, 1985 and for newly certified applicants after July 1, 1985. It was further amended to increase the limitation of the aggregate amount of principal issued and outstanding in State and local bonds subject to State financial support for all Authorities from \$75 million to \$200 million. In addition, further restrictions exist as to the amount to be committed on behalf of any single taxing authority.

On December 15, 1985, the State defeased previous State supported guarantees by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the State supported guarantees. Accordingly, the trust account assets and the liability for the guarantees are not included in the State's financial statements. The bonds used to defease the State supported guarantees are further discussed in Note 12, Special Obligation Bonds.

At June 30, 1996, the unpaid principal on State supported guarantees (amounts expressed in thousands) were as follows:

Authority	Amount Defeased	Interest Rates	Annual Maturity To
DeKalb	\$ 2,125	10.85%	2003
Joliet	2,100	9.30% to 9.40%	2003
Rockford	1,530	7.00%	1997
Peoria	1,000	6.50%	1997
Springfield	678	6.60%	1996
Aurora	515	6.50%	1997
Decatur	505	4.75% to 6.50%	1997
Danville	460	5.00% to 5.80%	1997
	<u>\$ 8,913</u>		

Beginning July 1, 1985, the following newly certified local governmental units have received grants ranging from \$.4 to \$20 million through June 30, 1996:

- | | | |
|--------------|----------------|-----------------|
| Quad City | Bureau County | Aledo |
| Rosemont | Orland Park | Benton |
| Centre East | Knox County | Herrin |
| Quincy | River Forest | Rockford |
| Peoria | Aurora | Bowdre Township |
| Ogle County | Pekin | Mason County |
| Collinsville | LaSalle County | |

15. CHANGES IN LONG-TERM OBLIGATIONS:

Changes in long-term obligations (amounts expressed in thousands) for the year ended June 30, 1996 are summarized as follows:

	Proprietary and Other		General Long-Term Obligations Account Group			
	Notes Payable (Note 9)	Revenue Bonds (Note 13)	Accrued Retirement Costs (Note 10)	General Obligation Bonds (Note 11)	Special Obligation Bonds (Note 12)	Other Long-Term Obligations (Note 14)
Balance at July 1, 1995.....	\$ 135,942	\$ 4,128,500	\$ 9,445,652	\$ 5,291,793	\$ 1,852,011	\$ 1,475,185
Primary Government:						
Compensated absences earned.....						299,460
Increase in workers' compensation liability.....						37,110
Debt issues.....		178,289		975,000 *	80,000 *	145,475
Increase in lease and installment purchase obligations.....						25,411
Compensated absences taken.....						(262,096)
Amortization of bond discounts and bond issuance costs.....		520				
Amortization of deferred amounts on bond refundings.....		170				
Increase in accreted value of capital appreciation bonds.....		2,121		109,522	12,966	
Principal retirements and terminations.....		(61,025)		(719,786)	(63,985)	(81,075)
Excess of actuarially determined retirement costs computed in accordance with APB 8 over amounts recorded as expenditures in governmental fund types.....			1,580,550			
Other.....						(428)
Total Primary Government.....	\$ --	\$ 120,075	\$ 1,580,550	\$ 364,736	\$ 28,981	\$ 164,857
Component Units:						
Debt issues.....	87,949	469,670				
Amortization of bond discounts and bond issuance costs.....		1,455				
Amortization of deferred amounts on bond refundings.....		266				
Increase in accreted value of capital appreciation bonds.....		25,686				
Principal retirements and terminations.....	(119,703)	(300,626)				
Total component units.....	(31,754)	196,451	--	--	--	--
Balance at June 30, 1996.....	\$ 104,188	\$ 4,445,026	\$ 11,026,202	\$ 5,656,529	\$ 1,880,992	\$ 1,640,042

* The debt issues amount represents the gross reported in the operating statements. issuance amounts and not the net proceeds that are

16. FUND EQUITY:

A. Fund equity reservations and designations not displayed separately on the combined balance sheet (amounts expressed in thousands) at June 30, 1996 consisted of the following:

	Fund Types					Total (Memorandum Only) Primary Government	Component Units
	General	Special Revenue	Debt Service	Enterprise	Expendable Trust		
Fund Equity:							
Retained Earnings:							
Reserved for:							
Revenue bond and note retirement.....			\$ 65,718			\$ 65,718	\$ 221,755
High risk insurance program and other.....			27,578			27,578	55,534
Total reserved retained earnings			\$ 93,294			\$ 93,294	\$ 277,289
Fund balances:							
Reserved for other:							
Long-term portion of:							
Federal highway							
program receivable.....		\$ 256,378				\$ 256,378	
Intergovernmental receivables.....	\$ 382	434,889				435,271	\$ 6,187
Other receivables.....	117	2,169				2,286	
Intra-Entity receivables.....	501					501	
Loans and notes receivable.....	48,507	41,424	\$ 25,500			113,431	68,299
Inventories.....	24,875	40,179				65,054	
Restricted fund balances.....							447,719
Endowment and similar funds.....							472,063
Other.....	1,108	10,811			\$ 1,312	13,231	29,787
Total fund balances reserved for other	\$ 73,490	\$ 785,850	\$ 25,500		\$ 1,312	\$ 886,152	\$ 1,024,055
Unreserved:							
Designated for:							
Debt service.....			\$ 504,262			\$ 504,262	\$ 9,657
Total unreserved, designated fund balances			\$ 504,262			\$ 504,262	\$ 9,657

As disclosed in note 1-R, the above fund equity reservations are not available to finance current operations of State government at the balance sheet date or are legally restricted to a specific future use. In governmental funds, the reserves represent portions of

asset accounts that are noncurrent. Specifically, the \$256,378 Federal highway program receivable is due from the Federal government and will be received upon the Federal government increasing their grant amount to exceed their apportionment authorization.

B. During the year, contributed capital decreased pursuant to the following schedule (amounts expressed in thousands).

	Contributed	Fixed Assets		Contributed
	Capital 7/1/95	Additions	Deletions	Capital 6/30/96
Primary Government -				
Internal Service:				
Central Management Services:				
Statistical Services Revolving Fund.....	\$ 8,157			\$ 8,157
Department of Corrections:				
Working Capital Revolving Fund.....	8,381	\$ 585		8,966
Other.....	2,158		\$ 321	1,837
Total Internal Service.....	18,696	585	321	18,960
Total (Memorandum Only)				
Primary Government.....	18,696	585	321	18,960
Component Unit -				
Development Finance Authority.....	18,508			18,508
Farm Development Authority.....	12,232			12,232
Other.....	2,790			2,790
Total Component Unit.....	33,530			33,530
Total (Memorandum Only)				
Reporting Entity.....	\$ 52,226	\$ 585	\$ 321	\$ 52,490

17. FUND DEFICITS:**Primary Government:**

The State's General Fund, from which a significant portion of day to day operating expenditures are paid, has a GAAP deficit aggregating \$951 million at June 30, 1996, although the cash basis fund balance at that date was \$426 million. This deficit results from recognition of fund liabilities significantly in excess of accrued revenues.

The Drivers Education Fund of the State Board of Education (reported as a special revenue fund) has a deficit at June 30, 1996, aggregating \$14.4 million, resulting from reimbursement to school districts for drivers education program costs incurred in the current year but not paid until the subsequent year.

The Mental Health Fund of the Department of Mental

Health and Developmental Disabilities (reported as a special revenue fund) has a deficit at June 30, 1996, aggregating \$10.8 million, resulting from workers' compensation claims incurred in the current year but not paid until the subsequent year.

The State Gaming Fund of the Department of Revenue (reported as a special revenue fund) has a deficit at June 30, 1996, aggregating \$1 million, resulting from program costs incurred in the current year but not paid until the subsequent year.

The above Governmental Funds' deficits will be eliminated by future revenue increases and/or expenditure reductions in the following year(s).

18. CONDENSED FINANCIAL STATEMENTS-DISCRETELY PRESENTED COMPONENT UNITS:

Condensed financial statements (amounts expressed in thousands) for the State's discretely presented component units for the fiscal year ended June 30, 1996 are as follows:

CONDENSED FINANCIAL STATEMENTS-DISCRETELY PRESENTED COMPONENT UNITS: BALANCE SHEETS

	Governmental					
	Illinois Grain Insurance Corporation	East St. Louis Financial Advisory	Development Finance Authority	Housing Development Authority	Illinois Medical District Commission	Non-Major Component Units
Assets:						
Due from other funds.....					\$ 91	
Due from primary government.....	\$ 58					
Other current assets.....	3,298	\$ 4,151	\$ 4,719	\$ 47,504	941	\$ 678
Property, plant, and equipment.....					4,240	213
Other assets.....				68,299	54	1
Total Assets.....	\$ 3,356	\$ 4,151	\$ 4,719	\$ 115,803	\$ 5,326	\$ 892
Liabilities:						
Due to other funds.....			\$ 1	\$ 659	\$ 91	
Due to primary government.....					4	
Other current liabilities.....	\$ 1,400				505	\$ 45
Bonds payable.....						
Other long-term liabilities.....						
Total liabilities.....	1,400	--	1	659	600	45
Equity:						
Contributed capital.....						
Investment in fixed assets.....					4,240	213
Retained earnings.....						
Fund balance.....	1,956	\$ 4,151	4,718	115,144	486	634
Total equity.....	1,956	4,151	4,718	115,144	4,726	847
Total liabilities and equity.....	\$ 3,356	\$ 4,151	\$ 4,719	\$ 115,803	\$ 5,326	\$ 892

(Continued)

CONDENSED STATEMENTS-DISCRETELY PRESENTED COMPONENT UNITS: STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY

	Governmental						
	Illinois Grain Insurance Corporation	East St. Louis Financial Advisory	Development Finance Authority	Housing Development Authority	Illinois Medical District Commission	Non-Major Component Units	Total
Revenues.....	\$ 342	\$ 14	\$ 6	\$ 45,246	\$ 1,353	864	47,825
Expenditures:							
Current.....	1,566	80		13,956	1,310	424	17,336
Capital Outlays.....					29		29
Debt Service.....					16		16
Transfers(out).....				(10,726)			(10,726)
Excess (deficiency) of revenues over (under) expenditures.....	(1,224)	(66)	6	20,564	(2)	440	19,718
Equity-beginning, as restated.....	3,180	4,217	4,712	94,580	488	194	107,371
Equity-ending.....	\$ 1,956	\$ 4,151	\$ 4,718	\$ 115,144	\$ 486	634	127,089

(Continued)

**CONDENSED FINANCIAL STATEMENTS-DISCRETELY PRESENTED COMPONENT UNITS:
BALANCE SHEETS**

(Continued)

	Proprietary				University and College
	Comprehensive Health Insurance Board	Housing Development Authority	State Toll Highway Authority	Non-Major Component Units	Chicago State University
Assets:					
Due from other funds.....		\$ 15,178		\$ 4,511	\$ 2,347
Due from primary government.....			\$ 4,418	2	413
Other current assets.....	\$ 67,281	390,026	430,681	89,358	12,653
Property, plant, and equipment.....	123	747	1,769,800	2,806	100,412
Other assets.....		1,992,248	140,405	22,118	351
Total Assets.....	\$ 67,404	\$ 2,398,199	\$ 2,345,304	\$ 118,795	\$ 116,176
Liabilities:					
Due to other funds.....		\$ 14,519		\$ 4,509	\$ 2,370
Due to primary government.....	\$ 4	1	\$ 641	6	271
Other current liabilities.....	13,580	199,727	74,382	6,352	13,573
Bonds payable.....		2,017,926	957,155	50,605	23,740
Other long-term liabilities.....		65	296	100	3,107
Total liabilities.....	13,584	2,232,238	1,032,474	61,582	43,061
Equity:					
Contributed capital.....				33,530	
Investment in fixed assets.....					75,651
Retained earnings.....	53,820	165,961	1,312,830	23,683	
Fund balance.....					(2,536)
Total equity.....	53,820	165,961	1,312,830	57,213	73,115
Total liabilities and equity.....	\$ 67,404	\$ 2,398,199	\$ 2,345,304	\$ 118,795	\$ 116,176

**CONDENSED STATEMENTS-DISCRETELY PRESENTED COMPONENT UNITS: STATEMENTS OF
REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY**

(Continued)

	Proprietary				Total
	Comprehensive Health Ins. Board	Housing Development Authority	State Toll Highway Authority	Non-Major Component Units	
Operating revenues.....	\$ 18,976	\$ 328,414	\$ 325,410	\$ 9,541	\$ 682,341
Operating Expenses:					
Depreciation.....	61	438	67,599	139	68,237
Other.....	35,288	314,454	249,570	8,500	607,812
Operating income (loss).....	(16,373)	13,522	8,241	902	6,292
Other nonoperating revenue (expense).....	4,151		113,163	2,028	119,342
Transfers-in (out).....		10,726		273	10,999
Transfers from (to) primary government.....	17,324				17,324
Net income for the year.....	5,102	24,248	121,404	3,203	153,957
Equity-beginning.....	48,718	141,713	1,191,426	20,480	1,402,337
Contributed capital.....				33,530	33,530
Equity-ending.....	\$ 53,820	\$ 165,961	\$ 1,312,830	\$ 57,213	\$ 1,589,824

**CONDENSED FINANCIAL STATEMENTS-DISCRETELY PRESENTED COMPONENT UNITS:
BALANCE SHEETS**

University and College (continued)							
Eastern Illinois University	Western Illinois University	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois	Non-Major Component Units	Total
\$ 12		\$ 323	\$ 1,247	\$ 6,400	\$ 11,296	\$ 10	\$ 41,415
4,709	\$ 2,695	1,591	2,849	7,111	145,843	1,377	171,066
26,020	42,435	60,420	56,800	181,670	1,044,227	16,675	2,479,537
162,267	222,754	364,471	433,589	773,114	2,891,362	185,160	6,911,058
20,529	4,534	11,369	1,968	1,251	15,614	6,221	2,284,962
<u>\$ 213,537</u>	<u>\$ 272,418</u>	<u>\$ 438,174</u>	<u>\$ 496,453</u>	<u>\$ 969,546</u>	<u>\$ 4,108,342</u>	<u>\$ 209,443</u>	<u>\$ 11,888,038</u>
	\$ 14	\$ 336	\$ 1,933	\$ 6,108	\$ 10,875		\$ 41,415
\$ 4,097	250	135	133	6,101	33,649	\$ 318	45,610
33,632	11,928	29,413	39,655	109,696	197,110	28,911	759,919
34,388	39,899	45,860	46,480	51,882	300,649	2,075	3,570,659
3,438	20,416	4,192	14,438	5,439	228,685	6,832	287,008
<u>75,555</u>	<u>72,507</u>	<u>79,936</u>	<u>102,639</u>	<u>179,226</u>	<u>770,968</u>	<u>38,136</u>	<u>4,704,611</u>
							33,530
121,152	182,137	315,373	371,332	711,011	2,596,600	176,253	4,553,962
16,830	17,774	42,865	22,482	79,309	740,774	(4,946)	1,556,294
<u>137,982</u>	<u>199,911</u>	<u>358,238</u>	<u>393,814</u>	<u>790,320</u>	<u>3,337,374</u>	<u>171,307</u>	<u>7,183,427</u>
<u>\$ 213,537</u>	<u>\$ 272,418</u>	<u>\$ 438,174</u>	<u>\$ 496,453</u>	<u>\$ 969,546</u>	<u>\$ 4,108,342</u>	<u>\$ 209,443</u>	<u>\$ 11,888,038</u>

19. SEGMENT INFORMATION - ENTERPRISE FUNDS:

Selected financial information by enterprise fund segment (amounts expressed in thousands) is as follows:

	Primary Government			
	Department of Lottery State Lottery	Student Assistance Commission	Other	Total
	(1)	(2)	(3)	
Operating revenues.....	\$ 1,609,181	\$ 74,264	\$ 227,524	
Depreciation.....	780	203	613	1,596
Operating income (loss).....	603,642	9,438	17,306	630,386
Operating transfer-out.....	602,100	511	1,837	604,448
Nonoperating revenues.....	143	717	2,388	3,248
Nonoperating expenses.....		2,941	205	3,146
Net income (loss).....	1,685	6,703	17,652	26,040
Property, Plant and Equipment				
Additions.....	1,259	110	532	1,901
Deletions.....	1,092		271	1,363
Net working capital.....	21,625	(195,502)	31,627	(142,250)
Total assets.....	137,433	1,046,753	77,890	1,262,076
Bonds and other long-term liabilities payable from:				
Operating revenues.....		603,983		603,983
Other revenues.....	74,826		8	74,834
Total equity.....	23,393	76,913	40,380	140,686

The above referenced organizations and activities generate enterprise fund revenues as follows:

- (1) Illinois State Lottery revenues and operations.
- (2) Administration of State-authorized financial

aid programs for post-secondary students in Illinois.

- (3) Service and processing fees charged by the following departments, commissions, and board for their operations:

Elected Officials and Departments

- Central Management Services
- Corrections
- Insurance
- Mental Health & Developmental Disabilities
- Veterans' Affairs

Commissions

- Attorney Registration & Disciplinary Commission
- Office of Banks and Real Estate
- IL Industrial Commission

Board

- Board of Admissions to the Bar

20. RISK MANAGEMENT:

The State has elected to retain most exposures to risk. Workers' compensation, auto liability, employee fidelity and surety, and general liability are "self-insured" by the State. Claims liabilities are carried at present value, discounted at 5.4%, the average interest rate for fiscal year 1996 general obligation debt issues. The amounts are based on historical trend data and known inflation and cost of living factors.

The State purchases 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. A reconciliation of the State's claims liabilities for its major claims categories for the current fiscal year and prior fiscal year (amounts expressed in thousands) is as follows:

	Changes in Claims Liability Balances			
	Beginning Balance	Claims Incurred	Decreases	Ending Balance
FY95	\$ 63,913	\$ 56,923	\$ 55,923	\$ 64,913
FY96	\$ 64,913	\$ 112,880	\$ 76,315	\$ 101,478

21. CONTINGENCIES:

The State offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all State employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State (without being restricted to the provisions of benefits under the plan), subject only to the claims of the State's general creditors. Participants' rights under the plan are equal to those of general creditors of the State in an amount equal to the fair market value of the deferred account for each participant.

The State has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The State believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

The State Lottery has entered into agreements with insurance companies under which the Lottery purchases annuities under group contracts which provide payments corresponding to the Lottery's obligation to prize winners. The State would be liable for such future payments if the insurance companies defaulted on their

payment obligation. At June 30, 1996, the Lottery had purchased annuity contracts to fund future installment payments aggregating approximately \$96.7 million. Effective July 30, 1985, the law provides that the State Treasurer may, with the consent of the Director of Lottery, contract to invest in securities which provide payments corresponding to the Lottery's obligation to prize winners. The securities purchased subsequent to July 30, 1985 are accounted for in the accompanying financial statements in an agency fund at an amount equal to the present value of these future installment obligations.

The Illinois State Toll Highway Authority has entered into commitments for road construction of \$120.3 million. The Illinois Housing Development Authority has entered into commitments aggregating \$16.7 million for home loans.

The State receives significant financial assistance from the U.S. Government in the form of grants and entitlements. Entitlement to these resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any adjudicated disallowance as a result of these audits become a liability of the State.

Also, the State, its units and employees are parties to numerous legal proceedings, many of which normally recur in governmental operations. All legal proceedings

(except as discussed below) are not, in the opinion of the Attorney General, likely to have a material impact on any of the State's fund types or account groups.

The five State-sponsored pension funds (State Employees' Retirement System, Teachers' Retirement System, State Universities Retirement System, General Assembly Retirement System, and Judges' Retirement System) and participants in these systems claim that the State is required by statute to appropriate additional funds to these systems. The actual appropriations to these systems for years prior to fiscal year 1996 fell short of what the Pension Code specified. The complaint was initially dismissed in the Circuit Court, but the Appellate Court reversed. The State has filed a petition for leave to appeal to the Illinois Supreme Court, which will rule on that petition at the end of

January, 1997. The State is contesting the matter vigorously. It is neither possible to determine the outcome of these proceedings nor to estimate the possible effects there may be on future revenue or expenditure sources. If the State is unsuccessful, exposure will be at least \$500 million.

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.

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.

State of Illinois

Combining Schedule of Accounts
General Fund

June 30, 1996 (Expressed In Thousands)

	General Revenue	Education Assistance	Common School	Public Aid Medicaid Provider Assessment Program	Eliminations	Total
ASSETS						
Cash and cash equivalents	\$ 349,453	\$ 132,483	\$ 87,513	\$ 29,957		\$ 599,406
Investments	66,047					66,047
Receivables, net:						
Taxes	585,740	20,656	79,026	41,881		727,303
Intergovernmental	368,882			118,387		487,269
Other	105,550	5	66	41,734		147,355
Due from other funds	179,390	26,443	67,401	28	\$ (67,383)	205,879
Due from component units	189	56		27,378		27,623
Inventories	24,875					24,875
Loans and notes receivable	50,259					50,259
Other assets	9,285					9,285
Total assets	\$ 1,739,670	\$ 179,643	\$ 234,006	\$ 259,365	\$ (67,383)	\$ 2,345,301
LIABILITIES						
Accounts payable and accrued liabilities	\$ 1,613,272	\$ 181	\$ 53,380	\$ 190,191		\$ 1,857,024
Intergovernmental payables	624,825	41,812	152,043	2		818,682
Due to other funds	336,236	1	16,064	15,193	\$ (67,383)	300,111
Due to component units	92,227	5,032		53,894		151,153
Deferred revenues	152,054	5,073	12,519			169,646
Total liabilities	2,818,614	52,099	234,006	259,280	(67,383)	3,296,616
FUND BALANCES (DEFICITS)						
Reserved for:						
Encumbrances	103,469	92	1,308	9		104,878
Long-term portion of:						
Intergovernmental and other receivable	1,000					1,000
Loans and notes receivable	46,507					46,507
Inventories	24,875					24,875
Other	1,108					1,108
Unreserved, undesignated	(1,255,903)	127,452	(1,308)	76		(1,129,683)
Total fund balances (deficit)	(1,078,944)	127,544	--	85	--	(951,315)
Total liabilities and fund balances	\$ 1,739,670	\$ 179,643	\$ 234,006	\$ 259,365	\$ (67,383)	\$ 2,345,301

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of
Financial Resources and Changes in Fund Balance
General Fund

For the Year Ended June 30, 1996 (Expressed in Thousands)

	General Revenue	Education Assistance	Common School	Public Aid Medicaid Provider Assessment Program	Eliminations	Total
REVENUES						
Income taxes	\$ 6,235,877	\$ 487,319				\$ 6,723,196
Sales taxes	3,571,198		\$ 1,184,264			4,755,462
Public utility taxes	809,718		12,000			821,718
Other taxes	820,264		49,942	\$ 367,729		1,237,935
Federal government	3,361,432			730,622		4,092,054
Licenses and fees	87,300		639			87,939
Interest and other investment income	134,070		771	1,456		136,297
Other	65,219	216		397,382		462,817
Total revenues	15,085,078	487,535	1,247,616	1,497,189		18,317,418
EXPENDITURES						
Current:						
Health and social services	6,189,085			1,471,661		7,660,746
Education	1,695,376	603,199	2,203,354			4,501,929
General government	1,061,247					1,061,247
Social assistance	1,426,459					1,426,459
Transportation	28,801					28,801
Public protection and justice	1,184,700					1,184,700
Natural resources and recreation	111,130					111,130
Debt service:						
Principal	11,456					11,456
Interest	59,444					59,444
Capital outlays	73,723	62	109			73,894
Total expenditures	11,841,421	603,261	2,203,463	1,471,661		16,119,806
Excess (deficiency) of revenues over (under) expenditures	3,243,657	(115,726)	(955,847)	25,528		2,197,612
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
Operating transfers-in	309,812	204,900	955,847	44,700	\$ (353,747)	1,161,512
Operating transfers from component units						
Operating transfers-out	(2,178,138)			(70,190)	353,747	(1,894,581)
Operating transfers to component units	(1,135,998)	(98,595)				(1,234,593)
Capital lease financing	21,906					21,906
Net other sources (uses) of financial resources	(2,982,418)	106,305	955,847	(25,490)	--	(1,945,756)
Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources	261,239	(9,421)	--	38	--	251,856
Fund balances (deficit), July 1, 1995, as previously reported	(1,340,956)	136,965	--	47	--	(1,203,944)
Residual equity transfers-in	773					773
FUND BALANCES (DEFICIT), JUNE 30, 1996	\$ (1,078,944)	\$ 127,544	\$ --	\$ 85	\$ --	\$ (951,315)

State of Illinois

Combining Schedule of Accounts - General Fund
 Medicaid Provider Assessment Program

June 30, 1996 (Expressed in Thousands)

	Public Aid				Total
	U of I Hospital Service	Long-Term Care	Hospital	Other	
ASSETS					
Cash and cash equivalents	\$ 15,190	\$ 10,744	\$ 1,499	\$ 2,524	\$ 29,957
Receivables, net:					
Taxes		19,080	21,099	1,702	41,881
Intergovernmental	26,516	27,237	60,404	4,230	118,387
Other		30	41,691	13	41,734
Due from other funds		10	17	1	28
Due from component units	27,378				27,378
Total assets	\$ 69,084	\$ 57,101	\$ 124,710	\$ 8,470	\$ 259,365
LIABILITIES					
Accounts payable and accrued liabilities		\$ 57,098	\$ 124,709	\$ 8,384	\$ 190,191
Intergovernmental payables		1	1		2
Due to other funds	\$ 15,190	2		1	15,193
Due to component units	53,894				53,894
Total liabilities	69,084	57,101	124,710	8,385	259,280
FUND BALANCE					
Reserved for encumbrances		9			9
Unreserved, undesignated		(9)		85	76
Total fund balance	--	--	--	85	85
Total liabilities and fund balance	\$ 69,084	\$ 57,101	\$ 124,710	\$ 8,470	\$ 259,365

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of
Financial Resources and Changes in Fund Balance - General Fund
Medicaid Provider Assessment Program**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	U of I		Public Aid		Total
	Hospital Service	Care	Hospital	Other	
REVENUES					
Other taxes		\$ 174,976	\$ 176,862	\$ 15,891	\$ 367,729
Federal government	\$ 93,822	152,401	469,338	15,061	730,622
Interest and other investment income		517	846	93	1,456
Other	84,007		313,375		397,382
Total revenues	177,829	327,894	960,421	31,045	1,497,189
EXPENDITURES					
Current:					
Health and social services	152,339	327,894	960,421	31,007	1,471,661
Total expenditures	152,339	327,894	960,421	31,007	1,471,661
Excess of revenues over expenditures	25,490	--	--	38	25,528
OTHER SOURCES (USES) OF FINANCIAL RESOURCES					
Operating transfers-in	44,700				44,700
Operating transfers-out	(70,190)				(70,190)
Net other sources (uses) of financial resources	(25,490)	--	--	--	(25,490)
Excess of revenues over expenditures and net other sources (uses) of financial resources	--	--	--	38	38
Fund balances, July 1, 1995	--	--	--	47	47
FUND BALANCES, JUNE 30, 1996	\$ --	\$ --	\$ --	\$ 85	\$ 85

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 SPECIAL REVENUE FUNDS DESCRIPTIONS

Department of Children and Family Services

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

Department of Financial Institutions

State Pensions Fund—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.

Department of Public Aid

Child Support Enforcement Trust Fund—child support payments, federal grants, and incentive payments that are related to the Child Support Enforcement Program.

Food Stamp and Commodity Fund—the receipt, distribution, and year end balance of food stamps and commodities received by the Department of Public Aid from the federal government.

Department of Revenue

Local Government Tax Fund—to account for 15% share of various sales taxes that will be distributed to cities and counties.

Local Government Distributive Fund—a portion of State income tax collections that are distributed to the various municipalities and counties within the State. On a monthly basis, 1/12 of the income tax receipts are transferred to this fund from the General Fund for such distributions.

Personal Property Tax Replacement Fund—the net revenue received from the personal property replacement income tax. Expenditures consist of allocations to each taxing district within the State and administrative costs.

Department of Transportation

Road Fund—monies collected for the purpose of administering State highway programs. Funding sources include federal aid, State motor fuel taxes and various license and fee charges. Expenditures are for highway maintenance and construction, traffic control and safety and administering motor vehicle laws and regulations.

Motor Fuel Tax Fund—various transportation related program expenditures and the administrative cost of supervising the use of funds apportioned to municipalities, counties and road districts. Revenue is derived from State fuel taxes and an allocation (transfer) of State sales tax collections from the General Fund.

State Construction Account Fund—a portion of motor vehicle registration fees, weight taxes and transfers from the Motor Fuel Tax Fund. The fund is used exclusively for the construction, reconstruction and maintenance of the State maintained highway system.

Environmental Protection Agency

Water Pollution Control Revolving Fund—to assist units of local government in financing the construction of wastewater treatment facilities by making direct loans at or below market interest rates.

State Board of Education

S.B.E. Federal Department of Agriculture Fund—to account for federal grants received for the purpose of administering various elementary and secondary education programs throughout the State.

Illinois Student Assistance Commission

Student Loan Fund—to account for monies collected on defaulted student loans from individuals and the federal government under the student loan guarantee program. Expenditures are primarily to lenders of defaulted guaranteed student loans.

State of Illinois

**Combining Balance Sheet
Special Revenue Funds**

June 30, 1996 (Expressed in Thousands)

	Departments					
	Aging Services for Older Americans	Alcoholism & Substance Abuse Block Grant	Children & Family Services Children's Services	Commerce and Community Affairs	Natural Resources	Employment Security
ASSETS						
Cash and cash equivalents	\$ 143	\$ 5,859	\$ 43,532	\$ 12,402	\$ 84,239	\$ 35,860
Investments						
Receivables, net:						
Taxes						
Intergovernmental	10,249	4,575	41,385	32,293		10,308
Other				53	121	52
Due from other funds	132		682	27	974	16,343
Due from component units		2			26	
Inventories						1,969
Loans and notes receivable				11,470		
Other assets				7,358	11	
Total assets	\$ 10,524	\$ 10,436	\$ 85,599	\$ 63,603	\$ 85,371	\$ 64,532
LIABILITIES						
Accounts payable and accrued liabilities	\$ 5,424	\$ 9,402	\$ 58,680	\$ 32,387	\$ 2,513	\$ 5,653
Intergovernmental payables	5,079	588	366	18	518	240
Due to other funds	21	205	13	253	182	14,743
Due to component units		241	155	58	237	5
Deferred revenues					135	
Other liabilities						
Total liabilities	10,524	10,436	59,214	32,716	3,585	20,641
FUND BALANCES (DEFICITS)						
Reserved for:						
Encumbrances	770	2,289	6,846	2,872	36,136	1,929
Long-term portion of:						
Intergovernmental and other receivables						
Loans and notes receivable				9,055		
Inventories						1,969
Other				7,358		
Unreserved, undesignated	(770)	(2,289)	19,539	11,602	45,650	39,993
Total fund balances (deficits)	--	--	26,385	30,887	81,786	43,891
Total liabilities and fund balances	\$ 10,524	\$ 10,436	\$ 85,599	\$ 63,603	\$ 85,371	\$ 64,532

Departments (continued)							Agencies, Boards and Authorities	
Financial Institutions	Mental Health and Developmental Disabilities Mental Health	Public Aid	Public Health	Rehabilitation Services Vocational Rehabilitation	Revenue	Transportation	Environmental Protection Agency Water Pollution Control	Metropolitan Pier & Expo Authority McCormick Place Expansion
\$ 57,154	\$ 3,667	\$ 43,472	\$ 5,394	\$ 9,196	\$ 342,308	\$ 629,971	\$ 69,982	\$
					87,341	163,852		
	842				206,025	113,961		
	275	2,462	5,723		73,349	276,770	483,893	
	4,742	27,780	16,517	144	370	33,630	302	
	1,087	6,605	700		89,661	148,006		
				2		79		
		699	8,955			23,271		
						20,908		
		185,320				1,477		
\$ 57,154	\$ 10,613	\$ 266,338	\$ 37,289	\$ 9,342	\$ 799,054	\$ 1,411,925	\$ 554,177	\$ --
\$ 906	\$ 21,282	\$ 24,403	\$ 18,114	\$ 2,873	\$ 21,196	\$ 149,807	\$ 355	\$
	5	10,778	6,926	398	563,943	106,561	9,238	
102	162	4,372	441	1,243	152,919	107,127	62	
		22	570	168		5,950	8	
	5	186,361	11,238	771	37,531	18,176		
					904			
1,008	21,454	225,936	37,289	5,453	776,493	387,621	9,663	--
401	115	5,970		250	1,247	1,248,142	99,950	
						214,342	448,867	
						19,593		
		699	8,955			23,271		
						1,477		
55,745	(10,956)	33,733	(8,955)	3,639	21,314	(482,521)	(4,303)	
56,146	(10,841)	40,402	--	3,889	22,561	1,024,304	544,514	--
\$ 57,154	\$ 10,613	\$ 266,338	\$ 37,289	\$ 9,342	\$ 799,054	\$ 1,411,925	\$ 554,177	\$ --

(continued)

State of Illinois

Combining Balance Sheet
Special Revenue Funds

June 30, 1996 (Expressed in Thousands)

(continued)	Agencies, Boards, and Authorities (continued)			Higher Education	Other	Total
	State Board of Education	Emergency Management Agency Federal Aid Disaster	State Fire Marshal Underground Storage Tank	Student Assistance Commission Student Loan		
ASSETS						
Cash and cash equivalents	\$ 16,788	\$ 270	\$ 26,478	\$ 62,056	\$ 437,662	\$ 1,886,433
Investments					29	251,222
Receivables, net:						
Taxes			5,900		4,614	331,342
Intergovernmental	95,451	33,996		46,245	51,820	1,168,794
Other	1		816	387	34,467	119,382
Due from other funds	1,836				31,735	297,788
Due from component units	97				744	950
Inventories	2,154				3,131	40,179
Loans and notes receivable					15,524	47,902
Other assets					1,415	195,581
Total assets	\$ 116,327	\$ 34,266	\$ 33,194	\$ 108,688	\$ 581,141	\$ 4,339,573
LIABILITIES						
Accounts payable and accrued liabilities	\$ 14,794	\$ 749	\$ 9,939	\$ 22,431	\$ 79,802	\$ 480,710
Intergovernmental payables	113,301	32,504	584	17,770	50,637	919,454
Due to other funds	386	931	24	936	19,609	303,731
Due to component units	259				11,249	18,922
Deferred revenues		82	23		15,660	269,982
Other liabilities					80	984
Total liabilities	128,740	34,266	10,570	41,137	177,037	1,993,783
FUND BALANCES (DEFICITS)						
Reserved for:						
Encumbrances	14,302		2,997	1,110	63,736	1,489,062
Long-term portion of:						
Intergovernmental and other receivables		28,058			2,169	693,436
Loans and notes receivable					12,776	41,424
Inventories	2,154				3,131	40,179
Other					1,976	10,811
Unreserved, undesignated	(28,869)	(28,058)	19,627	66,441	320,316	70,878
Total fund balances (deficits)	(12,413)	--	22,624	67,551	404,104	2,345,790
Total liabilities and fund balances	\$ 116,327	\$ 34,266	\$ 33,194	\$ 108,688	\$ 581,141	\$ 4,339,573

State of Illinois

Combining Statement of Revenues, Expenditures, Other Sources and Uses of
Financial Resources and Changes in Fund Balances
Special Revenue Funds

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Departments					
	Aging	Alcoholism & Substance Abuse Block Grant	Children & Family Services Children's Services	Commerce and Community Affairs	Natural Resources	Employment Security
REVENUES						
Income taxes						
Sales taxes						
Motor fuel taxes						
Public utility taxes						
Other taxes					\$ 13,174	
Federal government	\$ 46,391	\$ 55,187	\$ 92,006	\$ 262,155		\$ 142,446
Licenses and fees					6,223	
Child support						
Unclaimed assets						
Interest and other investment income				2,186	1,482	489
Other			6,167	395	5,676	416
Total revenues	46,391	55,187	98,173	264,736	26,555	143,351
EXPENDITURES						
Current:						
Health and social services		54,223	323,894			
Education	47,083					
General government				263,770	2,383	
Social assistance						144,048
Transportation						
Public protection and justice						
Natural resources and recreation					18,092	
Debt service:						
Principal		17	471		24	
Interest		5	19		3	
Capital outlays	19	369	130	70	7,697	772
Total expenditures	47,102	54,614	324,514	263,840	28,199	144,820
Excess (deficiency) of revenues over (under) expenditures	(711)	573	(226,341)	896	(1,644)	(1,469)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
Operating transfers-in	711	3	256,552	27	20,354	25,358
Operating transfers from component units						
Operating transfers-out		(12)	(16,248)	(673)	(10,100)	(12,150)
Operating transfers to component units		(656)			(139)	
Capital lease financing		92				
Net other sources (uses) of financial resources	711	(573)	240,304	(646)	10,115	13,208
Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources			13,963	250	8,471	11,739
Fund balances (deficit), July 1, 1995, as previously reported			12,422	30,637	73,315	32,152
Reclassification of fund balance						
Fund balances (deficit), July 1, 1995, as restated			12,422	30,637	73,315	32,152
FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ --	\$ --	\$ 26,385	\$ 30,887	\$ 81,786	\$ 43,891

(continued)

State of Illinois

Combining Statement of Revenues, Expenditures, Other Sources and Uses of
Financial Resources and Changes in Fund Balances
Special Revenue Funds

For the Year Ended June 30, 1996 (Expressed in Thousands)

(continued)

	Departments (continued)					Revenue
	Financial Institutions	Mental Health and Developmental Disabilities Mental Health	Public Aid	Public Health	Rehabilitation Services Vocational Rehabilitation	
	State Pensions					
REVENUES						
Income taxes						\$ 627,090
Sales taxes						1,750,788
Motor fuel taxes						
Public utility taxes						209,773
Other taxes		\$ 3,530				357,687
Federal government		4,925	\$ 1,174,963	\$ 192,564	\$ 89,413	
Licenses and fees			89			1,336
Child support			130,286			
Unclaimed assets	\$ 46,815					
Interest and other investment income						3,218
Other		18,412	51	46,269	980	
Total revenues	46,815	26,867	1,305,389	238,833	90,393	2,949,892
EXPENDITURES						
Current:						
Health and social services		47,574	19,363	245,533	84,987	
Education	34,515					
General government	9,046					3,026,020
Social assistance			1,243,957			
Transportation						
Public protection and justice	8,493					
Natural resources and recreation						
Debt service:						
Principal			36		13	
Interest			3			18,247
Capital outlays	89	4	5,429	1,281	1,398	154
Total expenditures	52,143	47,578	1,268,788	246,814	86,398	3,044,421
Excess (deficiency) of revenues over (under) expenditures	(5,328)	(20,711)	36,601	(7,981)	3,995	(94,529)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
Operating transfers-in	29,724			8,548	7	769,592
Operating transfers from component units					15	
Operating transfers-out		(439)	(39,893)	(510)	(182)	(684,843)
Operating transfers to component units	(9,579)		(178)	(57)	(861)	
Capital lease financing						
Net other sources (uses) of financial resources	20,145	(439)	(40,071)	7,981	(1,021)	84,749
Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources	14,817	(21,150)	(3,470)	--	2,974	(9,780)
Fund balances (deficit), July 1, 1995, as previously reported	41,329	10,309	43,872		915	32,341
Reclassification of fund balance						
Fund balances (deficit), July 1, 1995, as restated	41,329	10,309	43,872		915	32,341
FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ 56,146	\$ (10,841)	\$ 40,402	\$ --	\$ 3,889	\$ 22,561

Dept. (cont'd)	Agencies, Boards and Authorities					Higher Education	Other	Total
	Environmental Protection Agency	Metropolitan Pier & Expo Authority	State Board of Education	Emergency Management Agency	State Fire Marshal	Student Assistance Commission		
	Water Pollution Control Revolving	McCormick Place Expansion		Federal Aid Disaster	Underground Storage Tank	Student Loan		
							\$ 14,071	\$ 627,090
\$ 1,156,112					\$ 41,176			1,764,859
								1,197,288
							15,529	225,302
							83,233	457,624
684,693	\$ 46,989		\$ 922,588	\$ 24,796		\$ 138,115	416,192	4,293,423
681,688			11,336		(551)	4,343	228,124	932,588
								130,286
								46,815
32,551	14,583					4,946	6,328	65,783
97,182	3,398	\$ 57,867	5,320		4	16,958	141,853	400,948
2,652,226	64,970	57,867	939,244	24,796	40,629	164,362	905,330	10,142,006
							295,390	1,070,964
537			929,029			157,758	20,964	1,189,886
234,708		57,867			536		232,404	3,826,734
							28,399	1,416,404
2,374,557							42,986	2,417,543
52,733				24,448	1,543		209,041	296,258
	13,510				15,309		166,173	213,084
1,618			4		11	208	1,777	4,179
617					3	12	233	19,142
37,349	209		399		103	72	29,707	85,251
2,702,119	13,719	57,867	929,432	24,448	17,505	158,050	1,027,074	10,539,445
(49,893)	51,251		9,812	348	23,124	6,312	(121,744)	(397,439)
961,469	7,000						263,041	2,342,386
							3	18
(934,526)			(5,693)	(348)	(9,245)	(1,273)	(80,065)	(1,796,200)
(538)	(8)		(4,639)				(29,819)	(46,474)
977			4				3,432	4,505
27,382	6,992		(10,328)	(348)	(9,245)	(1,273)	156,592	504,235
(22,511)	58,243	--	(516)	--	13,879	5,039	34,848	106,796
1,046,815	486,271		(11,897)		8,745	62,512	447,806	2,317,544
							(78,550)	(78,550)
1,046,815	486,271		(11,897)		8,745	62,512	369,256	2,238,994
\$ 1,024,304	\$ 544,514	\$ --	\$ (12,413)	\$ --	\$ 22,624	\$ 67,551	\$ 404,104	\$ 2,345,790

State of Illinois

**Combining Balance Sheet - Special Revenue Funds
Department of Commerce and Community Affairs**

June 30, 1996 (Expressed in Thousands)

	Low-Income Home Energy Assistance Block Grant Fund	Community Development/ Small Cities Block Grant	Job Training Partnership	Build Illinois Loan Programs	Total
ASSETS					
Cash and cash equivalents	\$ 41	\$ 46	\$ 76	\$ 12,239	\$ 12,402
Receivables, net:					
Intergovernmental	1,342	9,991	20,960		32,293
Other				53	53
Due from other funds			27		27
Loans and notes receivable				11,470	11,470
Other assets				7,358	7,358
Total assets	\$ 1,383	\$ 10,037	\$ 21,063	\$ 31,120	\$ 63,603
LIABILITIES					
Accounts payable and accrued liabilities	\$ 1,370	\$ 10,027	\$ 20,762	\$ 228	\$ 32,387
Intergovernmental payables	3	2	11	2	18
Due to other funds	10	8	232	3	253
Due to component units			58		58
Total liabilities	1,383	10,037	21,063	233	32,716
FUND BALANCES (DEFICITS)					
Reserved for:					
Encumbrances	1,192	531	1,143	6	2,872
Long term portion of loans and notes receivable				9,055	9,055
Other				7,358	7,358
Unreserved, undesignated	(1,192)	(531)	(1,143)	14,468	11,602
Total fund balances	--	--	--	30,887	30,887
Total liabilities and fund balances	\$ 1,383	\$ 10,037	\$ 21,063	\$ 31,120	\$ 63,603

State of Illinois

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of
Financial Resources and Changes in Fund Balances - Special Revenue Funds
Department of Commerce and Community Affairs**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Low-Income Home Energy Assistance Block Grant Fund	Community Development/ Small Cities Block Grant	Job Training Partnership	Build Illinois Loan Programs	Total
REVENUES					
Federal government	\$ 79,702	\$ 56,401	\$ 126,052		\$ 262,155
Interest and other investment income				\$ 2,186	2,186
Other			43	352	395
Total revenues	79,702	56,401	126,095	2,538	264,736
EXPENDITURES					
Current:					
General government	79,700	56,969	125,433	1,668	263,770
Capital outlays	2	40	28		70
Total expenditures	79,702	57,009	125,461	1,668	263,840
Excess (deficiency) of revenues over (under) expenditures		(608)	634	870	896
OTHER SOURCES (USES) OF FINANCIAL RESOURCE					
Operating transfers-in			27		27
Operating transfers-out		(12)	(661)		(673)
Net other sources (uses) of financial resources		(12)	(634)		(646)
Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources	--	(620)	--	870	250
Fund balances, July 1, 1995	--	620	--	30,017	30,637
FUND BALANCES, JUNE 30 1996	\$ --	\$ --	\$ --	\$ 30,887	\$ 30,887

State of Illinois

Combining Balance Sheet - Special Revenue Funds

Department of Natural Resources

June 30, 1996 (Expressed in Thousands)

	Open Space Lands Acquisition and Development	Petroleum Violation	Park and Conservation	Total
ASSETS				
Cash and cash equivalents	\$ 26,954	\$ 28,928	\$ 28,357	\$ 84,239
Other receivables, net		121		121
Due from other funds			974	974
Due from component units		26		26
Other assets			11	11
Total assets	\$ 26,954	\$ 29,075	\$ 29,342	\$ 85,371
LIABILITIES				
Accounts payable and accrued liabilities	\$ 46	\$ 628	\$ 1,839	\$ 2,513
Intergovernmental payables	507	4	7	518
Due to other funds	5	58	119	182
Due to component units		156	81	237
Deferred revenues			135	135
Total liabilities	558	846	2,181	3,585
FUND BALANCES				
Reserved for encumbrances	23,590	309	12,237	36,136
Unreserved, undesignated	2,806	27,920	14,924	45,650
Total fund balances	26,396	28,229	27,161	81,786
Total liabilities and fund balances	\$ 26,954	\$ 29,075	\$ 29,342	\$ 85,371

State of Illinois

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of
Financial Resources and Changes in Fund Balances - Special Revenue Funds
Department of Natural Resources**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Open Space Lands Acquisition and Development	Petroleum Violation	Park and Conservation	Total
REVENUES				
Other taxes	\$ 13,174			\$ 13,174
Licenses and fees			\$ 6,223	6,223
Interest and other investment income		\$ 1,482		1,482
Other		5,676		5,676
Total revenues	13,174	7,158	6,223	26,555
EXPENDITURES				
Current:				
General government		2,383		2,383
Natural resources and recreation	7,026	1,230	9,836	18,092
Debt service:				
Principal		13	11	24
Interest		1	2	3
Capital outlays	43	52	7,602	7,697
Total expenditures	7,069	3,679	17,451	28,199
Excess (deficiency) of revenues over (under) expenditures	6,105	3,479	(11,228)	(1,644)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES				
Operating transfers-in			20,354	20,354
Operating transfers-out			(10,100)	(10,100)
Operating transfers to component units		(139)		(139)
Net other sources (uses) of financial resources		(139)	10,254	10,115
Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources	6,105	3,340	(974)	8,471
Fund balances, July 1, 1995	20,291	24,889	28,135	73,315
FUND BALANCES, JUNE 30, 1996	\$ 26,396	\$ 28,229	\$ 27,161	\$ 81,786

State of Illinois

**Combining Balance Sheet - Special Revenue Funds
Department of Employment Security**

June 30, 1996 (Expressed in Thousands)

	Title III Social Security and Employment Services	Unemployment Compensation Special Administration	Total
ASSETS			
Cash and cash equivalents	\$ 23,822	\$ 12,038	\$ 35,860
Receivables, net:			
Intergovernmental	10,308		10,308
Other		52	52
Due from other funds	12,408	3,935	16,343
Inventories	1,969		1,969
Total assets	\$ 48,507	\$ 16,025	\$ 64,532
LIABILITIES			
Accounts payable and accrued liabilities	\$ 5,471	\$ 182	\$ 5,653
Intergovernmental payables	240		240
Due to other funds	2,743	12,000	14,743
Due to component units	5		5
Total liabilities	8,459	12,182	20,641
FUND BALANCES			
Reserved for:			
Encumbrances	1,929		1,929
Inventories	1,969		1,969
Unreserved, undesignated	36,150	3,843	39,993
Total fund balances	40,048	3,843	43,891
Total liabilities and fund balances	\$ 48,507	\$ 16,025	\$ 64,532

State of Illinois

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of
Financial Resources and Changes in Fund Balances - Special Revenue Funds
Department of Employment Security**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Title III Social Security and Employment Services	Unemployment Compensation Special Administration	Total
REVENUES			
Federal government	\$ 142,446		\$ 142,446
Interest and other investment income		\$ 489	489
Other	416		416
Total revenues	142,862	489	143,351
EXPENDITURES			
Current:			
Social assistance	142,490	1,558	144,048
Capital outlays	772		772
Total expenditures	143,262	1,558	144,820
(Deficiency) of revenues (under) expenditures	(400)	(1,069)	(1,469)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES			
Operating transfers-in	12,419	12,939	25,358
Operating transfers-out	(150)	(12,000)	(12,150)
Net other sources (uses) of financial resources	12,269	939	13,208
(Deficiency) of revenues (under) expenditures and net other sources (uses) of financial resources	11,869	(130)	11,739
Fund balances, July 1, 1995	28,179	3,973	32,152
FUNDS BALANCES, JUNE 30, 1996	\$ 40,048	\$ 3,843	\$ 43,891

Combining Balance Sheet - Special Revenue Funds

Department of Public Aid

June 30, 1996 (Expressed in Thousands)

	Special Purposes Trust	Child Support Enforcement Trust	Food Stamp and Commodity	Total
ASSETS				
Cash and cash equivalents	\$ 6,660	\$ 36,812		\$ 43,472
Receivables, net:				
Intergovernmental	2,462			2,462
Other		27,780		27,780
Due from other funds	6,605			6,605
Inventories			\$ 699	699
Other assets			185,320	185,320
Total assets	\$ 15,727	\$ 64,592	\$ 186,019	\$ 266,338
LIABILITIES				
Accounts payable and accrued liabilities	\$ 2,600	\$ 21,803		\$ 24,403
Intergovernmental payables	10	10,768		10,778
Due to other funds	1,497	2,875		4,372
Due to component units		22		22
Deferred revenues		1,041	\$ 185,320	186,361
Total liabilities	4,107	36,509	185,320	225,936
FUND BALANCES				
Reserved for:				
Encumbrances	605	5,365		5,970
Inventories			699	699
Unreserved, undesignated	11,015	22,718		33,733
Total fund balances	11,620	28,083	699	40,402
Total liabilities and fund balances	\$ 15,727	\$ 64,592	\$ 186,019	\$ 266,338

State of Illinois

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of
Financial Resources and Changes in Fund Balances - Special Revenue Funds
Department of Public Aid**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Special Purposes Trust	Child Support Enforcement Trust	Food Stamp and Commodity	Total
REVENUES				
Federal government	\$ 60,513	\$ 47,208	\$ 1,067,242	\$ 1,174,963
Licenses and fees		89		89
Child support		130,286		130,286
Other	51			51
Total revenues	60,564	177,583	1,067,242	1,305,389
EXPENDITURES				
Current:				
Health and social services	19,363			19,363
Social assistance		176,394	1,067,563	1,243,957
Debt service:				
Principal	4	32		36
Interest		3		3
Capital outlays	337	5,092		5,429
Total expenditures	19,704	181,521	1,067,563	1,268,788
Excess (deficiency) of revenues over (under) expenditures	40,860	(3,938)	(321)	36,601
OTHER (USES) OF FINANCIAL RESOURCES				
Operating transfers-out	(35,964)	(3,929)		(39,893)
Operating transfers to component units	(178)			(178)
Net other (uses) of financial resources	(36,142)	(3,929)		(40,071)
Excess (deficiency) of revenues over (under) expenditures and net other (uses) of financial resources	4,718	(7,867)	(321)	(3,470)
Fund balances, July 1, 1995	6,902	35,950	1,020	43,872
FUND BALANCES, JUNE 30, 1996	\$ 11,620	\$ 28,083	\$ 699	\$ 40,402

*State of Illinois***Combining Balance Sheet - Special Revenue Funds
Department of Public Health**

June 30, 1996 (Expressed in Thousands)

	Public Health Services	USDA Women, Infants, and Children	Total
ASSETS			
Cash and cash equivalents	\$ 1,654	\$ 3,740	\$ 5,394
Receivables, net:			
Intergovernmental	5,200	523	5,723
Other	973	15,544	16,517
Due from other funds	700		700
Inventories	3,905	5,050	8,955
Total assets	\$ 12,432	\$ 24,857	\$ 37,289
LIABILITIES			
Accounts payable and accrued liabilities	\$ 8,497	\$ 9,617	\$ 18,114
Intergovernmental payables	3,201	3,725	6,926
Due to other funds	158	283	441
Due to component units	570		570
Deferred revenues	6	11,232	11,238
Total liabilities	12,432	24,857	37,289
FUND BALANCES (DEFICITS)			
Reserved for inventories	3,905	5,050	8,955
Unreserved, undesignated	(3,905)	(5,050)	(8,955)
Total fund balances	--	--	--
Total liabilities and fund balances	\$ 12,432	\$ 24,857	\$ 37,289

State of Illinois

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of
Financial Resources and Changes in Fund Balances - Special Revenue Funds
Department of Public Health**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Public Health Services	USDA Women, Infants, and Children	Total
REVENUES			
Federal government	\$ 51,123	\$ 141,441	\$ 192,564
Other	200	46,069	46,269
Total revenues	51,323	187,510	238,833
EXPENDITURES			
Current:			
Health and social services	58,325	187,208	245,533
Capital outlays	989	292	1,281
Total expenditures	59,314	187,500	246,814
Excess (deficiency) of revenues over (under) expenditures	(7,991)	10	(7,981)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES			
Operating transfers-in	8,548		8,548
Operating transfers-out	(500)	(10)	(510)
Operating transfers to component units	(57)		(57)
Net other sources (uses) of financial resources	7,991	(10)	7,981
Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources	--	--	--
Fund balances, July 1, 1995	--	--	--
FUND BALANCES, JUNE 30, 1996	\$ --	\$ --	\$ --

State of Illinois

Combining Balance Sheet - Special Revenue Funds

Department of Revenue

June 30, 1996 (Expressed in Thousands)

	State Gaming	State & Local Sales Tax Reform	County & Mass Transit District	Local Government Tax	Local Government Distributive
ASSETS					
Cash and cash equivalents	\$ 45,558	\$ 26,764	\$ 31,205	\$ 144,920	\$ 3,295
Investments					
Receivables, net:					
Taxes	1,898	11,740	14,430	94,671	1,216
Intergovernmental					
Other					
Due from other funds					80,211
Total assets	\$ 47,456	\$ 38,504	\$ 45,635	\$ 239,591	\$ 84,722
LIABILITIES					
Accounts payable and accrued liabilities	\$ 480				
Intergovernmental payables	21,529	\$ 7,339	\$ 25,626	\$ 225,923	\$ 82,977
Due to other funds	26,471	29,356	17,633		625
Deferred revenues		1,809	2,376	13,668	216
Other liabilities					904
Total liabilities	48,480	38,504	45,635	239,591	84,722
FUND BALANCES (DEFICITS)					
Reserved for encumbrances					1,247
Unreserved, undesignated	(1,024)				(1,247)
Total fund balance (deficit)	(1,024)	--	--	--	--
Total liabilities and fund balances	\$ 47,456	\$ 38,504	\$ 45,635	\$ 239,591	\$ 84,722

Personal Property Tax Replacement	Build Illinois	Total
\$ 84,009	\$ 6,557	\$ 342,308
87,341		87,341
58,715	23,355	206,025
73,349		73,349
322	48	370
	9,450	89,661
\$ 303,736	\$ 39,410	\$ 799,054

\$ 8,084	\$ 12,632	\$ 21,196
200,549		563,943
78,834		152,919
16,269	3,193	37,531
		904
303,736	15,825	776,493

		1,247
	23,585	21,314
--	23,585	22,561
\$ 303,736	\$ 39,410	\$ 799,054

State of Illinois

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of
Financial Resources and Changes in Fund Balances - Special Revenue Funds
Department of Revenue**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	State Gaming	State & Local Sales Tax Reform	County & Mass Transit District	Local Government Tax	Local Government Distributive
REVENUES					
Income taxes					
Sales taxes		\$ 152,301	\$ 224,538	\$ 1,073,456	\$ 20,201
Public utility taxes					
Other taxes	\$ 292,940				
Licenses and fees	1,336				
Interest and other investment income					
Total revenues	294,276	152,301	224,538	1,073,456	20,201
EXPENDITURES					
Current:					
General government	98,635	30,223	224,538	1,073,456	746,990
Debt service:					
Interest					
Capital outlays	121				
Total expenditures	98,756	30,223	224,538	1,073,456	746,990
Excess (deficiency) of revenues over (under) expenditures	195,520	122,078	--	--	(726,789)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES					
Operating transfers-in					731,789
Operating transfers-out	(204,900)	(122,078)			(5,000)
Net other sources (uses) of financial resources	(204,900)	(122,078)			726,789
Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources	(9,380)	--	--	--	--
Fund balances, July 1, 1995	8,356	--	--	--	--
FUND BALANCE (DEFICIT), JUNE 30, 1996	\$ (1,024)	\$ --	\$ --	\$ --	\$ --

Personal Property Tax Replacement	Build Illinois	Total
\$ 627,090		\$ 627,090
	\$ 280,292	1,750,788
209,773		209,773
	64,747	357,687
		1,336
2,471	747	3,218
839,334	345,786	2,949,892
821,054	31,124	3,026,020
18,247		18,247
33		154
839,334	31,124	3,044,421
--	314,662	(94,529)
	37,803	769,592
	(352,865)	(684,843)
	(315,062)	84,749
--	(400)	(9,780)
--	23,985	32,341
\$ --	\$ 23,585	\$ 22,561

Combining Balance Sheet - Special Revenue Funds

Department of Transportation

June 30, 1996 (Expressed in Thousands)

	Road	Motor Fuel Tax	Grade Crossing Protection	Federal/ Local Airport	State Rail Freight Loan Repayment
ASSETS					
Cash and cash equivalents	\$ 227,031	\$ 135,054	\$ 45,779	\$ 2,717	\$ 2,088
Investments	163,852				
Receivables, net:					
Taxes		113,961			
Intergovernmental	263,905			12,865	
Other	32,634				9
Due from other funds	42,925	21,727	1,500	118	
Due from component units	79				
Inventories	23,271				
Loans and notes receivable					20,908
Other assets	1,477				
Total assets	\$ 755,174	\$ 270,742	\$ 47,279	\$ 15,700	\$ 23,005
LIABILITIES					
Accounts payable and accrued liabilities	\$ 93,326	\$ 8,018	\$ 875	\$ 12,896	\$ 568
Intergovernmental payables	11,377	59,008	937	282	
Due to other funds	33,721	73,396		6	
Due to component units	5,859			91	
Deferred revenues	1	15,750		2,425	
Total liabilities	144,284	156,172	1,812	15,700	568
FUND BALANCES (DEFICITS)					
Reserved for:					
Encumbrances	726,175	7	58,230	108,446	885
Long-term portion of:					
Intergovernmental receivables	214,342				
Loans and notes receivable					19,593
Inventories	23,271				
Other	1,477				
Unreserved, undesignated	(354,375)	114,563	(12,763)	(108,446)	1,959
Total fund balances	610,890	114,570	45,467	--	22,437
Total liabilities and fund balances	\$ 755,174	\$ 270,742	\$ 47,279	\$ 15,700	\$ 23,005

Public Transportation	State Construction Account	Total
\$ 26	\$ 217,276	\$ 629,971
		163,852
		113,961
		276,770
	987	33,630
34,221	47,515	148,006
		79
		23,271
		20,908
		1,477
\$ 34,247	\$ 265,778	\$ 1,411,925
	\$ 34,124	\$ 149,807
\$ 34,247	710	106,561
	4	107,127
		5,950
		18,176
34,247	34,838	387,621
	354,399	1,248,142
		214,342
		19,593
		23,271
		1,477
	(123,459)	(482,521)
	230,940	1,024,304
\$ 34,247	\$ 265,778	\$ 1,411,925

State of Illinois

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of
Financial Resources and Changes in Fund Balances - Special Revenue Funds
Department of Transportation**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Road	Motor Fuel Tax	Grade Crossing Protection	Federal/ Local Airport	State Rail Freight Loan Repayment
REVENUES					
Motor fuel taxes		\$ 1,156,112			
Federal government	\$ 585,561	81		\$ 99,051	
Licenses and fees	393,503	747			
Interest and other investment income	24,017				\$ 654
Other	57,576			39,606	
Total revenues	1,060,657	1,156,940		138,657	654
EXPENDITURES					
Current:					
Education					537
General government	183,759	50,949			
Transportation	1,099,396	471,243	\$ 20,054	138,760	
Public protection and justice	52,733				
Debt service:					
Principal	1,406	212			
Interest	598	19			
Capital outlays	36,988	361			
Total expenditures	1,374,880	522,784	20,054	138,760	537
Excess (deficiency) of revenues over (under) expenditures	(314,223)	634,156	(20,054)	(103)	117
OTHER SOURCES (USES) OF FINANCIAL RESOURCES					
Operating transfers-in	409,906	86,532	18,000	266	4,836
Operating transfers-out	(201,380)	(732,233)	(750)	(163)	
Operating transfers to component units	(538)				
Capital lease financing	792	185			
Net other sources (uses) of financial resources	208,780	(645,516)	17,250	103	4,836
Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources	(105,443)	(11,360)	(2,804)	--	4,953
Fund balances, July 1, 1995	716,333	125,930	48,271	--	17,484
FUND BALANCES, JUNE 30, 1996	\$ 610,890	\$ 114,570	\$ 45,467	\$ --	\$ 22,437

Public Transportation	State Construction Account	Total
		\$ 1,156,112
		684,693
	\$ 287,438	681,688
	7,880	32,551
		97,182
	295,318	2,652,226
		537
		234,708
\$ 167,459	477,645	2,374,557
		52,733
		1,618
		617
		37,349
167,459	477,645	2,702,119
(167,459)	(182,327)	(49,893)
167,459	274,470	961,469
		(934,526)
		(538)
		977
167,459	274,470	27,382
--	92,143	(22,511)
--	138,797	1,046,815
\$ --	\$ 230,940	\$ 1,024,304

State of Illinois

Combining Balance Sheet - Special Revenue Funds

State Board of Education

June 30, 1996 (Expressed in Thousands)

	Drivers Education	Special Education Medicaid Matching	Federal Department of Agriculture	Federal Department of Education	Total
ASSETS					
Cash and cash equivalents	\$ 15,127		\$ 1,119	\$ 542	\$ 16,788
Receivables, net:					
Intergovernmental	141	\$ 18,577	45,374	31,359	95,451
Other				1	1
Due from other funds	1,816			20	1,836
Due from component units				97	97
Inventories			2,154		2,154
Total assets	\$ 17,084	\$ 18,577	\$ 48,647	\$ 32,019	\$ 116,327
LIABILITIES					
Accounts payable and accrued liabilities	\$ 5		\$ 11,411	\$ 3,378	\$ 14,794
Intergovernmental payables	31,500	\$ 18,577	35,055	28,169	113,301
Due to other funds	5		161	220	386
Due to component units			7	252	259
Total liabilities	31,510	18,577	46,634	32,019	128,740
FUND BALANCES (DEFICITS)					
Reserved for:					
Encumbrances	2		3,115	11,185	14,302
Inventories			2,154		2,154
Unreserved, undesignated	(14,428)		(3,256)	(11,185)	(28,869)
Total fund balances (deficit)	(14,426)	--	2,013	--	(12,413)
Total liabilities and fund balances	\$ 17,084	\$ 18,577	\$ 48,647	\$ 32,019	\$ 116,327

State of Illinois

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of
Financial Resources and Changes in Fund Balances - Special Revenue Funds
State Board of Education**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Drivers Education	Special Education Medicaid Matching	Federal Department of Agriculture	Federal Department of Education	Total
REVENUES					
Federal government		\$ 67,127	\$ 316,319	\$ 539,142	\$ 922,588
Licenses and fees	\$ 11,336				11,336
Other	5,292			28	5,320
Total revenues	16,628	67,127	316,319	539,170	939,244
EXPENDITURES					
Current:					
Education	16,349	67,127	316,291	529,262	929,029
Debt service:					
Principal				4	4
Capital outlays	12		100	287	399
Total expenditures	16,361	67,127	316,391	529,553	929,432
Excess (deficiency) of revenues over (under) expenditures	267	--	(72)	9,617	9,812
OTHER SOURCES (USES) OF FINANCIAL RESOURCES					
Operating transfers-out			(711)	(4,982)	(5,693)
Operating transfers to component units				(4,639)	(4,639)
Proceeds from capital lease financing				4	4
Net other (uses) of financial resources			(711)	(9,617)	(10,328)
Excess (deficiency) of revenues over (under) expenditures and other (uses) of financial resources	267	--	(783)	--	(516)
Fund balance (deficit), July 1, 1995	(14,693)	--	2,796	--	(11,897)
FUND BALANCE (DEFICIT), JUNE 30, 1996	\$ (14,426)	\$ --	\$ 2,013	\$ --	\$ (12,413)

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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 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.

Department of Central Management Services

ESCO COP Debt Service Fund--to account for the payment of principal and interest upon certificates of participation issued to finance energy service agreements at various sites within the State.

Department of Commerce and Community Affairs

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.

Capital Development Board

Public Building/Debt Service Fund--to account for the payment of principal and interest on debt issued to finance improvements related to existing or planned improvements in building infrastructure.

Bureau of the Budget

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

Illinois Student Assistance Commission

ISAC COP Debt Service Fund--to account for the payment of principal and interest upon certificates of participation issued to finance improvements related to existing or planned improvements in building infrastructure.

State of Illinois

**Combining Balance Sheet
Debt Service Funds**

June 30, 1996 (Expressed in Thousands)

	Treasurer General Obligation BR & I	Central Management Services ESCO COP Debt Service	Commerce and Community Affairs Civic Center BR & I	Bureau of the Budget Build Illinois BR & I	Capital Development Board Public Building
ASSETS					
Cash and cash equivalents	\$ 170,461	\$ 756	\$ 8,010	\$ 34,925	\$ 234
Investments	195,267	1,926	14,540	73,985	
Receivables, net:					
Intergovernmental	2				
Other	1,491		36	602	
Loans and notes receivable	25,500				
Total Assets	\$ 392,721	\$ 2,682	\$ 22,586	\$ 109,512	\$ 234
LIABILITIES					
Due to other funds					\$ 10
Due to component units		\$ 884			
Other liabilities					224
Total liabilities		884			234
FUND BALANCES					
Reserved for:					
Long term portion of					
loans and notes receivable	\$ 25,500				
Unreserved, designated for debt service	367,221	1,798	\$ 22,586	\$ 109,512	
Total fund balances	392,721	1,798	22,586	109,512	
Total liabilities and fund balances	\$ 392,721	\$ 2,682	\$ 22,586	\$ 109,512	\$ 234

Illinois Student
 Assistance
 Commission
 COP Debt
 Service

Other

Total

\$	82	\$	886	\$	215,354
	2,177				287,895

2

2,129

25,500

	2,259		886	\$	530,880
--	-------	--	-----	----	---------

\$ 10

884

224

1,118

					25,500
\$	2,259	\$	886		504,262
	2,259		886		529,762

\$	2,259	\$	886	\$	530,880
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State of Illinois

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of
Financial Resources and Changes in Fund Balances
Debt Service Funds**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Treasurer General Obligation BR & I	Central Management Services ESCO COP Debt Service	Commerce and Community Affairs Civic Center BR & I	Bureau of the Budget Build Illinois BR & I	Capital Development Board Public Building
REVENUES					
Federal government	\$ 395				
Licenses and fees	231				
Interest and other investment income	24,776	\$ 167	\$ 879	\$ 9,374	
Other	35			2,237	\$ 60
Total revenues	25,437	167	879	11,611	60
EXPENDITURES					
Current:					
General government			48	355	
Debt service:					
Principal	380,176		3,165	56,739	
Interest	249,272	554	11,261	92,373	
Total expenditures	629,448	554	14,474	149,467	
Excess (deficiency) of revenues over (under) expenditures	(604,011)	(387)	(13,595)	(137,856)	60
OTHER SOURCES (USES) OF FINANCIAL RESOURCES					
Proceeds from general obligation bond refunding issues	318,040				
Operating transfers-in	676,804	439	14,586	193,480	35
Operating transfers-out				(46,157)	(95)
Payment to refunded bond escrow agent	(318,040)				
Net other sources (uses) of financial resources	676,804	439	14,586	147,323	(60)
Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources	72,793	52	991	9,467	--
Fund balances, July 1, 1995, as previously reported	319,928	2,630	21,595	100,045	--
Restatement/reclassification of fund balance		(884)			
Fund balances, July 1, 1995, as restated	319,928	1,746	21,595	100,045	--
FUND BALANCES, JUNE 30, 1996	\$ 392,721	\$ 1,798	\$ 22,586	\$ 109,512	\$ --

Illinois Student

Assistance

Commission

COP Debt

Service Other Total

		\$	395
			231
\$	261	\$	36
			35,493
	2,177		4,509
	2,438		36
			40,628

			403
--	--	--	-----

	635		440,715
	1,541		355,001
	2,176		796,119
	262	36	(755,491)

			318,040
	1,997	850	888,191
			(46,252)
			(318,040)

	1,997	850	841,939
--	-------	-----	---------

	2,259	886	86,448
--	-------	-----	--------

	--	--	444,198
			(884)

	--	--	443,314
--	----	----	---------

\$	2,259	\$	886	\$	529,762
----	-------	----	-----	----	---------

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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 CAPITAL PROJECTS FUNDS DESCRIPTIONS

Department of Central Management Services

ESCO COP Capital Projects Fund--to account for proceeds from issuance of certificates of participation for energy service agreements at various sites within the State. Also to receive lease payments from other State agencies for the agreements.

DPA COP Capital Projects Fund--to account for proceeds from the issuance of certificates of participation for the construction and purchase of a building for use by the Department of Public Aid.

EPA COP Capital Projects Fund--to account for proceeds from the issuance of certificates of participation for the purchase and renovation of a building for use by the Environmental Protection Agency.

Department of Commerce and Community Affairs

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

Department of Transportation

Transportation Bond Series A Fund--to provide funds through the sale of bond issues for State highway acquisition, construction, reconstruction, extension and improvements, including the repair and reconstruction of unsafe and substandard bridges on roads maintained by counties, municipalities, townships and road districts.

Transportation Bond Series B Fund--to provide funds through the sale of bond issues for mass transportation and aviation purposes 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.

Bureau of the Budget

Series FY95a COP Capital Projects Fund--to account for proceeds from the issuance of certificates of participation for the construction and lease purchase of correctional facilities within the State.

Series FY96a COP Capital Projects Fund--to account for proceeds from the issuance of certificates of participation for the construction and lease purchase of correctional facilities within the State.

Capital Development Board

Capital Development Fund--to account for proceeds from bond issues and disbursements for capital development projects within the State.

Capital Development Board 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
Capital Projects Funds

June 30, 1996 (Expressed in Thousands)

	Departments			Agencies, Boards and Auth.		Other	Total
	Commerce & Community Affairs	Central Management Services	Transportation	Bureau of the Budget	Capital Development Board		
ASSETS							
Cash and cash equivalents	\$ 46,964	\$ 2,651	\$ 64,757	\$ 37,914	\$ 93,659	\$ 12,112	\$ 258,057
Investments		36,749					36,749
Receivables, net:							
Intergovernmental					5,016		5,016
Other		85					85
Due from component units		8,632					8,632
Total assets	\$ 46,964	\$ 48,117	\$ 64,757	\$ 37,914	\$ 98,675	\$ 12,112	\$ 308,539
LIABILITIES							
Accounts payable and accrued liabilities	\$ 8,558		\$ 7,946	\$ 241	\$ 57,466	\$ 1,014	\$ 75,225
Intergovernmental payables	6,614		2,406			189	9,209
Due to other funds	9		126		584		719
Due to component units			42				42
Deferred revenues					6,511		6,511
Total liabilities	15,181		10,520	241	64,561	1,203	91,706
FUND BALANCES (DEFICITS)							
Reserved for encumbrances	47,908		172,465		172,227	3,151	395,751
Unreserved, undesignated	(16,125)	\$ 48,117	(118,228)	37,673	(138,113)	7,758	(178,918)
Total fund balances	31,783	48,117	54,237	37,673	34,114	10,909	216,833
Total liabilities and fund balances	\$ 46,964	\$ 48,117	\$ 64,757	\$ 37,914	\$ 98,675	\$ 12,112	\$ 308,539

State of Illinois

Combining Statement of Revenues, Expenditures, Other Sources and Uses of
Financial Resources and Changes in Fund Balances
Capital Projects Funds

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Departments			Agencies, Boards and Authorities			Other	Total
	Commerce & Community Affairs	Central Management Services	Transportation	Bureau of the Budget	Capital Development Board			
REVENUES								
Federal government					\$ 647			\$ 647
Interest and other investment income	\$ 1,365			\$ 853	1			2,219
Other					18,026		\$ 99	18,125
Total revenues	1,365			853	18,674		99	20,991
EXPENDITURES								
Current:								
Education	\$ 894				54,306		5,778	60,978
General government	9,303	7,233		509	3,206		5,695	25,946
Transportation	1,977		\$ 178,601		248			180,826
Natural resources and recreation	30,808				9,639		1	40,448
Capital outlays	570	14,526			191,936		51	207,083
Total expenditures	43,552	21,759	178,601	509	259,335		11,525	515,281
Excess (deficiency) of revenues over (under) expenditures	(43,552)	(20,394)	(178,601)	344	(240,661)		(11,426)	(494,290)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES								
Proceeds from general/special obligation bond issues	79,200		212,484		415,682		21,578	728,944
Operating transfers-in		281						281
Operating transfers-out	(10)	(473)	(315)	(816)	(21)		(7,000)	(8,635)
Operating transfers to component units	(36,559)				(81,305)		(3,815)	(121,679)
Proceeds from certificates of participation		51,907		38,145				90,052
Net other sources (uses) of financial resources	42,631	51,715	212,169	37,329	334,356		10,763	688,963
Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources	(921)	31,321	33,568	37,673	93,695		(663)	194,673
Fund balances (deficit), July 1, 1995, as previously reported	32,704	15,912	20,669		(59,581)		11,572	21,276
Restatement/reclassification of fund balance		884						884
Fund balances (deficit), July 1, 1995, as restated	32,704	16,796	20,669	--	(59,581)		11,572	22,160
FUND BALANCES, JUNE 30, 1996	\$ 31,783	\$ 48,117	\$ 54,237	\$ 37,673	\$ 34,114	\$ 10,909	\$	\$ 216,833

Combining Balance Sheet - Capital Projects Funds
Department of Central Management Services

June 30, 1996 (Expressed in Thousands)

	ESCO COP Capital Projects	DPA COP Capital Projects	EPA COP Capital Projects	Total
ASSETS				
Cash and cash equivalents	\$ 1,973	\$ 267	\$ 411	\$ 2,651
Investments		19,001	17,748	36,749
Other receivables, net		4	81	85
Due from component units	8,632			8,632
Total assets	\$ 10,605	\$ 19,272	\$ 18,240	\$ 48,117
FUND BALANCES				
Unreserved, undesignated	\$ 10,605	\$ 19,272	\$ 18,240	48,117
Total fund balances	10,605	19,272	18,240	48,117
Total liabilities and fund balances	\$ 10,605	\$ 19,272	\$ 18,240	\$ 48,117

State of Illinois

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of
Financial Resources and Changes in Fund Balances - Capital Projects Funds
Department of Central Management Services**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	ESCO COP Capital Projects	DPA COP Capital Projects	EPA COP Capital Projects	Total
REVENUES				
Interest and other investment income	\$ 884	\$ 271	\$ 210	\$ 1,365
Total revenues	884	271	210	1,365
EXPENDITURES				
Current:				
General government	6,917	179	137	7,233
Capital outlays			14,526	14,526
Total expenditures	6,917	179	14,663	21,759
Excess (deficiency) of revenues over (under) expenditures	(6,033)	92	(14,453)	(20,394)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES				
Operating transfers-in	281			281
Operating transfers-out	(439)	(34)		(473)
Proceeds from certificates of participation		19,214	32,693	51,907
Net other sources (uses) of financial resources	(158)	19,180	32,693	51,715
Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources	(6,191)	19,272	18,240	31,321
Fund balances, July 1, 1995, as previously reported	15,912			15,912
Restatement/reclassification of fund balances	884			884
Fund balances, July 1, 1995, as restated	16,796	--	--	16,796
FUND BALANCES, JUNE 30, 1996	\$ 10,605	\$ 19,272	\$ 18,240	\$ 48,117

State of Illinois

**Combining Balance Sheet - Capital Projects Funds
Department of Transportation**

June 30, 1996 (Expressed in Thousands)

	Transportation		
	Bond Series-A	Bond Series-B	Total
ASSETS			
Cash and cash equivalents	\$ 46,798	\$ 17,959	\$ 64,757
Total assets	\$ 46,798	\$ 17,959	\$ 64,757
LIABILITIES			
Accounts payable and accrued liabilities	\$ 4,500	\$ 3,446	\$ 7,946
Intergovernmental payables		2,406	2,406
Due to other funds		126	126
Due to component units		42	42
Total liabilities	4,500	6,020	10,520
FUND BALANCES			
Reserved for encumbrances	46,714	125,751	172,465
Unreserved, undesignated	(4,416)	(113,812)	(118,228)
Total fund balances	42,298	11,939	54,237
Total liabilities and fund balances	\$ 46,798	\$ 17,959	\$ 64,757

State of Illinois

**Combining Statement of Expenditures, Other Sources and Uses of
Financial Resources and Changes in Fund Balances - Capital Projects Funds
Department of Transportation**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Transportation		Total
	Bond Series-A	Bond Series-B	
EXPENDITURES			
Current:			
Transportation	\$ 86,671	\$ 91,930	\$ 178,601
Total expenditures	86,671	91,930	178,601
(Deficiency) of revenues (under) expenditures	(86,671)	(91,930)	(178,601)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES			
Proceeds from general/special obligation bond issues	101,390	111,094	212,484
Operating transfers-out		(315)	(315)
Net other sources (uses) of financial resources	101,390	110,779	212,169
(Deficiency) of revenues (under) expenditures and net other sources (uses) of financial resources	14,719	18,849	33,568
Fund balance (deficit), July 1, 1995	27,579	(6,910)	20,669
FUND BALANCES , JUNE 30, 1996	\$ 42,298	\$ 11,939	\$ 54,237

Combining Balance Sheet - Capital Projects Funds
Bureau of the Budget

June 30, 1996 (Expressed in Thousands)

	Series FY95a COP Capital Projects	Series FY96a COP Capital Projects	Total
ASSETS			
Cash and cash equivalents	\$ 20,445	\$ 17,469	\$ 37,914
Total assets	\$ 20,445	\$ 17,469	\$ 37,914
LIABILITIES			
Accounts payable and accrued liabilities	\$ 104	\$ 137	\$ 241
Total liabilities	104	137	241
FUND BALANCES			
Unreserved, undesignated	20,341	17,332	37,673
Total fund balances	20,341	17,332	37,673
Total liabilities and fund balances	\$ 20,445	\$ 17,469	\$ 37,914

State of Illinois

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of
Financial Resources and Changes in Fund Balances - Capital Projects Funds
Bureau of the Budget**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Series FY95a COP Capital Projects	Series FY96a COP Capital Projects	Total
REVENUES			
Interest and other investment income	\$ 802	\$ 51	\$ 853
Total revenues	802	51	853
EXPENDITURES			
Current:			
General government	401	108	509
Capital outlays			
Total expenditures	401	108	509
Excess (deficiency) of revenues over (under) expenditures	401	(57)	344
OTHER SOURCES (USES) OF FINANCIAL RESOURCES			
Operating transfers-out	(816)		(816)
Proceeds from certificates of participation	20,756	17,389	38,145
Net other sources (uses) of financial resources	19,940	17,389	37,329
Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources	20,341	17,332	37,673
Fund balances, July 1, 1995	--	--	--
FUND BALANCES, JUNE 30, 1996	\$ 20,341	\$ 17,332	\$ 37,673

**Combining Balance Sheet - Capital Projects Funds
Capital Development Board**

June 30, 1996 (Expressed in Thousands)

	Capital Development	CDB Contributory Trust	Total
ASSETS			
Cash and cash equivalents	\$ 88,030	\$ 5,629	\$ 93,659
Intergovernmental receivables, net		5,016	5,016
Total assets	\$ 88,030	\$ 10,645	\$ 98,675
LIABILITIES			
Accounts payable and accrued liabilities	\$ 53,332	\$ 4,134	\$ 57,466
Due to other funds	584		584
Deferred revenues		6,511	6,511
Total liabilities	53,916	10,645	64,561
FUND BALANCES			
Reserved for encumbrances	162,992	9,235	172,227
Unreserved, undesignated	(128,878)	(9,235)	(138,113)
Total fund balances	34,114	--	34,114
Total liabilities and fund balances	\$ 88,030	\$ 10,645	\$ 98,675

State of Illinois

**Combining Statement of Revenues, Expenditures, Other Sources and Uses of
Financial Resources and Changes in Fund Balances - Capital Projects Funds
Capital Development Board**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Capital Development	CDB Contributory Trust	Total
REVENUES			
Federal government		\$ 647	\$ 647
Interest and other investment income	\$ 1		1
Other		18,026	18,026
Total revenues	1	18,673	18,674
EXPENDITURES			
Current:			
Education	37,141	17,165	54,306
General government	2,862	344	3,206
Transportation	248		248
Natural resources and recreation	9,639		9,639
Capital outlays	191,346	590	191,936
Total expenditures	241,236	18,099	259,335
Excess (deficiency) of revenues over (under) expenditures	(241,235)	574	(240,661)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES			
Proceeds from general/special obligation bond issues	415,682		415,682
Operating transfers-out		(21)	(21)
Operating transfers to component units	(80,752)	(553)	(81,305)
Net other sources (uses) of financial resources	334,930	(574)	334,356
Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources	93,695	--	93,695
Fund balance (deficit), July 1, 1995	(59,581)	--	(59,581)
FUND BALANCES, JUNE 30, 1996	\$ 34,114	\$ --	\$ 34,114

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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 ENTERPRISE FUNDS DESCRIPTIONS

Attorney Registration and Disciplinary Commission

Operating Fund—to account for the activities of the Commission which include maintaining a master listing of licensed attorneys and investigating and prosecuting complaints against Illinois attorneys.

Department of Central Management Services

Local Government Health Insurance Reserve Fund—to provide health and dental insurance to participating local government entities. Premiums are collected from units of local government and the insurance plan is administered by private companies.

Teacher Health Insurance Security Fund—to provide health benefits for the Teachers' Retirement System recipient and dependent beneficiaries.

Department of Insurance

Office of the Special Deputy Receiver—to account for certain activities of the special deputy appointed by the director of the Department of Insurance. The special deputy is empowered to manage the affairs of insurance companies placed in conservation, rehabilitation or liquidation.

Department of Lottery

State Lottery Fund—to account for all receipts and expenses from the operation of the State Lottery. The net proceeds are transferred to the General Fund.

Student Assistance Commission

Designated Account Purchase Program Fund—to account for bond proceeds used to purchase defaulted loans from lenders. Revenue is generated primarily from investment income and bond proceeds.

Illinois Opportunity Loan Program Fund—to account for a direct loan program that assists full-time Illinois college students.

State of Illinois

Combining Balance Sheet
Enterprise Funds

June 30, 1996 (Expressed in Thousands)

	Departments			Agencies, Boards and Commissions	Other	Total
	Central Management Services	Insurance Office of the Special Deputy Receiver	Lottery State Lottery Fund			
ASSETS						
Cash and cash equivalents	\$ 35,705	\$ 414	\$ 9,571	\$ 25,195	\$ 12,495	\$ 83,380
Investments, short-term			14,101	13,410	7,442	34,953
Receivables, net:						
Intergovernmental	661			7,101		7,762
Other	4,350	1,537	16,213	6,304	4,352	32,756
Due from other funds			16,108		243	16,351
Inventories			4,774		1,831	6,605
Prepaid expenses			72	363	99	534
Loans and notes receivable, current				10,070		10,070
Restricted assets (\$103,011 cash equivalents)				107,912		107,912
Total current assets	40,716	1,951	60,839	170,355	26,462	300,323
Investments			74,770		6,523	81,293
Loans and notes receivable				696,878		696,878
Restricted assets				179,151		179,151
Property, plant and equipment, net			1,824	369	2,235	4,428
Other assets		3				3
Total assets	\$ 40,716	\$ 1,954	\$ 137,433	\$ 1,046,753	\$ 35,220	\$ 1,262,076
LIABILITIES						
Accounts payable and accrued liabilities	\$ 14,595	\$ 1,527	\$ 21,150	\$ 13,595	\$ 4,979	\$ 55,846
Intergovernmental payables	2				2	4
Due to other funds	83		1,591	7	3,364	5,045
Deferred revenues			2,428		7,828	10,256
Notes payable, current				95,954		95,954
Revenue bonds payable, current				255,365		255,365
Other liabilities	69	427	14,045	936	4,626	20,103
Total current liabilities	14,749	1,954	39,214	365,857	20,799	442,573
Revenue bonds payable				603,983		603,983
Other obligations			74,826		8	74,834
Total liabilities	14,749	1,954	114,040	969,840	20,807	1,121,390
FUND EQUITY						
Retained earnings:						
Reserved for:						
Revenue bond and note retirement				65,718		65,718
Other			23,393	4,183		27,576
Unreserved	25,967			7,012	14,413	47,392
Total fund equity	25,967		23,393	76,913	14,413	140,686
Total liabilities and fund equity	\$ 40,716	\$ 1,954	\$ 137,433	\$ 1,046,753	\$ 35,220	\$ 1,262,076

State of Illinois

Combining Statement of Revenues, Expenses and
Changes in Retained Earnings - Enterprise Funds

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Departments			Agencies, Boards and Commissions	Other	Total
	Central Management Services	Insurance Office of the Special Deputy Receiver	Lottery State Lottery Fund			
OPERATING REVENUES						
Charges for sales and services	\$ 87,123	\$ 45,884	\$ 1,582,769		\$ 54,731	\$ 1,770,507
Contributions	36,128					36,128
Interest and other investment income				\$ 73,906		73,906
Other	3,173		26,412	358	485	30,428
Total operating revenues	126,424	45,884	1,609,181	74,264	55,216	1,910,969
OPERATING EXPENSES						
Costs of sales and services		8,523	108,956	655	46,402	164,536
Benefit payments and refunds	106,734				4	106,738
Prizes and claims			838,968			838,968
Interest				49,285		49,285
General and administrative	1,386	36,114	56,835	13,331	2,308	109,974
Depreciation			780	203	613	1,596
Other		1,247		1,352	6,887	9,486
Total operating expenses	108,120	45,884	1,005,539	64,826	56,214	1,280,583
Operating income (loss)	18,304		603,642	9,438	(998)	630,386
NONOPERATING REVENUES (EXPENSES)						
Investment income	1,104		143	717	1,067	3,031
Interest expense				(2,941)		(2,941)
Other revenues					217	217
Other expenses					(205)	(205)
Income before operating transfers	19,408		603,785	7,214	81	630,488
Operating transfers-out			(602,100)	(511)	(1,837)	(604,448)
Net income (loss)	19,408		1,685	6,703	(1,756)	26,040
Retained earnings, July 1, 1995	6,559		21,708	70,210	16,169	114,646
RETAINED EARNINGS, JUNE 30, 1996	\$ 25,967	\$ --	\$ 23,393	\$ 76,913	\$ 14,413	\$ 140,686

State of Illinois

Combining Statement of Cash Flows
Enterprise Funds

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Department			Agencies, Boards and Commissions Student Assistance Commission	Other	Total
	Central Management Services	Insurance Office of the Special Deputy Receiver	Lottery State Lottery Fund			
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from sales and services	\$ 122,402	\$ 47,032	\$ 1,578,525	\$ 54,908	\$ 1,802,867	
Cash payments to suppliers for goods and services	(97,404)	(46,991)	(108,895)	(11,642)	(290,794)	
Cash payments to employees for services	(839)		(57,820)	(4,956)	(82,384)	
Cash receipts from other operating activities			1,429	141,159	143,064	
Cash payments for other operating activities			(806,211)	(216,675)	(1,029,290)	
Net cash provided by (used in) operating activities	24,159	41	607,028	(92,114)	543,463	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Proceeds from borrowing				178,289	178,289	
Principal paid on borrowing				(53,835)	(53,835)	
Interest paid on borrowing				(2,552)	(2,552)	
Operating transfers-out to other funds			(602,100)	(511)	(604,290)	
Other noncapital financing activities			143	17	160	
Net cash provided by (used in) noncapital financing activities			(601,957)	121,391	(482,228)	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets			(405)	(110)	(1,341)	
Principal paid on bond maturities and equipment contracts			(394)	(7,190)	(7,588)	
Net cash (used in) capital and related financing activities			(799)	(7,300)	(8,929)	
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investment securities				(158,182)	(169,740)	
Proceeds from sale and maturities of investment securities				182,300	192,510	
Interest and dividends on investments	1,016			739	2,825	
Net cash provided by (used in) investing activities	1,016			24,857	25,595	
Net increase in cash and cash equivalents	25,175	41	4,272	46,834	77,901	
Cash and cash equivalents, July 1, 1995	10,530	373	5,299	81,372	108,490	
CASH AND CASH EQUIVALENTS, JUNE 30, 1996	\$ 35,705	\$ 414	\$ 9,571	\$ 128,206	\$ 186,391	
Reconciliation of cash and cash equivalents to the balance sheet:						
Total cash and cash equivalents per the balance sheet	\$ 35,705	\$ 414	\$ 9,571	\$ 25,185	\$ 83,380	
Add: restricted cash equivalents				103,011	103,011	
CASH AND CASH EQUIVALENTS, JUNE 30, 1996	\$ 35,705	\$ 414	\$ 9,571	\$ 128,206	\$ 186,391	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 18,304	\$ --	\$ 603,642	\$ 9,438	\$ 630,386	
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation			780	203	1,596	
Provision for uncollectible accounts			42		42	
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	(4,141)	775	(4,287)	(100,601)	(108,241)	
(Increase) decrease in due from other funds			7,903		7,888	
(Increase) decrease in inventory			(536)		(560)	
(Increase) decrease in prepaid expenses			60	124	184	
Increase (decrease) in accounts payable and accrued liabilities	9,906	(735)	2,475	(578)	13,859	
Increase (decrease) in intergovernmental payables	1				1	
Increase (decrease) in due to other funds	63		(1,872)	(700)	(2,443)	
Increase (decrease) in deferred revenues			(719)	577	(142)	
Increase (decrease) in other liabilities	26	(2)	(460)		905	
Other		3		(15)	(12)	
Total adjustments	5,855	41	3,386	(101,552)	(86,923)	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 24,159	\$ 41	\$ 607,028	\$ (92,114)	\$ 543,463	

*State of Illinois***Combining Balance Sheet - Enterprise Funds
Department of Central Management Services**

June 30, 1996 (Expressed in Thousands)

	Local Government Health Insurance Reserve	Teacher Health Insurance Security	Total
ASSETS			
Cash and cash equivalents	\$ 13,419	\$ 22,286	\$ 35,705
Receivables, net:			
Intergovernmental	661		661
Other	572	3,778	4,350
Total current assets	14,652	26,064	40,716
Total assets	\$ 14,652	\$ 26,064	\$ 40,716
LIABILITIES			
Accounts payable and accrued liabilities	\$ 4,336	\$ 10,259	\$ 14,595
Intergovernmental payables	1	1	2
Due to other funds	26	57	83
Other liabilities	31	38	69
Total current liabilities	4,394	10,355	14,749
Total liabilities	4,394	10,355	14,749
FUND EQUITY			
Retained earnings, unreserved	10,258	15,709	25,967
Total fund equity	10,258	15,709	25,967
Total liabilities and fund equity	\$ 14,652	\$ 26,064	\$ 40,716

State of Illinois

**Combining Statement of Revenues, Expenses and
Changes in Retained Earnings - Enterprise Funds
Department of Central Management Services**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Local Government Health Insurance Reserve	Teacher Health Insurance Security	Total
OPERATING REVENUES			
Charges for sales and services		\$ 87,123	\$ 87,123
Contributions	\$ 36,128		36,128
Other	74	3,099	3,173
Total operating revenues	36,202	90,222	126,424
OPERATING EXPENSES			
Benefit payments and refunds	32,443	74,291	106,734
General and administrative	627	759	1,386
Total operating expenses	33,070	75,050	108,120
Operating income	3,132	15,172	18,304
NONOPERATING REVENUES			
Investment income	567	537	1,104
Net income	3,699	15,709	19,408
Retained earnings, July 1, 1995	6,559		6,559
RETAINED EARNINGS, JUNE 30, 1996	\$ 10,258	\$ 15,709	\$ 25,967

State of Illinois

**Combining Statement of Cash Flows - Enterprise Funds
Department of Central Management Services**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Local Government Health Insurance Reserve	Teacher Health Insurance Security	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from sales and services	\$ 36,075	\$ 86,327	\$ 122,402
Cash payments to suppliers for goods and services	(33,341)	(64,063)	(97,404)
Cash payments to employees for services	(402)	(437)	(839)
Net cash provided by operating activities	2,332	21,827	24,159
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends on investments	557	459	1,016
Net cash provided by investing activities	557	459	1,016
Net increase in cash and cash equivalents	2,889	22,286	25,175
Cash and cash equivalents, July 1, 1995	10,530		10,530
Cash and cash equivalents, June 30, 1996	\$ 13,419	\$ 22,286	\$ 35,705
Reconciliation of cash and cash equivalents to the balance sheet:			
Total cash and cash equivalents per the balance sheet	\$ 13,419	\$ 22,286	\$ 35,705
Add: restricted cash equivalents			
Cash and cash equivalents, June 30, 1996	\$ 13,419	\$ 22,286	\$ 35,705
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 3,132	\$ 15,172	\$ 18,304
Adjustments to reconcile operating income to net cash provided by operating activities:			
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(441)	(3,700)	(4,141)
Increase (decrease) in accounts payable and accrued liabilities	(353)	10,259	9,906
Increase (decrease) in intergovernmental payables		1	1
Increase (decrease) in due to other funds	6	57	63
Increase (decrease) in other liabilities	(12)	38	26
Total adjustments	(800)	6,655	5,855
Net cash provided by operating activities	\$ 2,332	\$ 21,827	\$ 24,159

**Combining Balance Sheet - Enterprise Funds
Student Assistance Commission**

June 30, 1996 (Expressed in Thousands)

	Designated Account Purchase Program	Opportunity Loan Program	Total
ASSETS			
Cash and cash equivalents	\$ 19,597	\$ 5,598	\$ 25,195
Investments, short-term	2,738	10,672	13,410
Receivables, net:			
Intergovernmental	7,101		7,101
Other	5,539	765	6,304
Prepaid expenses	38	325	363
Loans and notes receivable, current	10,070		10,070
Restricted assets (\$103,011 cash equivalents)	107,912		107,912
Total current assets	152,995	17,360	170,355
Loans and notes receivable	666,917	29,961	696,878
Restricted assets	179,151		179,151
Property, plant and equipment, net	369		369
Total assets	\$ 999,432	\$ 47,321	\$ 1,046,753
LIABILITIES			
Accounts payable and accrued liabilities	\$ 13,595		\$ 13,595
Due to other funds	7		7
Notes payable, current	95,954		95,954
Revenue bonds payable, current	251,700	\$ 3,665	255,365
Other liabilities		936	936
Total current liabilities	361,256	4,601	365,857
Revenue bonds payable	567,042	36,941	603,983
Total liabilities	928,298	41,542	969,840
FUND EQUITY			
Retained earnings :			
Reserved for:			
Revenue bond and note retirement	64,472	1,246	65,718
Other		4,183	4,183
Unreserved	6,662	350	7,012
Total fund equity	71,134	5,779	76,913
Total liabilities and fund equity	\$ 999,432	\$ 47,321	\$ 1,046,753

State of Illinois

**Combining Statement of Revenues, Expenses and
Changes in Retained Earnings - Enterprise Funds
Student Assistance Commission**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Designated Account Purchase Program	Opportunity Loan Program	Total
OPERATING REVENUES			
Interest and other investment income	\$ 71,228	\$ 2,678	\$ 73,906
Other	116	242	358
Total operating revenues	71,344	2,920	74,264
OPERATING EXPENSES			
Costs of sales and services		655	655
Interest	49,285		49,285
General and administrative	13,331		13,331
Depreciation	203		203
Other	1,352		1,352
Total operating expenses	64,171	655	64,826
Operating income	7,173	2,265	9,438
NONOPERATING REVENUES (EXPENSES)			
Investment income		717	717
Interest expense		(2,941)	(2,941)
Income before operating transfers	7,173	41	7,214
Operating transfers-out	(511)		(511)
Net income	6,662	41	6,703
Retained earnings, July 1, 1995	64,472	5,738	70,210
RETAINED EARNINGS, JUNE 30, 1996	\$ 71,134	\$ 5,779	\$ 76,913

**Combining Statement of Cash Flows - Enterprise Funds
Student Assistance Commission**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Designated Account Purchase Program	Opportunity Loan Program	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash payments to suppliers for goods and services	\$ (10,354)	\$ (1,288)	\$ (11,642)
Cash payments to employees for services	(4,956)		(4,956)
Cash receipts from other operating activities	130,976	10,183	141,159
Cash payments for other operating activities	(216,675)		(216,675)
Net cash provided by (used in) operating activities	(101,009)	8,895	(92,114)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Proceeds from borrowing	178,289		178,289
Principal paid on borrowing	(53,835)		(53,835)
Interest paid on borrowing		(2,552)	(2,552)
Operating transfers-out to other funds	(511)		(511)
Net cash provided by (used in) noncapital financing activities	123,943	(2,552)	121,391
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(110)		(110)
Principal paid on revenue bond maturities and equipment contracts		(7,190)	(7,190)
Net cash (used in) capital and related financing activities	(110)	(7,190)	(7,300)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities	(152,956)	(5,226)	(158,182)
Proceeds from sale and maturities of investment securities	175,637	6,663	182,300
Interest and dividends on investments		739	739
Net cash provided by investing activities	22,681	2,176	24,857
Net increase in cash and cash equivalents	45,505	1,329	46,834
Cash and cash equivalents, July 1, 1995	77,103	4,269	81,372
Cash and cash equivalents, June 30, 1996	\$ 122,608	\$ 5,598	\$ 128,206
Reconciliation of cash and cash equivalents to the balance sheet:			
Total cash and cash equivalents per the balance sheet	\$ 19,597	\$ 5,598	\$ 25,195
Add: restricted cash equivalents	103,011		103,011
Cash and cash equivalents, June 30, 1996	\$ 122,608	\$ 5,598	\$ 128,206
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income	\$ 7,173	\$ 2,265	\$ 9,438
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation	203		203
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(107,106)	6,505	(100,601)
(Increase) decrease in prepaid expenses	(1)	125	124
Increase (decrease) in accounts payable and accrued liabilities	(578)		(578)
Increase (decrease) in due to other funds	(700)		(700)
Total adjustments	(108,182)	6,630	(101,552)
Net cash provided by (used in) operating activities	\$ (101,009)	\$ 8,895	\$ (92,114)

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

Central Management Services

State Garage Revolving Fund--to account for the operation and maintenance of State garages including the servicing and repair of all automotive equipment owned or controlled by the State. Revenues consist of charges to user agencies.

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 reimbursements from user agencies.

Health Insurance Reserve Fund--to account for the self-insurance medical and dental plan for State employees and qualified dependents. This fund records all contributions, appropriations, interest, dividends and expenses related to the plan.

Department of Corrections

Working Capital Revolving Fund--to account for the income and expenses associated with the industrial operations at the several State institutions.

State of Illinois

Combining Balance Sheet
Internal Service Funds

June 30, 1996 (Expressed in Thousands)

	Departments			Total
	Central Management Services	Corrections Working Capital Revolving	Other	
ASSETS				
Cash and cash equivalents	\$ 62,936	\$ 5,264	\$ 2,290	\$ 70,490
Receivables, net:				
Intergovernmental	147	146	61	354
Other	1,299	729	26	2,054
Due from other funds	140,546	3,688	486	144,720
Due from component units	5,259	7	7	5,273
Inventories	1,334	10,970	233	12,537
Prepaid expenses	427	4		431
Total current assets	211,948	20,808	3,103	235,859
Restricted assets	108			108
Property, plant and equipment, net	30,020	8,830	192	39,042
Total assets	\$ 242,076	\$ 29,638	\$ 3,295	\$ 275,009
LIABILITIES				
Accounts payable and accrued liabilities	\$ 148,343	\$ 4,499	\$ 407	\$ 153,249
Intergovernmental payables	73	29		102
Due to other funds	2,620	324	404	3,348
Due to component units	7			7
Other liabilities	19,256	1,677	325	21,258
Total current liabilities	170,299	6,529	1,136	177,964
Other obligations	10,911	17		10,928
Total liabilities	181,210	6,546	1,136	188,892
FUND EQUITY				
Contributed capital	9,292	8,966	702	18,960
Retained earnings, unreserved	51,574	14,126	1,457	67,157
Total fund equity	60,866	23,092	2,159	86,117
Total liabilities and fund equity	\$ 242,076	\$ 29,638	\$ 3,295	\$ 275,009

**Combining Statement of Revenues, Expenses and
Changes in Retained Earnings
Internal Services Funds**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Departments			Total
	Central Management Services	Corrections Working Capital Revolving	Other	
OPERATING REVENUES				
Charges for sales and services	\$ 849,783	\$ 40,300	\$ 5,536	\$ 895,619
Interest and other investment income			35	35
Other	108	194	236	538
Total operating revenues	849,891	40,494	5,807	896,192
OPERATING EXPENSES				
Costs of sales and services	138,791	35,393	3,042	177,226
Benefit payments and refunds	490,375			490,375
Interest	795			795
General and administrative	19,967	4,670	3,053	27,690
Depreciation	15,562	1,581	62	17,205
Other	7,794			7,794
Total operating expenses	673,284	41,644	6,157	721,085
Operating income (loss)	176,607	(1,150)	(350)	175,107
NONOPERATING REVENUES (EXPENSES)				
Investment income	1,771	2		1,773
Interest expense	(752)	(3)		(755)
Other revenues	4,121	89	10	4,220
Other expenses	(6,502)	(87)	(19)	(6,608)
Income (loss) before operating transfers	175,245	(1,149)	(359)	173,737
Operating transfers-in		141	50	191
Operating transfers-out			(262)	(262)
Operating transfers to component units	(168,988)			(168,988)
Net income (loss)	6,257	(1,008)	(571)	4,678
Retained earnings, July 1, 1995	45,317	15,134	2,801	63,252
Residual equity transfer-out			(773)	(773)
RETAINED EARNINGS, JUNE 30, 1996	\$ 51,574	\$ 14,126	\$ 1,457	\$ 67,157

State of Illinois

Combining Statement of Cash Flows
Internal Service Funds

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Departments			Total
	Central Management Services	Corrections Working Capital Revolving	Other	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from sales and services	\$ 802,028	\$ 40,817	\$ 6,580	\$ 849,425
Cash payments to suppliers for goods and services	(636,205)	(24,226)	(2,160)	(662,591)
Cash payments to employees for services	(35,755)	(13,281)	(2,655)	(51,691)
Cash receipts from other operating activities	36		90	126
Cash payments for other operating activities	(2)	(764)	(982)	(1,748)
Net cash provided by operating activities	130,102	2,546	873	133,521
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating transfers-in from other funds		141	50	191
Operating transfers-out to other funds			(223)	(223)
Operating transfers to component units	(168,988)			(168,988)
Operating transfers to primary government			(1,094)	(1,094)
Other noncapital financing activities		245		245
Net cash provided by (used in) noncapital financing activities	(168,988)	386	(1,267)	(169,869)
CASH FLOWS FROM CAPITAL AND RELATED FINANCE ACTIVITIES				
Acquisition and construction of capital assets	(2,683)	(1,600)	(56)	(4,339)
Principal paid on bond maturities and equipment contracts	(19,457)	(26)		(19,483)
Interest paid on bond maturities and equipment contracts	(752)			(752)
Other capital and related financing activities	1,873			1,873
Net cash (used in) capital and related financing activities	(21,019)	(1,626)	(56)	(22,701)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends on investments	1,815			1,815
Net cash provided by investing activities	1,815			1,815
Net increase (decrease) in cash and cash equivalents	(58,090)	1,306	(450)	(57,234)
Cash and cash equivalents, July 1, 1995	121,026	3,958	2,740	127,724
CASH AND CASH EQUIVALENTS, JUNE 30, 1996	\$ 62,936	\$ 5,264	\$ 2,290	\$ 70,490
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 176,607	\$ (1,150)	\$ (350)	\$ 175,107
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	15,562	1,581	62	17,205
Provision for uncollectible accounts	50		(45)	5
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	4,673	(205)	(24)	4,444
(Increase) decrease in due from other funds	(88,687)	1,811	745	(86,131)
(Increase) decrease in due from component units	551	8	5	564
(Increase) decrease in inventory	82	(480)	303	(95)
(Increase) decrease in prepaid expenses	2,144	3		2,147
Increase (decrease) in accounts payable and accrued liabilities	18,688	745	165	19,598
Increase (decrease) in intergovernmental payables	(59)		(4)	(63)
Increase (decrease) in due to other funds	(119)	29	141	51
Increase (decrease) in due to component units	(70)			(70)
Increase (decrease) in deferred revenues		(3)		(3)
Increase (decrease) in other liabilities	680	207	(125)	762
Total adjustments	(46,505)	3,696	1,223	(41,586)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 130,102	\$ 2,546	\$ 873	\$ 133,521
Noncash investing, capital, and financing activities:				
Capital leases (initial year):				
Fair market value	\$ 508	\$ --	\$ --	\$ 508

State of Illinois

Combining Balance Sheet - Internal Service Funds
Department of Central Management Services

June 30, 1996 (Expressed in Thousands)

	State Garage Revolving	Statistical Services Revolving	Communi- cations Revolving	Health Insurance Reserve	Total
ASSETS					
Cash and cash equivalents	\$ 2,716	\$ 17,481	\$ 24,869	\$ 17,870	\$ 62,936
Receivables, net:					
Intergovernmental	93	6	48		147
Other	32	537	430	300	1,299
Due from other funds	6,196	16,124	17,800	100,426	140,546
Due from component units	15	23	2,954	2,267	5,259
Inventories	1,230	104			1,334
Prepaid expenses		427			427
Total current assets	10,282	34,702	46,101	120,863	211,948
Restricted assets	108				108
Property, plant and equipment, net	3,480	15,841	10,699		30,020
Total assets	\$ 13,870	\$ 50,543	\$ 56,800	\$ 120,863	\$ 242,076
LIABILITIES					
Accounts payable and accrued liabilities	\$ 6,557	\$ 5,925	\$ 16,162	\$ 119,699	\$ 148,343
Intergovernmental payables	26	40		7	73
Due to other funds	442	379	935	864	2,620
Due to component units	1		6		7
Other liabilities	2,460	10,258	6,245	293	19,256
Total current liabilities	9,486	16,602	23,348	120,863	170,299
Other obligations	2,103	4,154	4,654		10,911
Total liabilities	11,589	20,756	28,002	120,863	181,210
FUND EQUITY					
Contributed capital	1,078	8,157	57		9,292
Retained earnings, unreserved	1,203	21,630	28,741		51,574
Total fund equity	2,281	29,787	28,798	--	60,866
Total liabilities and fund equity	\$ 13,870	\$ 50,543	\$ 56,800	\$ 120,863	\$ 242,076

**Combining Statement of Revenues, Expenses and
Changes in Retained Earnings - Internal Service Funds
Department of Central Management Services**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	State Garage Revolving	Statistical Services Revolving	Communi- cations Revolving	Health Insurance Reserve	Total
OPERATING REVENUES					
Charges for sales and services	\$ 28,764	\$ 61,356	\$ 94,832	\$ 664,831	\$ 849,783
Other	102	6			108
Total operating revenues	28,866	61,362	94,832	664,831	849,891
OPERATING EXPENSES					
Costs of sales and services	21,805	44,409	72,577		138,791
Benefit payments and refunds				490,375	490,375
Interest	173	622			795
General and administrative	5,306	2,097	5,399	7,165	19,967
Depreciation	791	10,763	4,008		15,562
Other	1,026		6,768		7,794
Total operating expenses	29,101	57,891	88,752	497,540	673,284
Operating income (loss)	(235)	3,471	6,080	167,291	176,607
NONOPERATING REVENUES (EXPENSES)					
Investment income	74			1,697	1,771
Interest expense			(752)		(752)
Other revenues	113	4,008			4,121
Other expenses	(74)	(5,910)	(518)		(6,502)
Income (loss) before operating transfers	(122)	1,569	4,810	168,988	175,245
Operating transfers to component units				(168,988)	(168,988)
Net income (loss)	(122)	1,569	4,810	--	6,257
Retained earnings, July 1, 1995	1,325	20,061	23,931	--	45,317
RETAINED EARNINGS, JUNE 30, 1996	\$ 1,203	\$ 21,630	\$ 28,741	\$ --	\$ 51,574

Combining Statement of Cash Flows - Internal Service Funds

Department of Central Management Services

For the Year Ended June 30, 1996 (Expressed in Thousands)

	State Garage Revolving	Statistical Services Revolving	Communications Revolving	Health Insurance Reserve	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from sales and services	\$ 28,089	\$ 52,076	\$ 98,243	\$ 623,620	\$ 802,028
Cash payments to suppliers for goods and services	(15,170)	(30,575)	(77,357)	(513,103)	(636,205)
Cash payments to employees for services	(10,652)	(16,067)	(6,615)	(2,421)	(35,755)
Cash receipts from other operating activities	36				36
Cash payments for other operating activities	(2)				(2)
Net cash provided by operating activities	2,301	5,434	14,271	108,096	130,102
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating transfers-out to component units				(168,988)	(168,988)
Net cash (used in) noncapital financing activities				(168,988)	(168,988)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(141)	(1,027)	(1,515)		(2,683)
Principal paid on bond maturities and equipment contracts	(632)	(10,554)	(8,271)		(19,457)
Interest paid on bond maturities and equipment contracts			(752)		(752)
Other capital and related financing activities		1,873			1,873
Net cash (used in) capital and related financing activities	(773)	(9,708)	(10,538)		(21,019)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends on investments	74			1,741	1,815
Net cash provided by investing activities	74			1,741	1,815
Net increase (decrease) in cash and cash equivalents	1,602	(4,274)	3,733	(59,151)	(58,090)
Cash and cash equivalents, July 1, 1995	1,114	21,755	21,136	77,021	121,026
CASH AND CASH EQUIVALENTS, JUNE 30, 1996	\$ 2,716	\$ 17,481	\$ 24,869	\$ 17,870	\$ 62,936
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ (235)	\$ 3,471	\$ 6,080	\$ 167,291	\$ 176,607
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	791	10,763	4,008		15,562
Provision for uncollectible accounts	(1)	213	(5)	(157)	50
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(68)	1,399	2,781	561	4,673
(Increase) decrease in due from other funds	(593)	(2,140)	201	(86,155)	(88,687)
(Increase) decrease in due from component units	(6)	(14)	431	140	551
(Increase) decrease in inventory	(35)	117			82
(Increase) decrease in prepaid expenses		(427)	2,571		2,144
Increase (decrease) in accounts payable and accrued liabilities	2,029	(8,156)	(2,473)	27,288	18,688
Increase (decrease) in intergovernmental payables	1	(44)	(16)		(59)
Increase (decrease) in due to other funds	245	(69)	615	(910)	(119)
Increase (decrease) in due to component units		(41)	(29)		(70)
Increase (decrease) in other liabilities	173	362	107	38	680
Total adjustments	2,536	1,963	8,191	(59,195)	(46,505)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 2,301	\$ 5,434	\$ 14,271	\$ 108,096	\$ 130,102
Noncash investing, capital, and financing activities:					
Capital leases (initial year):					
Fair market value	\$ 508	\$ --	\$ --	\$ --	\$ 508

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TRUST AND AGENCY FUNDS

Trust and Agency Funds are maintained to account for assets held by the State acting in the capacity of trustee or agent.

SIGNIFICANT TRUST AND AGENCY FUNDS DESCRIPTIONS

EXPENDABLE TRUST FUNDS:

Office of the Attorney General

Consumer Trust Fund--to account for court ordered restitution and penalties received by the Office of the Attorney General as receiver under the Consumer Fraud and Deceptive Business Practices Act.

Department of Employment Security

Unemployment Compensation Trust Fund--to provide for unemployment insurance benefit claims. Funding is through employer contributions and Federal Unemployment Trust advances.

Department of Financial Institutions

Unclaimed Property Trust Fund--to receive specified proceeds from the sale of abandoned property and to pay claims related to such property.

Industrial Commission

Self-Insurers Security Fund--to cover claims for compensation made on self-insured employers with respect to employment related injuries and diseases.

STATE PENSION FUNDS:

See Note 10 on page 42 for description of pension funds.

AGENCY FUNDS:

Treasurer

Public Treasurers' Investment Pool Fund--to hold and invest public funds deposited by local Treasurers to enhance investment opportunities - in effect a mutual fund.

Department of Central Management Services

Deferred Compensation Plan Fund--to defer gross compensation of any State employee and invest the funds until retirement, death or extreme hardship.

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 Lottery

Deferred Lottery 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 State Lottery Director's approval in a manner which ensures the timely payment to prize winners.

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State of Illinois

**Combining Balance Sheet
Trust and Agency Funds**

June 30, 1996 (Expressed in Thousands)

	Trust			Agency	Total
	Expendable	Non-Expendable Other	Pension		
ASSETS					
Cash and cash equivalents	\$ 1,707,636	\$ 2,178	\$ 109,701	\$ 2,552,289	\$ 4,371,804
Investments	1,510	1,043	25,042,819	2,279,403	27,324,775
Receivables, net:					
Taxes	244,382			66,904	311,286
Intergovernmental	10,815			1,905	12,720
Other	32,665	17	556,221	633,195	1,222,098
Due from other funds	2,753		12,601	20,336	35,690
Due from component units	79		2,945	108	3,132
Property, plant and equipment, net		104	22,105		22,209
Other assets				933,437	933,437
Total assets	\$ 1,999,840	\$ 3,342	\$ 25,746,392	\$ 6,487,577	\$ 34,237,151
LIABILITIES					
Accounts payable and accrued liabilities	\$ 36,437		\$ 628,866	\$ 14,515	\$ 679,818
Intergovernmental payables	2,937	\$ 6		2,480,597	2,483,540
Due to other funds	4,049		185	83,230	87,464
Due to component units	58				58
Deferred revenues	2,322	6			2,328
Depository and other liabilities	6,134		1,517,659	3,909,235	5,433,028
Revenue bonds payable			15,019		15,019
Total liabilities	51,937	12	2,161,729	6,487,577	8,701,255
FUND BALANCES					
Reserved for:					
Encumbrances	295				295
Unemployment compensation benefits	1,927,945				1,927,945
Net assets available for plan benefits			23,584,663		23,584,663
Other	1,312				1,312
Unreserved, undesignated	18,351	3,330			21,681
Total fund balances	1,947,903	3,330	23,584,663	--	25,535,896
Total liabilities and fund balances	\$ 1,999,840	\$ 3,342	\$ 25,746,392	\$ 6,487,577	\$ 34,237,151

State of Illinois

**Combining Balance Sheet
Expendable Trust Funds**

June 30, 1996 (Expressed in Thousands)

	Elected Officials	Departments		Agencies, Boards and Authorities	Other	Total
	Attorney General Consumer Trust Fund	Employment Security Unemployment Compensation Trust	Financial Institutions Unclaimed Property Trust	Industrial Commission Self-Insured Employers' Liability		
ASSETS						
Cash and cash equivalents	\$ 98	\$ 1,685,131	\$ 5,619	\$ 7,982	\$ 8,806	\$ 1,707,636
Investments					1,510	1,510
Receivables, net:						
Taxes		244,382				244,382
Intergovernmental		10,815				10,815
Other	1,283	30,138		35	1,209	32,665
Due from other funds		2,588			165	2,753
Due from component units		79				79
Total assets	\$ 1,381	\$ 1,973,133	\$ 5,619	\$ 8,017	\$ 11,690	\$ 1,999,840
LIABILITIES						
Accounts payable and accrued liabilities		\$ 34,397	\$ 1,503	\$ 16	\$ 521	\$ 36,437
Intergovernmental payables		2,937				2,937
Due to other funds		3,945		2	102	4,049
Due to component units					58	58
Deferred revenues		2,259			63	2,322
Depository and other liabilities	\$ 1,381	1,650		3,103		6,134
Total liabilities	1,381	45,188	1,503	3,121	744	51,937
FUND BALANCES						
Reserved for:						
Encumbrances			225		70	295
Unemployment compensation benefits		1,927,945				1,927,945
Other					1,312	1,312
Unreserved, undesignated			3,891	4,896	9,564	18,351
Total fund balances		1,927,945	4,116	4,896	10,946	1,947,903
Total liabilities and fund balances	\$ 1,381	\$ 1,973,133	\$ 5,619	\$ 8,017	\$ 11,690	\$ 1,999,840

State of Illinois

**Combining Statement of Revenues, Expenditures, Other Sources and Uses
of Financial Resources and Changes in Fund Balances
Expendable Trust Funds**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Elected Officials	Departments		Agencies, Boards and Authorities	Other	Total
	Attorney General	Employment Security	Financial Institutions	Industrial Commission		
	Consumer Trust	Unemployment Compensation Trust	Unclaimed Property Trust	Self-Insured Employers' Liability		
REVENUES						
Other taxes		\$ 1,204,451		\$ 1,235	\$ 152	\$ 1,205,838
Federal government		23,366				23,366
Interest and other investment income		110,936		456	534	111,926
Other	\$ 340	117	\$ 30,312		5,087	35,856
Total revenues	340	1,338,870	30,312	1,691	5,773	1,376,986
EXPENDITURES						
Current:						
Health and social services					361	361
General government	340				2,665	3,005
Social assistance		1,286,105		2,005	701	1,288,811
Public protection and justice			455			455
Natural resources and recreation					186	186
Capital outlays					290	290
Total expenditures	340	1,286,105	455	2,005	4,203	1,293,108
Excess (deficiency) of revenues over (under) expenditures		52,765	29,857	(314)	1,570	83,878
OTHER SOURCES (USES) OF FINANCIAL RESOURCES						
Operating transfers-in					2,678	2,678
Operating transfers-out		(12,969)	(29,724)		(2,114)	(44,807)
Net other sources (uses) of financial resources		(12,969)	(29,724)		564	(42,129)
Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources		39,796	133	(314)	2,134	41,749
Fund balances, July 1, 1995, as						
previously reported		1,888,149	3,983	5,210	8,449	1,905,791
Reclassification of fund balance					363	363
Fund balances, July 1, 1995, as restated		1,888,149	3,983	5,210	8,812	1,906,154
FUND BALANCES, JUNE 30, 1996	\$ --	\$ 1,927,945	\$ 4,116	\$ 4,896	\$ 10,946	\$ 1,947,903

State of Illinois

**Combining Balance Sheet
Pension Trust Funds**

June 30, 1996 (Expressed in Thousands)

	General Assembly Retirement System	Judges' Retirement System	State Employees' Retirement System	Teachers' Retirement System	State Universities Retirement System
ASSETS					
Cash and cash equivalents	\$ 1,836	\$ 4,267	\$ 51,602	\$ 4,057	\$ 47,939
Investments	40,864	227,232	4,333,564	15,457,718	5,005,965
Other receivables, net	8	126	1,610	496,622	35,331
Due from other funds		988	11,605		8
Due from component units					2,945
Property, plant and equipment, net	5	8	3,812	3,756	14,490
Total assets	\$ 42,713	\$ 232,621	\$ 4,402,193	\$ 15,962,153	\$ 5,106,678
LIABILITIES					
Accounts payable and accrued liabilities	\$ 29	\$ 170	\$ 5,135	\$ 614,764	\$ 8,768
Due to other funds	59	18	89	19	
Depository and other liabilities				1,517,659	
Revenue bonds payable					15,019
Total liabilities	88	188	5,224	2,132,442	23,787
FUND BALANCES					
Reserved for net assets					
available for plan benefits	42,625	232,433	4,396,969	13,829,711	5,082,891
Total fund balances	42,625	232,433	4,396,969	13,829,711	5,082,891
Total liabilities and fund balances	\$ 42,713	\$ 232,621	\$ 4,402,193	\$ 15,962,153	\$ 5,106,678

State
Board of
Investment

Eliminations Total

\$ 80	\$ (80)	\$ 109,701
4,579,136	(4,601,660)	25,042,819
41,096	(18,572)	556,221
		12,601
		2,945
34		22,105
<u>\$ 4,620,346</u>	<u>\$ (4,620,312)</u>	<u>\$ 25,746,392</u>

		\$ 628,866
\$ 58	\$ (58)	185
18,609	(18,609)	1,517,659
		15,019
18,667	(18,667)	2,161,729

4,601,679	(4,601,645)	23,584,663
4,601,679	(4,601,645)	23,584,663
<u>\$ 4,620,346</u>	<u>\$ (4,620,312)</u>	<u>\$ 25,746,392</u>

State of Illinois

**Combining Statement of Revenues, Expenses and
Changes in Fund Balances
Pension Trust Funds**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	General Assembly Retirement System	Judges' Retirement System	State Employees' Retirement System	Teachers' Retirement System	State Universities Retirement System
OPERATING REVENUES					
Contributions:					
Employer	\$ 2,400	\$ 12,129	\$ 146,398	\$ 389,362	\$ 147,368
Employee	1,141	9,786	137,220	399,084	197,005
Interest and other investment income	5,671	30,320	561,769	1,554,117	477,654
Total operating revenues	9,212	52,235	845,387	2,342,563	822,027
OPERATING EXPENSES					
Benefit payments and refunds	7,082	33,600	365,856	1,143,767	405,296
Interest			2		1,047
General and administrative	199	300	5,267	9,488	5,767
Depreciation	4	6	386	541	1,226
Other			4	921	
Total operating expenses	7,285	33,906	371,515	1,154,717	413,336
Net income	1,927	18,329	473,872	1,187,846	408,691
Fund balances, July 1, 1995	40,698	214,104	3,923,097	12,641,865	4,674,200
FUND BALANCES, JUNE 30, 1996	\$ 42,625	\$ 232,433	\$ 4,396,969	\$ 13,829,711	\$ 5,082,891

State Board of Investment	Eliminations	Total
---------------------------------	--------------	-------

		\$ 697,657
		744,236
\$ 610,644	\$ (610,648)	2,629,527
610,644	(610,648)	4,071,420
135,200	(135,200)	1,955,601
		1,049
15,510	(15,510)	21,021
8	(8)	2,163
		925
150,718	(150,718)	1,980,759
459,926	(459,930)	2,090,661
4,141,753	(4,141,715)	21,494,002
\$ 4,601,679	\$ (4,601,645)	\$ 23,584,663

State of Illinois

Combining Balance Sheet
Agency Funds

June 30, 1996 (Expressed in Thousands)

	Elected Officials		Departments					Other	Total	
	Treasurer Public Treasurers' Investment Pool	Central Management Services Employee's Deferred Compensation	Insurance Security Deposit Fund	Lottery Deferred Lottery Prize Winner's Trust Fund	Public Aid Child Support Enforcement Trust Fund					
ASSETS										
Cash and cash equivalents	\$ 2,229,254	\$ 488		\$ 133			\$ 322,414	\$ 2,552,289		
Investments		768,150		1,511,253				2,279,403		
Receivables, net:										
Taxes							66,904	66,904		
Intergovernmental							1,905	1,905		
Other	5,358					\$ 577,593	50,244	633,195		
Due from other funds							20,336	20,336		
Due from component units							108	108		
Other assets			\$ 906,335				27,102	933,437		
Total assets	\$ 2,234,612	\$ 768,638	\$ 906,335	\$ 1,511,386	\$ 577,593	\$ 489,013	\$ 6,487,577			
LIABILITIES										
Accounts payable and accrued liabilities	\$ 153	\$ 75					\$ 14,287	\$ 14,515		
Intergovernmental payables	2,234,351						246,246	2,480,597		
Due to other funds	108	2		\$ 147			82,973	83,230		
Depository and other liabilities		768,561	\$ 906,335	1,511,239	\$ 577,593		145,507	3,909,235		
Total liabilities	\$ 2,234,612	\$ 768,638	\$ 906,335	\$ 1,511,386	\$ 577,593	\$ 489,013	\$ 6,487,577			

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State of Illinois

**Combining Statement of Changes in Assets and Liabilities
All Agency Funds**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	ASSETS					
	Cash and Cash Equivalents	Investments	Taxes	Receivables Intergovern- mental	Other	Due From Other Funds
ORGANIZATION/FUND						
Treasurer:						
Public Treasurers' Investment Pool						
Balance July 1, 1995	\$ 1,929,193				\$ 13,621	
Additions	2,229,254				5,358	
Deductions	1,929,193				13,621	
Balance June 30, 1996	<u>2,229,254</u>				<u>5,358</u>	
Central Management Services:						
State Employees' Deferred Compensation Plan						
Balance July 1, 1995	318	\$ 620,969				
Additions	83,412	279,131				
Deductions	83,242	131,950				
Balance June 30, 1996	<u>488</u>	<u>768,150</u>				
Insurance:						
Security Deposit						
Balance July 1, 1995						
Additions						
Deductions						
Balance June 30, 1996						
Lottery:						
Deferred Lottery Prize						
Winners Trust						
Balance July 1, 1995	4,341	1,448,565			24	
Additions	172,763	234,895				
Deductions	176,971	172,207			24	
Balance June 30, 1996	<u>133</u>	<u>1,511,253</u>			<u>--</u>	
Department of Public Aid:						
Child Support Enforcement Trust						
Balance July 1, 1995					545,905	
Additions					124,696	
Deductions					93,008	
Balance June 30, 1996					<u>577,593</u>	
Other:						
Balance July 1, 1995	284,731		\$ 73,140	\$ 1,413	53,757	\$ 22,635
Additions	2,329,327		66,904	1,898	150,140	20,336
Deductions	2,291,644		73,140	1,406	153,653	22,635
Balance June 30, 1996	<u>322,414</u>		<u>66,904</u>	<u>1,905</u>	<u>50,244</u>	<u>20,336</u>
Total--All Agency Funds:						
Balance July 1, 1995	2,218,583	2,069,534	73,140	1,413	613,307	22,635
Additions	4,814,756	514,026	66,904	1,898	280,194	20,336
Deductions	4,481,050	304,157	73,140	1,406	260,306	22,635
Balance June 30, 1996	<u>\$ 2,552,289</u>	<u>\$ 2,279,403</u>	<u>\$ 66,904</u>	<u>\$ 1,905</u>	<u>\$ 633,195</u>	<u>\$ 20,336</u>

ASSETS (CONT.)			LIABILITIES				
Due From Component Units	Other Assets	Total Assets	Accounts Payable and Accrued Liabilities	Intergovern- mental Payables	Due To Other Funds	Depository and Other Liabilities	Total Liabilities
		\$ 1,942,814	\$ 81	\$ 1,942,628	\$ 105		\$ 1,942,814
		2,234,612	153	2,234,351	108		2,234,612
		1,942,814	81	1,942,628	105		1,942,814
		<u>2,234,612</u>	<u>153</u>	<u>2,234,351</u>	<u>108</u>		<u>2,234,612</u>
		621,287	78			\$ 621,209	621,287
		362,543	75		2	279,061	279,138
		215,192	78			131,709	131,787
		<u>768,638</u>	<u>75</u>		<u>2</u>	<u>768,561</u>	<u>768,638</u>
	\$ 841,291	841,291				841,291	841,291
	355,416	355,416				355,416	355,416
	290,372	290,372				290,372	290,372
	<u>906,335</u>	<u>906,335</u>				<u>906,335</u>	<u>906,335</u>
		1,452,930			105	1,452,825	1,452,930
		407,658			4,642	230,621	235,263
		349,202			4,600	172,207	176,807
		<u>1,511,386</u>			<u>147</u>	<u>1,511,239</u>	<u>1,511,386</u>
		545,905				545,905	545,905
		124,696				124,696	124,696
		93,008				93,008	93,008
		<u>577,593</u>				<u>577,593</u>	<u>577,593</u>
\$ 120	13,871	449,667	13,394	253,807	90,630	91,836	449,667
108	18,186	2,586,899	27,813	907,142	206,841	322,176	1,463,972
120	4,955	2,547,553	26,920	914,703	214,498	268,505	1,424,626
<u>108</u>	<u>27,102</u>	<u>489,013</u>	<u>14,287</u>	<u>246,246</u>	<u>82,973</u>	<u>145,507</u>	<u>489,013</u>
120	855,162	5,853,894	13,553	2,196,435	90,840	3,553,066	5,853,894
108	373,602	6,071,824	28,041	3,141,493	211,593	1,311,970	4,693,097
120	295,327	5,438,141	27,079	2,857,331	219,203	955,801	4,059,414
<u>\$ 108</u>	<u>\$ 933,437</u>	<u>\$ 6,487,577</u>	<u>\$ 14,515</u>	<u>\$ 2,480,597</u>	<u>\$ 83,230</u>	<u>\$ 3,909,235</u>	<u>\$ 6,487,577</u>

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GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets Account Group is maintained to account for fixed assets acquired or constructed for use by the State for general governmental purposes. These include all fixed assets of the primary government except those accounted for in the proprietary and fiduciary fund types.

*State of Illinois***Schedule of Changes in General Fixed Assets**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Balance July 1, 1995	Additions	Deletions/ Net Transfers	Balance June 30, 1996
Land and land improvements	\$ 558,707	\$ 10,779	\$ 3,179	\$ 566,307
Buildings and building improvements	2,559,113	27,509	(84,904)	2,671,526
Equipment	1,177,717	139,987	47,550	1,270,154
Construction in progress	72,384	189,723	181,880	80,227
Total	\$ 4,367,921	\$ 367,998	\$ 147,705	\$ 4,588,214

*State of Illinois***Schedule of Changes in General Fixed Assets
By Function**

For the Year Ended June 30, 1996 (Expressed in Thousands)

Function	Balance July 1, 1995	Additions	Deletions/ Net Transfers	Balance June 30, 1996
General government:				
Legislative	\$ 20,042	\$ 3,932	\$ 2,029	\$ 21,945
Elected officials	346,842	6,231	(5,351)	358,424
Departments and agencies	481,117	11,974	(3,619)	496,710
Total general government	848,001	22,137	(6,941)	877,079
Health and social services	790,740	40,671	20,788	810,623
Public protection and justice	1,307,851	41,764	(49,807)	1,399,422
Natural resources and recreation	725,844	20,421	(23,797)	770,062
Transportation	416,072	29,635	13,076	432,631
Social assistance	122,615	17,120	11,921	127,814
Education	84,414	6,527	585	90,356
Construction in progress	72,384	189,723	181,880	80,227
Total general fixed assets	\$ 4,367,921	\$ 367,998	\$ 147,705	\$ 4,588,214

*State of Illinois***Schedule of General Fixed Assets
By Function**

June 30, 1996 (Expressed in Thousands)

Function	Total	Land and Land Improvements	Buildings and Building Improvements	Equipment
General government				
Legislative	\$ 21,945		\$ 2	\$ 21,943
Elected officials	358,424	\$ 6,488	275,540	76,396
Departments and agencies	496,710	13,440	402,174	81,096
Total general government	877,079	19,928	677,716	179,435
Health and social services	810,623	71,058	590,869	148,696
Public protection and justice	1,399,422	100,568	979,636	319,218
Natural resources and recreation	770,062	360,286	266,197	143,579
Transportation	432,631	10,597	100,389	321,645
Social assistance	127,814			127,814
Education	90,356	3,870	56,719	29,767
Total general fixed assets allocated to functions	4,507,987	\$ 566,307	\$ 2,671,526	\$ 1,270,154
Construction in progress	80,227			
Total general fixed assets	<u>\$ 4,588,214</u>			

GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP

General Long-Term Obligations Account Group is maintained to account for the State's unmatured general obligation bonds, unfunded retirement costs, and other long-term obligations.

*State of Illinois***Schedule of Changes in General Long-Term Obligations**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Accrued Retirement Costs	General Obligation Bonds	Special Obligation Bonds	Other Long-Term Obligations	Total
BALANCE JULY 1, 1995	\$ 9,445,652	\$ 5,291,793	\$ 1,852,011	\$ 1,475,185	\$ 18,064,641
Compensated absences earned				299,460	299,460
Increase in workers' compensation liability				37,110	37,110
Debt issues		975,000	80,000	145,475	1,200,475
Increase in lease and installment purchase obligations				26,411	26,411
Compensated absences taken				(262,096)	(262,096)
Increase in accreted value of capital appreciation bonds		109,522	12,966		122,488
Principal retirements and terminations		(719,786)	(63,985)	(81,075)	(864,846)
Excess of actuarially determined retirement costs computed in accordance with APB Opinion No. 8 over amounts recorded as expenditures in governmental fund types	1,580,550				1,580,550
Other				(428)	(428)
BALANCE JUNE 30, 1996	\$ 11,026,202	\$ 5,656,529	\$ 1,880,992	\$ 1,640,042	\$ 20,203,765

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COMPONENT UNITS

The Component Units Section includes legally separate organizations for which the elected officials of the primary government are financially accountable. It also includes certain other organizations because of the nature and significance of their relationship with the primary government.

SIGNIFICANT COMPONENT UNITS DESCRIPTIONS

GOVERNMENTAL:

Illinois Grain Insurance Corporation--to promote the State's welfare by improving the economic stability of agriculture.

East St. Louis Finance Advisory Authority--to provide a secure financial basis for and to furnish assistance to the city of East St. Louis.

Illinois Development Finance Authority--to provide funding for industrial, commercial and manufacturing development in areas of Illinois with critical unemployment.

Medical Center 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.

PROPRIETARY:

The Comprehensive Health Insurance Board--to provide an alternate market for health insurance for eligible Illinois residents having a preexisting health condition.

Illinois Housing Development Authority--to make loans and issue notes and bonds for the acquisition, construction and rehabilitation of housing and to make loans to encourage home ownership.

Illinois State Toll Highway Authority--to operate 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.

UNIVERSITY AND COLLEGE:

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 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.

Board of Trustees of Illinois State University--to operate, manage, control and maintain Illinois State University. The Board was created on January 1, 1996 with the dissolution of the Board of Regents.

Board of Trustees of Northern Illinois University--to operate, manage, control and maintain Northern Illinois University. The Board was created on January 1, 1996 with the dissolution of the Board of Regents.

Board of Trustees of Southern Illinois University--to operate, manage, control and maintain Southern Illinois University. The Board was created on July 1, 1949. Southern Illinois University consists of campuses at Carbondale and Edwardsville. In addition, the University operates a medical school.

Board of Trustees of University of Illinois--to manage the University of Illinois. The Board is a separately elected body created by law on July 1, 1876. The University of Illinois consists of campuses at Champaign-Urbana and Chicago. In addition, the university operates a medical school.

Combining Balance Sheet - Component Units

All Fund Types and Account Groups

June 30, 1996 (Expressed in Thousands)

	Governmental	Proprietary	University and College Funds		
	Fund Types	Fund Types	Chicago State University	Eastern Illinois University	Western Illinois University
ASSETS AND OTHER DEBITS					
Assets:					
Cash and cash equivalents	\$ 34,341	\$ 400,709	\$ 5,160	\$ 12,677	\$ 28,239
Investments	14,810	689,510	489	20,264	8,574
Receivables, net:					
Intergovernmental	8,425	45,655	3,283		
Other	289	41,700	2,807	8,486	5,519
Due from other funds	91	19,689	2,347	12	
Due from primary government	58	4,420	413	4,709	2,695
Inventories	8	5,905	56	726	2,803
Prepaid expenses		4,298		8	
Loans and notes receivable	71,292	1,488,065	858	3,821	1,834
Restricted assets (\$41,738 cash equivalents)	425	382,228			
Property, plant and equipment, net	4,453	1,773,476	100,412	162,267	222,754
Other assets	55	74,047	351	567	
Total assets	\$ 134,247	\$ 4,929,702	\$ 116,176	\$ 213,537	\$ 272,418
LIABILITIES, EQUITY AND OTHER CREDITS					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,812	\$ 129,708	\$ 13,147	\$ 20,904	\$ 30,781
Intergovernmental payables		2,304			
Due to other funds	751	19,028	2,370		14
Due to primary government	4	652	271	4,097	250
Deferred revenues	91	1,181	388	11,266	608
Liabilities payable from restricted assets		28,401			
Other liabilities	47	131,857	161	866	301
Notes payable		700			
Revenue bonds payable		3,025,686	23,740	34,388	39,899
Other obligations		361	2,984	4,034	654
Total liabilities	2,705	3,339,878	43,061	75,555	72,507
EQUITY AND OTHER CREDITS					
Contributed capital		33,530			
Investment in fixed assets	4,453		75,651	121,152	182,137
Retained earnings:					
Reserved for:					
Revenue bond and note retirement		221,755			
Other		55,534			
Unreserved		1,279,005			
Fund balances (deficits):					
Reserved for:					
Encumbrances	11,366				1,919
Long-term portion of:					
Intergovernmental and other receivables	6,187				
Loans and notes receivable	68,299				
Restricted fund balances			3,589	6,527	21,315
Endowment and similar funds	11		378	17,362	5,238
Other	96			5,192	
Unreserved:					
Designated, other					
Undesignated	41,130		(6,503)	(12,251)	(10,698)
Total equity and other credits	131,542	1,589,824	73,115	137,982	199,911
Total liabilities, equity and other credits	\$ 134,247	\$ 4,929,702	\$ 116,176	\$ 213,537	\$ 272,418

University and College Funds (continued)

Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois	Non-Major Component Units	Total
\$ 7,914	\$ 10,268	\$ 22,418	\$ 104,547	\$ 8,790	\$ 635,063
46,792	27,826	104,066	769,771	1,110	1,683,212
	344	2,445		1,843	61,995
4,943	7,830	21,729	64,509	4,055	161,867
323	1,247	6,400	11,296	10	41,415
1,591	2,849	7,111	145,843	1,377	171,066
1,568	3,241	7,569	26,121	214	48,211
1,031	126	3,607	26,448	1,508	37,026
9,357	7,165	14,055	52,831	4,259	1,653,537
		6,824			389,477
364,471	433,589	773,114	2,891,362	185,160	6,911,058
184	1,968	208	15,614	1,117	94,111
\$ 438,174	\$ 496,453	\$ 969,546	\$ 4,108,342	\$ 209,443	\$ 11,888,038
\$ 27,987	\$ 34,196	\$ 75,945	\$ 261,034	\$ 25,147	\$ 620,661
		548			2,852
336	1,933	6,108	10,875		41,415
135	133	6,101	33,649	318	45,610
1,242	4,425	22,813	24,947	3,679	70,640
			22		28,423
184	1,034	10,390	20,669	85	165,594
	2,656	1,803	2,705	370	8,234
45,860	46,480	51,882	300,649	2,075	3,570,659
4,192	11,782	3,636	116,418	6,462	150,523
79,936	102,639	179,226	770,968	38,136	4,704,611
315,373	371,332	711,011	2,596,600	176,253	4,553,962
					221,755
					55,534
					1,279,005
	2,877	14,998	26,877	174	58,211
					6,187
					68,299
6,780	23,506	48,754	328,900	8,348	447,719
11,336	6,962	29,202	400,947	627	472,063
24,053				446	29,787
849		858	7,901	49	9,657
(153)	(10,863)	(14,503)	(23,851)	(14,590)	(52,282)
358,238	393,814	790,320	3,337,374	171,307	7,183,427
\$ 438,174	\$ 496,453	\$ 969,546	\$ 4,108,342	\$ 209,443	\$ 11,888,038

State of Illinois

Combining Balance Sheet
Component Units - Governmental Funds
 June 30, 1996 (Expressed in Thousands)

	Illinois Grain Insurance Corporation	East St. Louis Financial Advisory Authority	Development Finance Authority	Housing Development Authority	Medical Center Commission	Non-Major Component Units	Total
ASSETS							
Cash and cash equivalents	\$ 3,274	\$ 291	\$ 119	\$ 30,037	\$ 386	\$ 234	\$ 34,341
Investments		1,537		12,829	433	11	14,810
Receivables, net:							
Intergovernmental		2,323	4,600	1,502			8,425
Other	24			143	122		289
Due from other funds					91		91
Due from primary government	58						58
Inventories						8	8
Loans and notes receivable				71,292			71,292
Restricted assets						425	425
Property, plant and equipment, net					4,240	213	4,453
Other assets					54	1	55
Total assets	\$ 3,356	\$ 4,151	\$ 4,719	\$ 115,803	\$ 5,326	\$ 892	\$ 134,247
LIABILITIES							
Accounts payable and accrued liabilities	\$ 1,400				\$ 367	\$ 45	\$ 1,812
Due to other funds			\$ 1	\$ 659	91		751
Due to primary government					4		4
Deferred revenues					91		91
Other liabilities					47		47
Total liabilities	1,400		1	659	600	45	2,705
FUND EQUITY							
Investment in fixed assets					4,240	213	4,453
Fund balances:							
Reserved for:							
Encumbrances				11,366			11,366
Long-term portion of:							
Intergovernmental and other receivables		\$ 1,587	4,600				6,187
Loans and notes receivable				68,299			68,299
Endowment and similar funds						11	11
Other					96		96
Unreserved, undesignated	1,956	2,564	118	35,479	390	623	41,130
Total fund equity	1,956	4,151	4,718	115,144	4,726	847	131,542
Total liabilities and fund equity	\$ 3,356	\$ 4,151	\$ 4,719	\$ 115,803	\$ 5,326	\$ 892	\$ 134,247

State of Illinois

Combining Statement of Revenues, Expenditures, Other Sources and Uses of
Financial Resources and Changes in Fund Balances
Component Units - Governmental Funds

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Illinois Grain Insurance Corporation	East St. Louis Financial Advisory Authority	Development Finance Authority	Housing Development Authority	Medical Center Commission	Non-Major Component Units	Total
REVENUES							
Other taxes				\$ 18,819			\$ 18,819
Federal government				20,671	\$ 30		20,701
Licenses and fees	\$ 121			46		\$ 2	169
Interest and other investment income	168	\$ 14	\$ 6	980	58	19	1,245
Other	53			4,730	1,265	843	6,891
Total revenues	342	14	6	45,246	1,353	864	47,825
EXPENDITURES							
Current:							
Health and social services					1,310		1,310
Education						206	206
General government	1,566	80		13,956		14	15,616
Social assistance						53	53
Natural resources and recreation						151	151
Debt service:							
Principal					4		4
Interest					12		12
Capital outlays					29		29
Total expenditures	1,566	80		13,956	1,355	424	17,381
Excess (deficiency) of revenues over (under) expenditures	(1,224)	(66)	6	31,290	(2)	440	30,444
OTHER (USES) OF FINANCIAL RESOURCES							
Operating transfers-out				(10,726)			(10,726)
Net other (uses) of financial resources				(10,726)			(10,726)
Excess (deficiency) of revenues over (under) expenditures and net other (uses) of financial resources	(1,224)	(66)	6	20,564	(2)	440	19,718
Fund balances, July 1, 1995, as previously reported	3,180	4,217	4,712	16,393	488	194	29,184
Reclassification of fund balances				78,187			78,187
Fund balances, July 1, 1995, as restated	3,180	4,217	4,712	94,580	488	194	107,371
FUND BALANCES, JUNE 30, 1996	\$ 1,956	\$ 4,151	\$ 4,718	\$ 115,144	\$ 486	\$ 634	\$ 127,089

State of Illinois

**Combining Balance Sheet
Component Units - Proprietary Funds**

June 30, 1996 (Expressed in Thousands)

	Comprehensive Health Insurance Board	Housing Development Authority	State Toll Highway Authority	Non-Major Component Units	Total
ASSETS					
Cash and cash equivalents	\$ 8,982	\$ 1,474	\$ 363,355	\$ 26,898	\$ 400,709
Investments, short-term	57,436	315,678		12,794	385,908
Receivables, net:					
Intergovernmental				45,655	45,655
Other	829	22,875	15,534	2,462	41,700
Due from other funds		15,178		4,511	19,689
Due from primary government			4,418	2	4,420
Inventories			5,905		5,905
Prepaid expenses	34		4,230	34	4,298
Loans and notes receivable, current		26,548		729	27,277
Restricted assets (\$41,738 cash equivalents)		23,451	41,657	786	65,894
Total current assets	67,281	405,204	435,099	93,871	1,001,455
Investments		298,184		5,418	303,602
Loans and notes receivable		1,457,208		3,580	1,460,788
Restricted assets		162,815	140,405	13,114	316,334
Property, plant and equipment, net	123	747	1,769,800	2,806	1,773,476
Other assets		74,041		6	74,047
Total assets	\$ 67,404	\$ 2,398,199	\$ 2,345,304	\$ 118,795	\$ 4,929,702
LIABILITIES					
Accounts payable and accrued liabilities	\$ 3,096	\$ 80,311	\$ 45,691	\$ 610	\$ 129,708
Intergovernmental payables				2,304	2,304
Due to other funds		14,519		4,509	19,028
Due to primary government	4	1	641	6	652
Deferred revenues				1,181	1,181
Liabilities payable from restricted assets			28,401		28,401
Notes payable, current				600	600
Revenue bonds payable, current		30,790	27,390	2,130	60,310
Other liabilities	10,484	119,416	290	1,667	131,857
Total current liabilities	13,584	245,037	102,413	13,007	374,041
Notes payable				100	100
Revenue bonds payable		1,987,136	929,765	48,475	2,965,376
Other obligations		65	296		361
Total liabilities	13,584	2,232,238	1,032,474	61,582	3,339,878
FUND EQUITY					
Contributed capital				33,530	33,530
Retained earnings:					
Reserved for:					
Revenue bond and note retirement		80,287	140,440	1,028	221,755
Other	53,820			1,714	55,534
Unreserved		85,674	1,172,390	20,941	1,279,005
Total fund equity	53,820	165,961	1,312,830	57,213	1,589,824
Total liabilities and fund equity	\$ 67,404	\$ 2,398,199	\$ 2,345,304	\$ 118,795	\$ 4,929,702

State of Illinois

**Combining Statement of Revenues, Expenses and
Changes in Retained Earnings
Component Units - Proprietary Funds**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Comprehensive Health Insurance Board	Housing Development Authority	State Toll Highway Authority	Non-Major Component Units	Total
OPERATING REVENUES					
Charges for sales and services	\$ 18,976	\$ 7,000	\$ 325,410	\$ 4,490	\$ 355,876
Interest and other investment income		153,898		3,846	157,744
Other		167,516		1,205	168,721
Total operating revenues	18,976	328,414	325,410	9,541	682,341
OPERATING EXPENSES					
Cost of sales and services			4,430	849	5,279
Benefit payments and refunds	32,820				32,820
Interest		140,318	81,990	2,952	225,260
General and administrative	2,468	174,136	116,244	4,216	297,064
Depreciation	61	438	67,599	139	68,237
Other			46,906	483	47,389
Total operating expenses	35,349	314,892	317,169	8,639	676,049
Operating income (loss)	(16,373)	13,522	8,241	902	6,292
NONOPERATING REVENUES (EXPENSES)					
Investment income	4,151		31,250	1,849	37,250
Interest expense				(63)	(63)
Other revenues			81,913	335	82,248
Other expenses				(93)	(93)
Income (loss) before operating transfers	(12,222)	13,522	121,404	2,930	125,634
Operating transfers-in		10,993		1,410	12,403
Operating transfers from primary government	17,324			273	17,597
Operating transfers-out		(267)		(1,410)	(1,677)
Net income	5,102	24,248	121,404	3,203	153,957
Retained earnings, July 1, 1995	48,718	141,713	1,191,426	20,480	1,402,337
RETAINED EARNINGS, JUNE 30, 1996	\$ 53,820	\$ 165,961	\$ 1,312,830	\$ 23,683	\$ 1,556,294

**Combining Statement of Cash Flows
Component Units - Proprietary Funds**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Comprehensive Health Insurance Board	Housing Development Authority	State Toll Highway Authority	Non-Major Component Units	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from sales and services	\$ 18,795	\$ 262,813	\$ 320,942	\$ 6,487	\$ 609,037
Cash payments to suppliers for goods and services	(34,600)	(3,769)	(96,645)	(3,730)	(138,744)
Cash payments to employees for services		(6,727)	(82,410)	(2,018)	(91,155)
Cash receipts from other operating activities		2,502,350		5,138	2,507,488
Cash payments for other operating activities		(2,766,555)	(69,012)	(9,823)	(2,845,390)
Net cash provided by (used in) operating activities	(15,805)	(11,888)	72,875	(3,946)	41,236
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Proceeds from borrowing				4,375	4,375
Principal paid on borrowing				(1,875)	(1,875)
Operating grants received				92	92
Operating transfers-in from other funds		1,993		1,411	3,404
Operating transfers from primary government	17,324	9,000		273	26,597
Operating transfers-out to other funds		(267)		(2,411)	(2,678)
Operating transfers to primary government				(1)	(1)
Other noncapital financing activities			11,823	(752)	11,071
Net cash provided by noncapital financing activities	17,324	10,726	11,823	1,112	40,985
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(22)	(179)	(137,177)	(106)	(137,484)
Principal paid on revenue bond maturities and equipment contracts			(25,999)		(25,999)
Interest paid on bond maturities and equipment contracts				(39)	(39)
Proceeds from sale of equipment		6	50	2	58
Net cash (used in) capital and related financing activities	(22)	(173)	(163,126)	(143)	(163,464)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities	(57,128)			(61,473)	(118,601)
Proceeds from sale and maturities of investment securities	54,077		58,702	59,062	171,841
Interest and dividends on investments	4,151		31,250	2,322	37,723
Net cash provided by (used in) investing activities	1,100		89,952	(89)	90,963
Net increase (decrease) in cash and cash equivalents	2,597	(1,335)	11,524	(3,066)	9,720
Cash and cash equivalents, July 1, 1995	6,385	2,890	393,488	29,964	432,727
CASH AND CASH EQUIVALENTS, JUNE 30, 1996	\$ 8,982	\$ 1,555	\$ 405,012	\$ 26,898	\$ 442,447
Reconciliation of cash and cash equivalents to the balance sheet:					
Total cash and cash equivalents per the balance sheet	\$ 8,982	\$ 1,474	\$ 363,355	\$ 26,898	\$ 400,709
Add: restricted cash equivalents		81	41,657		41,738
CASH AND CASH EQUIVALENTS, JUNE 30, 1996	\$ 8,982	\$ 1,555	\$ 405,012	\$ 26,898	\$ 442,447
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (16,373)	\$ 13,522	\$ 8,241	\$ 902	\$ 6,292
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	61	438	67,589	139	68,237
Provision for uncollectible accounts		270		117	387
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(181)	(76,642)	(4,023)	(341)	(81,187)
(Increase) decrease in due from other funds		(1,049)		(1,187)	(2,236)
(Increase) decrease in due from primary government		293	(445)		(152)
(Increase) decrease in inventory			(72)		(72)
(Increase) decrease in prepaid expenses	(31)		307	(1)	275
Increase (decrease) in accounts payable and accrued liabilities	229	11,383	233	(445)	11,400
Increase (decrease) in intergovernmental payables				(72)	(72)
Increase (decrease) in due to other funds		909		(2,406)	(1,497)
Increase (decrease) in due to primary government		(13)	631	(13)	605
Increase (decrease) in deferred revenues				(112)	(112)
Increase (decrease) in other liabilities	490	4,770			5,260
Increase (decrease) in liabilities payable from restricted assets			404		404
Other		34,231		(527)	33,704
Total adjustments	568	(25,410)	64,634	(4,848)	34,944
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (15,805)	\$ (11,888)	\$ 72,875	\$ (3,946)	\$ 41,236

BUDGETARY SCHEDULES

Budgetary Schedules provide a comparison of the legally adopted budgeted amounts with actual results of operations on a budgetary (Non-GAAP) basis.

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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) General Funds

For the Year Ended June 30, 1996 (Expressed in Thousands)

	General Revenue			Special Account		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes	\$ 5,994,000	\$ 6,161,594	\$ 167,594			
Sales taxes	3,675,000	3,604,695	(70,305)	\$ 1,225,000	\$ 1,193,720	\$ (31,280)
Public utility taxes	789,000	821,080	32,080			
Federal government	3,078,000	3,257,726	179,726			
Other	1,132,000	1,142,937	10,937			
Less:						
Refunds	11,844	8,154	(3,690)			
Total revenues	14,656,156	14,979,878	323,722	1,225,000	1,193,720	(31,280)
EXPENDITURES:						
Current:						
Health and social services	6,840,828	6,781,602	(59,226)			
Education	2,755,339	2,748,700	(6,639)			
General government	986,495	966,735	(19,760)			
Transportation	34,565	34,348	(217)			
Social assistance	1,505,354	1,466,753	(38,601)			
Public protection and justice	1,207,071	1,189,530	(17,541)			
Natural resources and recreation	111,270	110,605	(665)			
Capital outlays	113,258	97,417	(15,841)			
Total expenditures	13,554,180	13,395,690	(158,490)			
Excess (deficiency) of revenues over (under) expenditures	1,101,976	1,584,188	482,212	1,225,000	1,193,720	(31,280)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues	200,000	200,000	--			
Operating transfers-in	360,000	406,854	46,854			
Operating transfers-out	(2,118,000)	(2,135,319)	(17,319)	(1,200,000)	(1,200,181)	(181)
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(456,024)	55,723	511,747	25,000	(6,461)	(31,461)
Budgetary fund balances (deficits), July 1, 1995	(354,393)	(354,393)	--	51,873	51,873	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (810,417)	\$ (298,670)	\$ 511,747	\$ 76,873	\$ 45,412	\$ (31,461)

Education Assistance			Common School			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 472,000	\$ 485,217	\$ 13,217				\$ 6,466,000	\$ 6,646,811	\$ 180,811
			\$ 12,000	\$ 12,000	\$ --	4,900,000	4,798,415	(101,585)
						801,000	833,080	32,080
--	216	216	50,000	50,379	379	3,078,000	3,257,726	179,726
						1,182,000	1,193,532	11,532
						11,844	8,154	(3,690)
472,000	485,433	13,433	62,000	62,379	379	16,415,156	16,721,410	306,254
424	407	(17)				6,841,252	6,782,009	(59,243)
695,317	695,016	(301)	2,204,752	2,204,634	(118)	5,655,408	5,648,350	(7,058)
						986,495	966,735	(19,760)
						34,565	34,348	(217)
						1,505,354	1,466,753	(38,601)
						1,207,071	1,189,530	(17,541)
						111,270	110,605	(665)
6,264	6,255	(9)	2	2	--	119,524	103,674	(15,850)
702,005	701,678	(327)	2,204,754	2,204,636	(118)	16,460,939	16,302,004	(158,935)
(230,005)	(216,245)	13,760	(2,142,754)	(2,142,257)	497	(45,783)	419,406	465,189
205,000	205,032	32	2,144,000	2,153,145	9,145	200,000	200,000	--
--	(136)	(136)	--	(22)	(22)	2,709,000	2,765,031	56,031
						(3,318,000)	(3,335,658)	(17,658)
(25,005)	(11,349)	13,656	1,246	10,866	9,620	(454,783)	48,779	503,562
91,935	91,935	--	(130,574)	(130,574)	--	(341,159)	(341,159)	--
\$ 66,930	\$ 80,586	\$ 13,656	\$ (129,328)	\$ (119,708)	\$ 9,620	\$ (795,942)	\$ (292,380)	\$ 503,562

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, 1996 (Expressed in Thousands)

	Road			Motor Fuel Tax-State		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Motor fuel taxes				\$ 1,177,200	\$ 1,171,509	\$ (5,691)
Federal government	\$ 624,100	\$ 647,657	\$ 23,557	--	81	81
Other	491,800	462,286	(29,514)	--	751	751
Less:						
Refunds	1,745	1,738	(7)	25,000	10,971	(14,029)
Total revenues	1,114,155	1,108,205	(5,950)	1,152,200	1,161,370	9,170
EXPENDITURES:						
Current:						
General government	186,099	184,292	(1,807)	50,578	50,283	(295)
Transportation	1,142,791	1,093,373	(49,418)	8,208	7,958	(250)
Social assistance	1,440	1,440	--			
Public protection and justice	52,733	52,732	(1)			
Capital outlays	31,907	31,448	(459)	949	943	(6)
Total expenditures	1,414,970	1,363,285	(51,685)	59,735	59,184	(551)
Excess (deficiency) of revenues over (under) expenditures	(300,815)	(255,080)	45,735	1,092,465	1,102,186	9,721
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	404,700	409,697	4,997	87,500	86,350	(1,150)
Operating transfers-out	(203,300)	(201,331)	1,969	(1,175,500)	(1,194,039)	(18,539)
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(99,415)	(46,714)	52,701	4,465	(5,503)	(9,968)
Budgetary fund balances (deficits), July 1, 1995	295,432	295,432	--	120,390	120,390	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ 196,017	\$ 248,718	\$ 52,701	\$ 124,855	\$ 114,887	\$ (9,968)

Grade Crossing Protection			State Construction Account			Motor Fuel Tax-Counties		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 270,499	\$ 289,356	\$ 18,857			
			270,499	289,356	18,857			
\$ 20,016	\$ 19,948	(68)	464,237	464,237	--	\$ 167,000	\$ 162,190	(4,810)
20,016	19,948	(68)	464,237	464,237	--	167,000	162,190	(4,810)
(20,016)	(19,948)	68	(193,738)	(174,881)	18,857	(167,000)	(162,190)	4,810
18,000	18,000	--	265,249	273,108	7,859	160,200	162,169	1,969
(750)	(750)	--	(22)	(22)	--			
(2,766)	(2,698)	68	71,489	98,205	26,716	(6,800)	(21)	6,779
48,477	48,477	--	119,071	119,071	--	(16,966)	(16,966)	--
\$ 45,711	\$ 45,779	68	\$ 190,560	\$ 217,276	26,716	\$ (23,766)	\$ (16,987)	6,779

(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, 1996 (Expressed in Thousands)

(continued)

	Motor Fuel Tax-Municipalities			Motor Fuel Tax-Township		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Motor fuel taxes						
Federal government						
Other						
Less:						
Refunds						
Total revenues						
EXPENDITURES:						
Current:						
General government						
Transportation	\$ 234,000	\$ 227,463	\$ (6,537)	\$ 76,000	\$ 73,613	\$ (2,387)
Social assistance						
Public protection and justice						
Capital outlays						
Total expenditures	234,000	227,463	(6,537)	76,000	73,613	(2,387)
Excess (deficiency) of revenues over (under) expenditures	(234,000)	(227,463)	6,537	(76,000)	(73,613)	2,387
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	224,700	227,435	2,735	72,700	73,604	904
Operating transfers-out						
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(9,300)	(28)	9,272	(3,300)	(9)	3,291
Budgetary fund balances (deficits), July 1, 1995	(23,795)	(23,795)	--	(7,700)	(7,700)	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (33,095)	\$ (23,823)	\$ 9,272	\$ (11,000)	\$ (7,709)	\$ 3,291

Total		
Final Budget	Actual	Variance Over (Under)
\$ 1,177,200	\$ 1,171,509	\$ (5,691)
624,100	647,738	23,638
762,299	752,393	(9,906)
26,745	12,709	(14,036)
2,536,854	2,558,931	22,077
236,677	234,575	(2,102)
2,112,252	2,048,782	(63,470)
1,440	1,440	--
52,733	52,732	(1)
32,856	32,391	(465)
2,435,958	2,369,920	(66,038)
100,896	189,011	88,115
1,233,049	1,250,363	17,314
(1,379,572)	(1,396,142)	(16,570)
(45,627)	43,232	88,859
534,909	534,909	--
\$ 489,282	\$ 578,141	\$ 88,859

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) University Funds

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Board of Governors			Board of Regents		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government						
Other	\$ 41,645	\$ 40,723	\$ (922)	\$ 85,582	\$ 82,502	\$ (3,080)
Less:						
Refunds						
Total revenues	41,645	40,723	(922)	85,582	82,502	(3,080)
EXPENDITURES:						
Current:						
Education	39,736	38,366	(1,370)	77,976	72,694	(5,282)
Social assistance	68	47	(21)	61	50	(11)
Capital outlays	2,534	1,638	(896)	7,459	6,444	(1,015)
Total expenditures	42,338	40,051	(2,287)	85,496	79,188	(6,308)
Excess (deficiency) of revenues over (under) expenditures	(693)	672	1,365	86	3,314	3,228
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	--	6	6	--	28	28
Operating transfers-out	(59)	(59)	--	(93)	(93)	--
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(752)	619	1,371	(7)	3,249	3,256
Budgetary fund balances (deficits), July 1, 1995	(564)	(564)	--	(7,283)	(7,283)	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (1,316)	\$ 55	\$ 1,371	\$ (7,290)	\$ (4,034)	\$ 3,256

Southern Illinois University Income			University of Illinois Income			Other		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 73,920	\$ 73,689	\$ (231)	\$ 176,930	\$ 180,914	\$ 3,984	\$ --	\$ 25	\$ 25
						42,382	36,953	(5,429)
						37	4	(33)
73,920	73,689	(231)	176,930	180,914	3,984	42,345	36,974	(5,371)
67,286	64,996	(2,290)	167,791	165,946	(1,845)	34,754	33,995	(759)
111	111	--	342	342	--	75	36	(39)
7,129	6,655	(474)	15,866	13,018	(2,848)	2,368	2,306	(62)
74,526	71,762	(2,764)	183,999	179,306	(4,693)	37,197	36,337	(860)
(606)	1,927	2,533	(7,069)	1,608	8,677	5,148	637	(4,511)
--	11	11	1,740	1,810	70	--	33	33
(102)	(102)	--	(164)	(164)	--	(1,841)	(1,839)	2
(708)	1,836	2,544	(5,493)	3,254	8,747	3,307	(1,169)	(4,476)
(513)	(513)	--	2,519	2,519	--	(562)	(562)	--
\$ (1,221)	\$ 1,323	\$ 2,544	\$ (2,974)	\$ 5,773	\$ 8,747	\$ 2,745	\$ (1,731)	\$ (4,476)

(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) University Funds

For the Year Ended June 30, 1996 (Expressed in Thousands)

(continued)

	Final Budget	Total Actual	Variance Over (Under)
REVENUES:			
Federal government	\$ --	\$ 25	\$ 25
Other	420,459	414,781	(5,678)
Less:			
Refunds	37	4	(33)
Total revenues	420,422	414,802	(5,620)
EXPENDITURES:			
Current:			
Education	387,543	375,997	(11,546)
Social assistance	657	586	(71)
Capital outlays	35,356	30,061	(5,295)
Total expenditures	423,556	406,644	(16,912)
Excess (deficiency) of revenues over (under) expenditures	(3,134)	8,158	11,292
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:			
Operating transfers-in	1,740	1,888	148
Operating transfers-out	(2,259)	(2,257)	2
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(3,653)	7,789	11,442
Budgetary fund balances (deficits), July 1, 1995	(6,403)	(6,403)	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (10,056)	\$ 1,386	\$ 11,442

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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) University Funds - Board of Governors

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Eastern Illinois Income			Western Illinois Income		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Other	\$ 20,350	\$ 20,593	\$ 243	\$ 21,295	\$ 20,130	\$ (1,165)
Total revenues	20,350	20,593	243	21,295	20,130	(1,165)
EXPENDITURES:						
Current						
Education	19,263	18,875	(388)	20,473	19,491	(982)
Social assistance	28	15	(13)	40	32	(8)
Capital outlays	1,238	981	(257)	1,296	657	(639)
Total expenditures	20,529	19,871	(658)	21,809	20,180	(1,629)
Excess (deficiency) of revenues over (under) expenditures	(179)	722	901	(514)	(50)	464
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	--	1	1	--	5	5
Operating transfers-out	(36)	(36)	--	(23)	(23)	--
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(215)	687	902	(537)	(68)	469
Budgetary fund (deficits), July 1, 1995	(459)	(459)	--	(105)	(105)	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (674)	\$ 228	\$ 902	\$ (642)	\$ (173)	\$ 469

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 41,645	\$ 40,723	\$ (922)	
41,645	40,723	(922)	

39,736	38,366	(1,370)	
68	47	(21)	
2,534	1,638	(896)	
42,338	40,051	(2,287)	

(693)	672	1,365	
--	6	6	
(59)	(59)	--	

(752)	619	1,371	
(564)	(564)	--	
\$ (1,316)	\$ 55	\$ 1,371	

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) University Funds - Board of Regents

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Illinois State Income			Northern Illinois Income		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Other	\$ 40,195	\$ 39,223	\$ (972)	\$ 45,387	\$ 43,279	\$ (2,108)
Total revenues	40,195	39,223	(972)	45,387	43,279	(2,108)
EXPENDITURES:						
Current:						
Education	36,708	34,996	(1,712)	41,268	37,698	(3,570)
Social assistance	25	25	--	36	25	(11)
Capital outlays	3,420	3,211	(209)	4,039	3,233	(806)
Total expenditures	40,153	38,232	(1,921)	45,343	40,956	(4,387)
Excess of revenues over (under) expenditures	42	991	949	44	2,323	2,279
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	--	5	5	--	23	23
Operating transfers-out	(44)	(44)	--	(49)	(49)	--
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(2)	952	954	(5)	2,297	2,302
Budgetary fund (deficits), July 1, 1995	(421)	(421)	--	(6,862)	(6,862)	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (423)	\$ 531	\$ 954	\$ (6,867)	\$ (4,565)	\$ 2,302

Total		
Final Budget	Actual	Variance Over (Under)
\$ 85,582	\$ 82,502	\$ (3,080)
85,582	82,502	(3,080)
77,976	72,694	(5,282)
61	50	(11)
7,459	6,444	(1,015)
85,496	79,188	(6,308)
86	3,314	3,228
--	28	28
(93)	(93)	--
(7)	3,249	3,256
(7,283)	(7,283)	--
\$ (7,290)	\$ (4,034)	\$ 3,256

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, 1996 (Expressed in Thousands)

	Secretary of State			Code Departments		
	Live and Learn			Final Budget	Actual	Variance Over (Under)
	Final Budget	Actual	Variance Over (Under)			
REVENUES:						
Income taxes				\$ 1,384,909	\$ 1,384,909	\$ --
Sales taxes				451,632	458,330	6,698
Motor fuel taxes						
Public utility taxes				212,144	212,144	--
Federal government				1,093,424	1,253,530	160,106
Other				2,939,677	3,088,765	149,088
Less:						
Refunds				790,071	778,883	(11,188)
Total revenues				5,291,715	5,618,795	327,080
EXPENDITURES:						
Current:						
Health and social services				2,253,163	2,020,517	(232,646)
Education				38,631	38,631	--
General government	\$ 20,447	\$ 20,434	\$ (13)	2,936,050	2,702,548	(233,502)
Transportation				197,860	183,912	(13,948)
Social assistance						
Public protection and justice				51,008	30,086	(20,922)
Natural resources and recreation				68,396	66,476	(1,920)
Capital outlays	58	58	--	11,959	11,883	(76)
Total expenditures	20,505	20,492	(13)	5,557,067	5,054,053	(503,014)
Excess (deficiency) of revenues over (under) expenditures	(20,505)	(20,492)	13	(265,352)	564,742	830,094
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues				300,000	300,000	--
Operating transfers-in	20,904	20,904	--	1,131,358	1,127,951	(3,407)
Operating transfers-out	(5)	(5)	--	(1,698,019)	(1,729,717)	(31,698)
Budgetary funds-nonbudgeted accounts				(83,513)	(83,513)	--
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts	394	407	13	(615,526)	179,463	794,989
Budgetary fund balances, July 1, 1995	1,956	1,956	--	10,448	10,448	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ 2,350	\$ 2,363	\$ 13	\$ (605,078)	\$ 189,911	\$ 794,989

Agencies, Boards & Commissions			Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 13,761	\$ 13,747	\$ (14)	\$ 1,384,909	\$ 1,384,909	\$ --
\$ 18,664	\$ 30,348	\$ 11,684				465,393	472,077	6,684
14,579	15,473	894				18,664	30,348	11,684
191,294	108,085	(83,209)	40,166	30,718	(9,448)	1,324,884	1,392,333	67,449
155,617	115,675	(39,942)	307,850	318,821	10,971	3,403,144	3,523,261	120,117
133	130	(3)	2,000	1,031	(969)	792,204	780,044	(12,160)
380,021	269,451	(110,570)	359,777	362,255	2,478	6,031,513	6,250,501	218,988
			94,243	66,890	(27,353)	2,347,406	2,087,407	(259,999)
137,711	84,544	(53,167)	6,632	2,632	(4,200)	183,174	125,807	(57,367)
59,942	58,354	(1,588)	156,910	114,825	(42,085)	3,173,349	2,896,161	(277,188)
			17,621	15,786	(1,835)	215,481	199,698	(15,783)
			300	89	(211)	300	89	(211)
42,236	38,537	(3,699)	106,802	89,492	(17,310)	200,046	158,115	(41,931)
133,334	117,683	(15,651)	114,013	83,834	(30,179)	315,743	267,993	(47,750)
2,090	2,011	(79)	13,597	13,265	(332)	27,704	27,217	(487)
375,313	301,129	(74,184)	510,318	386,813	(123,505)	6,463,203	5,762,487	(700,716)
4,708	(31,678)	(36,386)	(150,541)	(24,558)	125,983	(431,690)	488,014	919,704
						300,000	300,000	--
57,304	56,141	(1,163)	73,820	59,883	(13,937)	1,283,386	1,264,879	(18,507)
(9,702)	(9,493)	209	(6,857)	(6,866)	(9)	(1,714,583)	(1,746,081)	(31,498)
			(1,380)	(1,380)	--	(84,893)	(84,893)	--
52,310	14,970	(37,340)	(84,958)	27,079	112,037	(647,780)	221,919	869,699
86,011	86,011	--	239,998	239,998	--	338,413	338,413	--
\$ 138,321	\$ 100,981	\$ (37,340)	\$ 155,040	\$ 267,077	\$ 112,037	\$ (309,367)	\$ 560,332	\$ 869,699

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, 1996 (Expressed in Thousands)

	Central Management Services			Children and Family Services		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes						
Sales taxes						
Public utility taxes						
Federal government	\$ 18,000	\$ 12,145	\$ (5,855)	\$ 288,796	\$ 367,545	\$ 78,749
Other	653,797	697,973	44,176	--	5,838	5,838
Less:						
Refunds						
Total revenues	671,797	710,118	38,321	288,796	373,383	84,587
EXPENDITURES:						
Current:						
Health and social services				363,655	350,496	(13,159)
Education						
General government	666,110	577,981	(88,129)			
Transportation						
Public protection and justice						
Natural resources and recreation						
Capital outlays	119	119	--	103	103	--
Total expenditures	666,229	578,100	(88,129)	363,758	350,599	(13,159)
Excess (deficiency) of revenues over (under) expenditures	5,568	132,018	126,450	(74,962)	22,784	97,746
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues						
Operating transfers-in				--	7	7
Operating transfers-out	(7)	(7)	--	(16,100)	(16,100)	--
Budgetary funds-nonbudgeted accounts	(83,513)	(83,513)	--			
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts	(77,952)	48,498	126,450	(91,062)	6,691	97,753
Budgetary fund balances (deficits), July 1, 1995	(123,944)	(123,944)	--	(17,674)	(17,674)	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (201,896)	\$ (75,446)	\$ 126,450	\$ (108,736)	\$ (10,983)	\$ 97,753

Commerce and Community Affairs			Natural Resources			Public Aid		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 9,715	\$ 9,716	1	\$ 6,360	\$ 5,188	\$ (1,172)	\$ 713,196	\$ 818,489	\$ 105,293
			30,297	28,826	(1,471)	738,558	854,259	115,701
			750	642	(108)	11,000	--	(11,000)
9,715	9,716	1	35,907	33,372	(2,535)	1,440,754	1,672,748	231,994
						1,798,323	1,583,762	(214,561)
24,508	23,990	(518)						
			35,884	33,964	(1,920)			
58	56	(2)	9,523	9,499	(24)			
24,566	24,046	(520)	45,407	43,463	(1,944)	1,798,323	1,583,762	(214,561)
(14,851)	(14,330)	521	(9,500)	(10,091)	(591)	(357,569)	88,986	446,555
						300,000	300,000	--
51,471	53,048	1,577	20,000	20,024	24	66,380	67,825	1,445
(36,953)	(36,936)	17	(13,500)	(11,500)	2,000	(332,068)	(355,048)	(22,980)
(333)	1,782	2,115	(3,000)	(1,567)	1,433	(323,257)	101,763	425,020
19,867	19,867	--	30,181	30,181	--	(132,083)	(132,083)	--
\$ 19,534	\$ 21,649	\$ 2,115	\$ 27,181	\$ 28,614	\$ 1,433	\$ (455,340)	\$ (30,320)	\$ 425,020

(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, 1996 (Expressed in Thousands)

(continued)

	Revenue			Transportation		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes	\$ 1,384,909	\$ 1,384,909	\$ --			
Sales taxes	451,632	458,330	6,698			
Public utility taxes	212,144	212,144	--			
Federal government						
Other	419,371	436,947	17,576			
Less:						
Refunds	778,170	778,130	(40)			
Total revenues	1,689,886	1,714,200	24,314			
EXPENDITURES:						
Current:						
Health and social services						
Education						
General government	1,774,545	1,774,137	(408)			
Transportation				\$ 197,860	\$ 183,912	\$ (13,948)
Public protection and justice						
Natural resources and recreation						
Capital outlays	327	326	(1)			
Total expenditures	1,774,872	1,774,463	(409)	197,860	183,912	(13,948)
Excess (deficiency) of revenues over (under) expenditures	(84,986)	(60,263)	24,723	(197,860)	(183,912)	13,948
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues						
Operating transfers-in	782,907	783,812	905	196,100	188,911	(7,189)
Operating transfers-out	(711,041)	(711,801)	(760)	(2,114)	(2,822)	(708)
Budgetary funds-nonbudgeted accounts						
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts						
	(13,120)	11,748	24,868	(3,874)	2,177	6,051
Budgetary fund balances (deficits), July 1, 1995	202,316	202,316	--	8,024	8,024	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ 189,196	\$ 214,064	\$ 24,868	\$ 4,150	\$ 10,201	\$ 6,051

Other Code Departments			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 1,384,909	\$ 1,384,909	\$ --
			451,632	458,330	6,698
			212,144	212,144	--
\$ 67,072	\$ 50,163	\$ (16,909)	1,093,424	1,253,530	160,106
1,087,939	1,055,206	(32,733)	2,939,677	3,088,765	149,088
151	111	(40)	790,071	778,883	(11,188)
1,154,860	1,105,258	(49,602)	5,291,715	5,618,795	327,080
91,185	86,259	(4,926)	2,253,163	2,020,517	(232,646)
38,631	38,631	--	38,631	38,631	--
470,887	326,440	(144,447)	2,936,050	2,702,548	(233,502)
			197,860	183,912	(13,948)
51,008	30,086	(20,922)	51,008	30,086	(20,922)
32,512	32,512	--	68,396	66,476	(1,920)
1,829	1,780	(49)	11,959	11,883	(76)
686,052	515,708	(170,344)	5,557,067	5,054,053	(503,014)
468,808	589,550	120,742	(265,352)	564,742	830,094
			300,000	300,000	--
14,500	14,324	(176)	1,131,358	1,127,951	(3,407)
(586,236)	(595,503)	(9,267)	(1,698,019)	(1,729,717)	(31,698)
			(83,513)	(83,513)	--
(102,928)	8,371	111,299	(615,526)	179,463	794,989
23,761	23,761	--	10,448	10,448	--
\$ (79,167)	\$ 32,132	\$ 111,299	\$ (605,078)	\$ 189,911	\$ 794,989

**Combining Schedule of Revenues, Expenditures, Other Uses of Financial Resources
and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
Special State Funds - Department of Central Management Services**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	State Employees Deferred Compensation Plan			Health Insurance Reserve		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government				\$ 18,000	\$ 12,145	\$ (5,855)
Other	\$ 84,649	\$ 84,757	\$ 108	569,148	613,216	44,068
Total revenues	84,649	84,757	108	587,148	625,361	38,213
EXPENDITURES:						
Current:						
General government	1,751	1,299	(452)	664,359	576,682	(87,677)
Capital outlays	24	24	--	95	95	--
Total expenditures	1,775	1,323	(452)	664,454	576,777	(87,677)
Excess (deficiency) of revenues over (under) expenditures	82,874	83,434	560	(77,306)	48,584	125,890
OTHER (USES) OF FINANCIAL RESOURCES:						
Operating transfers-out	(7)	(7)	--			
Budgetary funds-nonbudgeted accounts	(83,513)	(83,513)	--			
Excess (deficiency) of revenues over (under) expenditures, other (uses) of financial resources and budgetary funds-nonbudgeted accounts	(646)	(86)	560	(77,306)	48,584	125,890
Budgetary fund balances (deficits), July 1, 1995	1,065	1,065	--	(125,009)	(125,009)	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ 419	\$ 979	\$ 560	\$ (202,315)	\$ (76,425)	\$ 125,890

Total		
Budget	Actual	Variance Over (Under)
\$ 18,000	\$ 12,145	\$ (5,855)
653,797	697,973	44,176
671,797	710,118	38,321
666,110	577,981	(88,129)
119	119	--
666,229	578,100	(88,129)
5,568	132,018	126,450
(7)	(7)	--
(83,513)	(83,513)	--
(77,952)	48,498	126,450
(123,944)	(123,944)	--
\$ (201,896)	\$ (75,446)	\$ 126,450

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 Children and Family Services

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Child Care and Development			DCFS Children's Services		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 41,334	\$ 38,218	\$ (3,116)	\$ 247,462	\$ 329,327	\$ 81,865
Other					5,838	5,838
Total revenues	41,334	38,218	(3,116)	247,462	335,165	87,703
EXPENDITURES:						
Current:						
Health and social services	42,211	35,529	(6,682)	321,444	314,967	(6,477)
Capital outlays	6	6	--	97	97	--
Total expenditures	42,217	35,535	(6,682)	321,541	315,064	(6,477)
Excess (deficiency) of revenues over (under) expenditures	(883)	2,683	3,566	(74,079)	20,101	94,180
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	--	2	2	--	5	5
Operating transfers-out				(16,100)	(16,100)	--
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(883)	2,685	3,568	(90,179)	4,006	94,185
Budgetary fund (deficits), July 1, 1995	(9,844)	(9,844)	--	(7,830)	(7,830)	--
BUDGETARY FUND (DEFICITS), JUNE 30, 1996	\$ (10,727)	\$ (7,159)	\$ 3,568	\$ (98,009)	\$ (3,824)	\$ 94,185

Total		
Final Budget	Actual	Variance Over (Under)
\$ 288,796	\$ 367,545	\$ 78,749
---	5,838	5,838
<u>288,796</u>	<u>373,383</u>	<u>84,587</u>
363,655	350,496	(13,159)
103	103	---
<u>363,758</u>	<u>350,599</u>	<u>(13,159)</u>
(74,962)	22,784	97,746
---	7	7
<u>(16,100)</u>	<u>(16,100)</u>	<u>---</u>
(91,062)	6,691	97,753
<u>(17,674)</u>	<u>(17,674)</u>	<u>---</u>
<u>\$ (108,736)</u>	<u>\$ (10,983)</u>	<u>\$ 97,753</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) Special State Funds - Department of Commerce and Community Affairs

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Metropolitan Exposition Auditorium and Office Building			Tourism Promotion		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Other	\$ 9,715	\$ 9,715	\$ --	\$ --	\$ 1	\$ 1
Total revenues	9,715	9,715	--	--	1	1
EXPENDITURES:						
Current						
General government				24,508	23,990	(518)
Capital outlays				58	56	(2)
Total expenditures				24,566	24,046	(520)
Excess (deficiency) of revenues over (under) expenditures	9,715	9,715	--	(24,566)	(24,045)	521
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	28,221	28,221	--	23,250	24,827	1,577
Operating transfers-out	(36,936)	(36,936)	--	(17)	--	17
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	1,000	1,000	--	(1,333)	782	2,115
Budgetary fund balances, July 1, 1995	17,624	17,624	--	2,243	2,243	--
BUDGETARY FUND BALANCES, JUNE 30, 1996	\$ 18,624	\$ 18,624	\$ --	\$ 910	\$ 3,025	\$ 2,115

Total		
Final Budget	Actual	Variance Over (Under)
\$ 9,715	\$ 9,716	\$ 1
9,715	9,716	1
24,508	23,990	(518)
58	56	(2)
24,566	24,046	(520)
(14,851)	(14,330)	521
51,471	53,048	1,577
(36,953)	(36,936)	17
(333)	1,782	2,115
19,867	19,867	--
\$ 19,534	\$ 21,649	\$ 2,115

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, 1996 (Expressed in Thousands)

	Wildlife and Fish			Park and Conservation		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 5,188	\$ 5,065	\$ (123)	\$ 1,172	\$ 123	\$ (1,049)
Other	24,297	22,506	(1,791)	6,000	6,320	320
Less:						
Refunds	750	642	(108)			
Total revenues	28,735	26,929	(1,806)	7,172	6,443	(729)
EXPENDITURES:						
Current:						
Natural resources and recreation	28,575	26,657	(1,918)	7,309	7,307	(2)
Capital outlays	1,921	1,897	(24)	7,602	7,602	--
Total expenditures	30,496	28,554	(1,942)	14,911	14,909	(2)
(Deficiency) of revenues (under) expenditures	(1,761)	(1,625)	136	(7,739)	(8,466)	(727)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	--	14	14	20,000	20,010	10
Operating transfers-out	(1,400)	(1,400)	--	(12,100)	(10,100)	2,000
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(3,161)	(3,011)	150	161	1,444	1,283
Budgetary fund balances, July 1, 1995	3,870	3,870	--	26,311	26,311	--
BUDGETARY FUND BALANCES, JUNE 30, 1996	\$ 709	\$ 859	150	\$ 26,472	\$ 27,755	1,283

Total		
Final Budget	Actual	Variance Over (Under)
\$ 6,360	\$ 5,188	\$ (1,172)
30,297	28,826	(1,471)
750	642	(108)
35,907	33,372	(2,535)
35,884	33,964	(1,920)
9,523	9,499	(24)
45,407	43,463	(1,944)
(9,500)	(10,091)	(591)
20,000	20,024	24
(13,500)	(11,500)	2,000
(3,000)	(1,567)	1,433
30,181	30,181	--
\$ 27,181	\$ 28,614	\$ 1,433

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 Public Aid

For the Year Ended June 30, 1996 (Expressed in Thousands)

	University of Illinois Hospital Services			County Hospital Services		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 68,370	\$ 96,677	\$ 28,307	\$ 192,975	\$ 359,807	\$ 166,832
Other	30,920	87,692	56,772	215,785	374,043	158,258
Less:						
Refunds				2,500	--	(2,500)
Total revenues	99,290	184,369	85,079	406,260	733,850	327,590
EXPENDITURES:						
Current:						
Health and social services	173,400	165,631	(7,769)	858,075	727,205	(130,870)
Total expenditures	173,400	165,631	(7,769)	858,075	727,205	(130,870)
Excess (deficiency) of revenues over (under) expenditures						
	(74,110)	18,738	92,848	(451,815)	6,645	458,460
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues						
Operating transfers-in	44,700	44,700	--			
Operating transfers-out	(32,020)	(55,000)	(22,980)			
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources						
	(61,430)	8,438	69,868	(451,815)	6,645	458,460
Budgetary fund balances (deficits), July 1, 1995	(4,116)	(4,116)	--	(33,908)	(33,908)	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (65,546)	\$ 4,322	\$ 69,868	\$ (485,723)	\$ (27,263)	\$ 458,460

Care Provider Fund 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)
\$ 14,607	\$ 14,472	\$ (135)	\$ 151,094	\$ 151,613	\$ 519	\$ 286,150	\$ 195,920	\$ (90,230)
14,663	15,877	1,214	169,700	172,164	2,464	307,490	204,483	(103,007)
500	--	(500)	500	--	(500)	7,500	--	(7,500)
28,770	30,349	1,579	320,294	323,777	3,483	586,140	400,403	(185,737)
29,273	29,098	(175)	320,815	320,000	(815)	395,017	320,575	(74,442)
29,273	29,098	(175)	320,815	320,000	(815)	395,017	320,575	(74,442)
(503)	1,251	1,754	(521)	3,777	4,298	191,123	79,828	(111,295)
			100,000	100,000	--	200,000	200,000	--
			--	176	176	--	449	449
(2)	(2)	--	(100,016)	(100,016)	--	(200,029)	(200,029)	--
(505)	1,249	1,754	(537)	3,937	4,474	191,094	80,248	(110,846)
1,135	1,135	--	1,752	1,752	--	(95,927)	(95,927)	--
\$ 630	\$ 2,384	\$ 1,754	\$ 1,215	\$ 5,689	\$ 4,474	\$ 95,167	\$ (15,679)	\$ (110,846)

(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 Public Aid

For the Year Ended June 30, 1996 (Expressed in Thousands)

(continued)

	Local Initiative			Total		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government				\$ 713,196	\$ 818,489	\$ 105,293
Other				738,558	854,259	115,701
Less:						
Refunds				11,000	--	(11,000)
Total revenues				1,440,754	1,672,748	231,994
EXPENDITURES:						
Current:						
Health and social services	\$ 21,743	\$ 21,253	\$ (490)	1,798,323	1,583,762	(214,561)
Total expenditures	21,743	21,253	(490)	1,798,323	1,583,762	(214,561)
Excess (deficiency) of revenues over (under) expenditures	(21,743)	(21,253)	490	(357,569)	88,986	446,555
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues				300,000	300,000	--
Operating transfers-in	21,680	22,500	820	66,380	67,825	1,445
Operating transfers-out	(1)	(1)	--	(332,068)	(355,048)	(22,980)
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(64)	1,246	1,310	(323,257)	101,763	425,020
Budgetary fund balances (deficits), July 1, 1995	(1,019)	(1,019)	--	(132,083)	(132,083)	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (1,083)	\$ 227	\$ 1,310	\$ (455,340)	\$ (30,320)	\$ 425,020

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State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Revenue

For the Year Ended June 30, 1996 (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				\$ 148,684	\$ 155,382	\$ 6,698
Public utility taxes						
Other	\$ 277,290	\$ 294,999	\$ 17,709			
Less:						
Refunds	45	5	(40)			
Total revenues	277,245	294,994	17,749	148,684	155,382	6,698
EXPENDITURES:						
Current:						
General government	93,211	93,081	(130)	30,118	30,118	--
Capital outlays	139	138	(1)			
Total expenditures	93,350	93,219	(131)	30,118	30,118	--
Excess (deficiency) of revenues over (under) expenditures	183,895	201,775	17,880	118,566	125,264	6,698
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	--	1	1			
Operating transfers-out	(205,009)	(205,009)	--	(118,567)	(119,327)	(760)
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(21,114)	(3,233)	17,881	(1)	5,937	5,938
Budgetary fund balances (deficits), July 1, 1995	33,133	33,133	--	15,776	15,776	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ 12,019	\$ 29,900	\$ 17,881	\$ 15,775	\$ 21,713	\$ 5,938

R.T.A. Occupation and Use Tax Replacement			Illinois Sports Facilities			Income Tax Refund		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
						\$ 775,329	\$ 775,329	\$ --
			\$ 18,000	\$ 18,000	--			
						778,125	778,125	--
			18,000	18,000	--	(2,796)	(2,796)	--
\$ 15,059	\$ 15,059	--	18,000	18,000	--			
15,059	15,059	--	18,000	18,000	--			
(15,059)	(15,059)	--	--	--	--	(2,796)	(2,796)	--
15,059	15,959	900				3,342	3,342	--
(1)	(1)	--				(30)	(30)	--
(1)	899	900	--	--	--	516	516	--
(648)	(648)	--	--	--	--	442	442	--
\$ (649)	\$ 251	\$ 900	\$ --	\$ --	\$ --	\$ 958	\$ 958	\$ --

(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, 1996 (Expressed in Thousands)

(continued)

	McCormick Place Expansion Project			Local Government Distributive		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Income taxes						
Sales taxes				\$ 20,366	\$ 20,366	\$ --
Public utility taxes						
Other	\$ 58,000	\$ 57,867	\$ (133)			
Less:						
Refunds						
Total revenues	58,000	57,867	(133)	20,366	20,366	--
EXPENDITURES:						
Current:						
General government	58,000	57,867	(133)	746,951	746,950	(1)
Capital outlays						
Total expenditures	58,000	57,867	(133)	746,951	746,950	(1)
Excess (deficiency) of revenues over (under) expenditures	--	--	--	(726,585)	(726,584)	1
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in				726,178	726,182	4
Operating transfers-out				(27)	(27)	--
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	--	--	--	(434)	(429)	5
Budgetary fund balances (deficits), July 1, 1995				(1,524)	(1,524)	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ --	\$ --	\$ --	\$ (1,958)	\$ (1,953)	5

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)
\$ 609,580	\$ 609,580	\$ --				\$ 1,384,909	\$ 1,384,909	\$ --
			\$ 282,582	\$ 282,582	\$ --	451,632	458,330	6,698
212,144	212,144	--				212,144	212,144	--
2,477	2,477	--	63,604	63,604	--	419,371	436,947	17,576
						778,170	778,130	(40)
824,201	824,201	--	346,186	346,186	--	1,689,886	1,714,200	24,314
813,206	813,062	(144)				1,774,545	1,774,137	(408)
188	188	--				327	326	(1)
813,394	813,250	(144)				1,774,872	1,774,463	(409)
10,807	10,951	144	346,186	346,186	--	(84,986)	(60,263)	24,723
525	525	--	37,803	37,803	--	782,907	783,812	905
(3,418)	(3,418)	--	(383,989)	(383,989)	--	(711,041)	(711,801)	(760)
7,914	8,058	144	--	--	--	(13,120)	11,748	24,868
155,137	155,137	--				202,316	202,316	--
\$ 163,051	\$ 163,195	\$ 144	\$ --	\$ --	\$ --	\$ 189,196	\$ 214,064	\$ 24,868

State of Illinois

**Combining Schedule of 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, 1996 (Expressed in Thousands)

	Public Transportation			Downstate Public Transportation		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
EXPENDITURES:						
Current:						
Transportation	\$ 175,000	\$ 166,148	\$ (8,852)	\$ 22,860	\$ 17,764	\$ (5,096)
Total expenditures	175,000	166,148	(8,852)	22,860	17,764	(5,096)
(Deficiency) of revenues (under) expenditures	(175,000)	(166,148)	8,852	(22,860)	(17,764)	5,096
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	174,100	166,151	(7,949)	22,000	22,760	760
Operating transfers-out	(5)	(5)	--	(2,109)	(2,817)	(708)
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(905)	(2)	903	(2,969)	2,179	5,148
Budgetary fund balances, July 1, 1995	28	28	--	7,996	7,996	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (877)	\$ 26	\$ 903	\$ 5,027	\$ 10,175	\$ 5,148

Total		
Final Budget	Actual	Variance Over (Under)
\$ 197,860	\$ 183,912	\$ (13,948)
197,860	183,912	(13,948)
(197,860)	(183,912)	13,948
196,100	188,911	(7,189)
(2,114)	(2,822)	(708)
(3,874)	2,177	6,051
8,024	8,024	--
\$ 4,150	\$ 10,201	\$ 6,051

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 - Other Code Departments

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Alcoholism and Substance Abuse			Agriculture		
	Alcoholism & Substance Abuse Block Grant			Agricultural Premium		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 58,700	\$ 49,436	\$ (9,264)			
Other	--	3	3	\$ 20,164	\$ 20,398	\$ 234
Less:						
Refunds				1	--	(1)
Total revenues	58,700	49,439	(9,261)	20,163	20,398	235
EXPENDITURES:						
Current:						
Health and social services	60,019	57,006	(3,013)			
Education				15,080	15,060	--
General government				9,190	9,108	(82)
Public protection and justice				5,833	5,794	(39)
Natural resources and recreation						
Capital outlays	289	287	(2)	313	311	(2)
Total expenditures	60,308	57,293	(3,015)	30,416	30,293	(123)
Excess (deficiency) of revenues over (under) expenditures	(1,608)	(7,854)	(6,246)	(10,253)	(9,895)	358
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in				9,900	9,724	(176)
Operating transfers-out				(56)	(56)	--
Excess (deficiency) of revenues over (under) expenditures, and other sources (uses) of financial resources	(1,608)	(7,854)	(6,246)	(409)	(227)	182
Budgetary fund balances (deficits), July 1, 1995	974	974	--	(2,747)	(2,747)	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (634)	\$ (6,880)	\$ (6,246)	\$ (3,156)	\$ (2,974)	182

Mental Health & Developmental Disabilities			Financial Institutions			Nuclear Safety		
Mental Health			State Pensions			By-Product Material Safety		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 30,652	\$ 27,509	\$ (3,143)	\$ 57,403	\$ 77,652	\$ 20,249	\$ 32,512	\$ 32,512	\$ --
100	80	(20)						
30,552	27,429	(3,123)	57,403	77,652	20,249	32,512	32,512	--
31,166	29,253	(1,913)						
			23,551	23,551	--			
			29,588	29,588	--			
			9,003	7,878	(1,125)			
						32,512	32,512	--
53	53	--	416	403	(13)			
31,219	29,306	(1,913)	62,558	61,420	(1,138)	32,512	32,512	--
(667)	(1,877)	(1,210)	(5,155)	16,232	21,387	--	--	--
(1,136)	(1,261)	(125)						
(1,803)	(3,138)	(1,335)	(5,155)	16,232	21,387	--	--	--
1,794	1,794	--	39,087	39,087	--			
\$ (9)	\$ (1,344)	\$ (1,335)	\$ 33,932	\$ 55,319	\$ 21,387	\$ --	\$ --	\$ --

(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 - Other Code Departments

For the Year Ended June 30, 1996 (Expressed in Thousands)

(continued)

	Lottery			State Police		
	State Lottery			State Police Services		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government				\$ 8,372	\$ 727	\$ (7,645)
Other	\$ 920,850	\$ 879,806	\$ (41,044)	26,358	17,326	(9,032)
Less:						
Refunds	50	31	(19)			
Total revenues	920,800	879,775	(41,025)	34,730	18,053	(16,677)
EXPENDITURES:						
Current:						
Health and social services						
Education						
General government	432,109	287,744	(144,365)			
Public protection and justice				36,172	16,414	(19,758)
Natural resources and recreation						
Capital outlays	438	406	(32)	320	320	--
Total expenditures	432,547	288,150	(144,397)	36,492	16,734	(19,758)
Excess (deficiency) of revenues over (under) expenditures	488,253	591,625	103,372	(1,762)	1,319	3,081
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	4,600	4,600	--			
Operating transfers-out	(585,044)	(594,186)	(9,142)			
Excess (deficiency) of revenues over (under) expenditures, and other sources (uses) of financial resources	(92,191)	2,039	94,230	(1,762)	1,319	3,081
Budgetary fund balances (deficits), July 1, 1995	(16,235)	(16,235)	--	888	888	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (108,426)	\$ (14,196)	\$ 94,230	\$ (874)	\$ 2,207	\$ 3,081

Total		
Final Budget	Actual	Variance Over (Under)
\$ 67,072	\$ 50,163	\$ (16,909)
1,087,939	1,055,206	(32,733)
151	111	(40)
1,154,860	1,105,258	(49,602)
91,185	86,259	(4,926)
38,631	38,631	--
470,887	326,440	(144,447)
51,008	30,086	(20,922)
32,512	32,512	--
1,829	1,780	(49)
686,052	515,708	(170,344)
468,808	589,550	120,742
14,500	14,324	(176)
(586,236)	(595,503)	(9,267)
(102,928)	8,371	111,299
23,761	23,761	--
\$ (79,167)	\$ 32,132	\$ 111,299

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 - Agencies, Boards and Commissions

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Environmental Protection Agency			State Board of Education		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Motor fuel taxes						
Public utility taxes						
Federal government	\$ 71,100	\$ 45,540	\$ (25,560)	\$ 120,000	\$ 62,345	\$ (57,655)
Other	85,001	39,152	(45,849)	16,480	17,299	819
Less:						
Refunds						
Total revenues	156,101	84,692	(71,409)	136,480	79,644	(56,836)
EXPENDITURES:						
Current:						
Education				136,469	83,477	(52,992)
General government	1,857	1,703	(154)			
Public protection and justice						
Natural resources and recreation	103,348	98,701	(4,647)			
Capital outlays	339	324	(15)	11	3	(8)
Total expenditures	105,544	100,728	(4,816)	136,480	83,480	(53,000)
Excess (deficiency) of revenues over (under) expenditures	50,557	(16,036)	(66,593)	--	(3,836)	(3,836)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	25,004	25,004	--			
Operating transfers-out	(1)	(1)	--			
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	75,560	8,967	(66,593)	--	(3,836)	(3,836)
Budgetary fund balances (deficits), July 1, 1995	64,828	64,828	--	(15,376)	(15,376)	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ 140,388	\$ 73,795	\$ (66,593)	\$ (15,376)	\$ (19,212)	\$ (3,836)

State Fire Marshal			Other Agencies, Boards, and Commissions			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 18,664	\$ 30,348	\$ 11,684	\$ 14,579	\$ 15,473	\$ 894	\$ 18,664	\$ 30,348	\$ 11,684
			194	200	6	14,579	15,473	894
15,734	16,674	940	38,402	42,550	4,148	191,294	108,085	(83,209)
						155,617	115,675	(39,942)
126	123	(3)	7	7	--	133	130	(3)
34,272	46,899	12,627	53,168	58,216	5,048	390,021	269,451	(110,570)
1,242	1,067	(175)				137,711	84,544	(53,167)
613	601	(12)	57,472	56,050	(1,422)	59,942	58,354	(1,588)
10,566	10,253	(313)	31,670	28,284	(3,386)	42,236	38,537	(3,699)
29,302	18,305	(10,997)	684	677	(7)	133,334	117,683	(15,651)
512	462	(50)	1,228	1,222	(6)	2,090	2,011	(79)
42,235	30,688	(11,547)	91,054	86,233	(4,821)	375,313	301,129	(74,184)
(7,963)	16,211	24,174	(37,886)	(28,017)	9,869	4,708	(31,678)	(36,386)
--	3	3	32,300	31,134	(1,166)	57,304	56,141	(1,163)
(9,624)	(9,465)	159	(77)	(27)	50	(9,702)	(9,493)	209
(17,587)	6,749	24,336	(5,663)	3,090	8,753	52,310	14,970	(37,340)
6,802	6,802	--	29,757	29,757	--	86,011	86,011	--
\$ (10,785)	\$ 13,551	\$ 24,336	\$ 24,094	\$ 32,847	\$ 8,753	\$ 138,321	\$ 100,981	\$ (37,340)

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 - Environmental Protection Agency

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Water Pollution Control Revolving			Vehicle Inspection		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 71,100	\$ 45,540	\$ (25,560)			
Other	37,000	39,152	2,152	\$ 48,001	\$ --	\$ (48,001)
Total revenues	108,100	84,692	(23,408)	48,001	--	(48,001)
EXPENDITURES:						
Current						
General government				1,857	1,703	(154)
Natural resources and recreation	79,936	79,307	(629)	23,412	19,394	(4,018)
Capital outlays	237	237	--	102	87	(15)
Total expenditures	80,173	79,544	(629)	25,371	21,184	(4,187)
Excess (deficiency) of revenues over (under) expenditures	27,927	5,148	(22,779)	22,630	(21,184)	(43,814)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in				25,004	25,004	--
Operating transfers-out				(1)	(1)	--
Excess of revenues over expenditures and other sources (uses) financial resources	27,927	5,148	(22,779)	47,633	3,819	(43,814)
Budgetary fund balances, July 1, 1995	62,591	62,591	--	2,237	2,237	--
BUDGETARY FUND BALANCES, JUNE 30, 1996	\$ 90,518	\$ 67,739	\$ (22,779)	\$ 49,870	\$ 6,056	\$ (43,814)

Total		
Final Budget	Actual	Variance Over (Under)
\$ 71,100	\$ 45,540	\$ (25,560)
85,001	39,152	(45,849)
156,101	84,692	(71,409)

1,857	1,703	(154)
103,348	98,701	(4,647)
339	324	(15)
105,544	100,728	(4,816)

50,557	(16,036)	(66,593)
25,004	25,004	--
(1)	(1)	--

75,560	8,967	(66,593)
64,828	64,828	--
\$ 140,388	\$ 73,795	\$ (66,593)

State of Illinois

**Combining Schedule of Revenues, Expenditures and Changes
in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
Special State Funds - State Board of Education**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Drivers Education			Special Education Medicaid Matching		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government				\$ 120,000	\$ 62,345	\$ (57,655)
Other	\$ 16,480	\$ 17,299	\$ 819			
Total revenues	16,480	17,299	819	120,000	62,345	(57,655)
EXPENDITURES:						
Current:						
Education	16,469	16,350	(119)	120,000	67,127	(52,873)
Capital outlays	11	3	(8)			
Total expenditures	16,480	16,353	(127)	120,000	67,127	(52,873)
Excess (deficiency) of revenues over (under) expenditures	--	946	946	--	(4,782)	(4,782)
Budgetary fund (deficits), July 1, 1995	(1,581)	(1,581)	--	(13,795)	(13,795)	--
BUDGETARY FUND (DEFICITS), JUNE 30, 1996	\$ (1,581)	\$ (635)	\$ 946	\$ (13,795)	\$ (18,577)	\$ (4,782)

Total		
Final Budget	Actual	Variance Over (Under)
\$ 120,000	\$ 62,345	\$ (57,655)
16,480	17,299	819
136,480	79,644	(56,836)
136,469	83,477	(52,992)
11	3	(8)
136,480	83,480	(53,000)
--	(3,836)	(3,836)
(15,376)	(15,376)	--
\$ (15,376)	\$ (19,212)	\$ (3,836)

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 - Office of the State Fire Marshal

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Fire Prevention			Underground Storage Tank		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Motor fuel taxes				\$ 18,664	\$ 30,348	\$ 11,684
Other	\$ 15,450	\$ 16,221	\$ 771	284	453	169
Less:						
Refunds	4	4	--	122	119	(3)
Total revenues	15,446	16,217	771	18,826	30,682	11,856
EXPENDITURES:						
Current:						
Education	1,242	1,067	(175)			
General government	65	65	--	548	536	(12)
Public protection and justice	8,951	8,726	(225)	1,615	1,527	(88)
Natural resources and recreation				29,302	18,305	(10,997)
Capital outlays	357	352	(5)	155	110	(45)
Total expenditures	10,615	10,210	(405)	31,620	20,478	(11,142)
Excess (deficiency) of revenues over (under) expenditures	4,831	6,007	1,176	(12,794)	10,204	22,998
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in				--	3	3
Operating transfers-out	(220)	(220)	--	(9,404)	(9,245)	159
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	4,611	5,787	1,176	(22,198)	962	23,160
Budgetary fund balances, July 1, 1995	2,910	2,910	--	3,892	3,892	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ 7,521	\$ 8,697	\$ 1,176	\$ (18,306)	\$ 4,854	\$ 23,160

Total		
Final Budget	Actual	Variance Over (Under)
\$ 18,664	\$ 30,348	\$ 11,684
15,734	16,674	940
126	123	(3)
34,272	46,899	12,627
1,242	1,067	(175)
613	601	(12)
10,566	10,253	(313)
29,302	18,305	(10,997)
512	462	(50)
42,235	30,688	(11,547)
(7,963)	16,211	24,174
--	3	3
(9,624)	(9,465)	159
(17,587)	6,749	24,336
6,802	6,802	--
\$ (10,785)	\$ 13,551	\$ 24,336

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 - Other Agencies, Boards and Commissions

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Commerce Commission			Housing Development Authority		
	Public Utility Fund			Illinois Affordable Housing		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Public utility taxes	\$ 14,579	\$ 15,473	\$ 894			
Federal government	194	200	6			
Other	374	395	21	\$ 20,520	\$ 25,244	\$ 4,724
Less:						
Refunds	4	4	--			
Total revenues	15,143	16,064	921	20,520	25,244	4,724
EXPENDITURES:						
Current:						
General government				24,795	24,789	(6)
Public protection and justice	14,895	13,961	(934)			
Natural resources and recreation	684	677	(7)			
Capital outlays	742	740	(2)			
Total expenditures	16,321	15,378	(943)	24,795	24,789	(6)
Excess (deficiency) of revenues over (under) expenditures	(1,178)	686	1,864	(4,275)	455	4,730
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in						
Operating transfers-out	(26)	(26)	--	(1)	(1)	--
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(1,204)	660	1,864	(4,276)	454	4,730
Budgetary fund balances, July 1, 1995	1,101	1,101	--	24,891	24,891	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (103)	\$ 1,761	\$ 1,864	\$ 20,615	\$ 25,345	\$ 4,730

Commissioner of Banks & Trust Companies			Metropolitan Pier and Exposition Authority			Total		
Bank and Trust Company			Metropolitan Fair and Exposition Authority Improvement Bond					
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
						\$ 14,578	\$ 15,473	\$ 894
						194	200	6
\$ 17,508	\$ 16,911	\$ (597)				38,402	42,550	4,148
3	3	--				7	7	--
17,505	16,908	(597)				53,168	58,216	5,048
377	137	(240)	\$ 32,300	\$ 31,124	\$ (1,176)	57,472	56,050	(1,422)
16,775	14,323	(2,452)				31,670	28,284	(3,386)
						684	677	(7)
486	482	(4)				1,228	1,222	(6)
17,638	14,942	(2,696)	32,300	31,124	(1,176)	91,054	86,233	(4,821)
(133)	1,966	2,099	(32,300)	(31,124)	1,176	(37,886)	(28,017)	9,869
--	10	10	32,300	31,124	(1,176)	32,300	31,134	(1,166)
(50)	--	50				(77)	(27)	50
(183)	1,976	2,159	--	--	--	(5,663)	3,090	8,753
3,765	3,765	--				29,757	29,757	--
\$ 3,582	\$ 5,741	\$ 2,159	\$ --	\$ --	\$ --	\$ 24,094	\$ 32,847	\$ 8,753

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, 1996 (Expressed in Thousands)

	Commerce and Community Affairs			Transportation		
	Build Illinois Bond			Final Budget	Actual	Variance Over (Under)
	Final Budget	Actual	Variance Over (Under)			
REVENUES:						
Other						
Total revenues						
EXPENDITURES:						
Current:						
Education	\$ 992	\$ 865	\$ (127)			
General government	9,549	9,303	(246)			
Transportation	2,072	2,022	(50)	\$ 185,000	\$ 180,096	\$ (4,904)
Natural resources and recreation	30,732	30,368	(364)			
Capital outlays	43,164	40,306	(2,858)			
Total expenditures	86,509	82,864	(3,645)	185,000	180,096	(4,904)
(Deficiency) of revenues (under) expenditures	(86,509)	(82,864)	3,645	(185,000)	(180,096)	4,904
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues	100,000	79,200	(20,800)	207,500	212,484	4,984
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	13,491	(3,664)	(17,155)	22,500	32,388	9,888
Budgetary fund balances (deficit), July 1, 1995	48,154	48,154	--	32,369	32,369	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ 61,645	\$ 44,490	\$ (17,155)	\$ 54,869	\$ 64,757	\$ 9,888

Capital Development Board								
Capital Development Bond			Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ --	\$ 1	\$ 1	\$ --	\$ 9	\$ 9	\$ --	\$ 10	\$ 10
--	1	1	--	9	9	--	10	10
44,118	42,139	(1,979)	65	65	--	45,175	43,069	(2,106)
4,351	3,988	(363)	12,897	9,503	(3,394)	26,797	22,794	(4,003)
218	218	--				187,290	182,336	(4,954)
19,288	19,288	--	7,483	7,483	--	57,503	57,139	(364)
276,452	273,152	(3,300)	5,209	5,209	--	324,825	318,667	(6,158)
344,427	338,785	(5,642)	25,654	22,260	(3,394)	641,590	624,005	(17,585)
(344,427)	(338,784)	5,643	(25,654)	(22,251)	3,403	(641,590)	(623,995)	17,595
466,500	415,682	(50,818)	26,000	21,578	(4,422)	800,000	728,944	(71,056)
122,073	76,898	(45,175)	346	(673)	(1,019)	158,410	104,949	(53,461)
(578)	(578)	--	11,988	11,988	--	91,933	91,933	--
\$ 121,495	\$ 76,320	\$ (45,175)	\$ 12,334	\$ 11,315	\$ (1,019)	\$ 250,343	\$ 196,882	\$ (53,461)

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, 1996 (Expressed in Thousands)

	Transportation Bond Series "A"			Transportation Bond Series "B"		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
EXPENDITURES:						
Current:						
Transportation	\$ 88,581	\$ 88,577	\$ (4)	\$ 96,419	\$ 91,519	\$ (4,900)
Total expenditures	88,581	88,577	(4)	96,419	91,519	(4,900)
(Deficiency) of revenues (under) expenditures	(88,581)	(88,577)	4	(96,419)	(91,519)	4,900
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general obligation bond issues	110,500	101,390	(9,110)	97,000	111,094	14,094
Operating transfers-out						--
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	21,919	12,813	(9,106)	581	19,575	18,994
Budgetary fund balances, July 1, 1995	33,985	33,985	--	(1,616)	(1,616)	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ 55,904	\$ 46,798	\$ (9,106)	\$ (1,035)	\$ 17,959	\$ 18,994

Total		
Final Budget	Actual	Variance Over (Under)

\$ 185,000	\$ 180,096	\$ (4,904)
185,000	180,096	(4,904)

(185,000)	(180,096)	4,904
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207,500	212,484	4,984
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22,500	32,388	9,888
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32,369	32,369	--
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\$ 54,869	\$ 64,757	\$ 9,888
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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) Debt Service Funds

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Build Illinois Bond, Retirement and Interest			General Obligations Bond, Retirement and Interest		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government				\$ 240	\$ 338	\$ 98
Other	\$ 40	\$ 137	\$ 97	8,996	29,238	20,242
Total revenues	40	137	97	9,236	29,576	20,340
EXPENDITURES:						
Debt service:						
Principal	197,845	193,525	(4,320)	1,198,215	1,198,215	--
Interest				258,061	258,061	--
Total expenditures	197,845	193,525	(4,320)	1,456,276	1,456,276	--
Excess (deficiency) of revenues over (under) expenditures	(197,805)	(193,388)	4,417	(1,447,040)	(1,426,700)	20,340
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Proceeds from general and special obligation bond issues				318,040	318,040	--
Operating transfers-in	197,801	193,480	(4,321)	1,167,888	1,181,559	13,671
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(4)	92	96	38,888	72,899	34,011
Budgetary fund balances, July 1, 1995	1,223	1,223	--	292,779	292,779	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ 1,219	\$ 1,315	\$ 96	\$ 331,667	\$ 365,678	\$ 34,011

Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 50	\$ 467	\$ 417	\$ 240	\$ 338	\$ 98
50	467	417	9,086	29,842	20,756
14,926	13,642	(1,284)	1,410,986	1,405,382	(5,604)
14,926	13,642	(1,284)	258,061	258,061	--
(14,876)	(13,175)	1,701	1,669,047	1,663,443	(5,604)
			318,040	318,040	--
14,586	14,586	--	1,380,275	1,389,625	9,350
(290)	1,411	1,701	38,594	74,402	35,808
7,886	7,886	--	301,888	301,888	--
\$ 7,596	\$ 9,297	\$ 1,701	\$ 340,482	\$ 376,290	\$ 35,808

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

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Code Departments			Agencies, Boards & Commissions		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 1,136,069	\$ 1,012,131	\$ (123,938)	\$ 1,054,803	\$ 907,657	\$ (147,146)
Other	80,501	98,818	18,317	14	142	128
Less:						
Refunds	2,301	337	(1,964)			
Total revenues	1,214,269	1,110,612	(103,657)	1,054,817	907,799	(147,018)
EXPENDITURES:						
Current:						
Health and social services	757,702	524,143	(233,559)			
Education				969,019	839,280	(129,739)
General government	547,048	273,386	(273,662)			
Transportation	139,769	139,769	--			
Social assistance	185,291	142,654	(42,637)			
Public protection and justice				87,734	49,487	(38,247)
Natural resources and recreation				42,020	28,140	(13,880)
Capital outlays	9,730	6,292	(3,438)	2,174	1,387	(787)
Total expenditures	1,639,540	1,086,244	(553,296)	1,100,947	918,294	(182,653)
Excess (deficiency) of revenues over (under) expenditures	(425,271)	24,368	449,639	(46,130)	(10,495)	35,635
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	31,937	31,937	--			
Operating transfers-out	(4,005)	(491)	3,514			
Budgetary funds-nonbudgeted accounts	(28,951)	(28,951)	--	(1,908)	(1,908)	--
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts	(426,290)	26,863	453,153	(48,038)	(12,403)	35,635
Budgetary fund balances (deficits), July 1, 1995	(88,145)	(88,145)	--	(89,983)	(89,983)	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (514,435)	\$ (61,282)	\$ 453,153	\$ (138,021)	\$ (102,386)	\$ 35,635

Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 200,619	\$ 134,357	\$ (66,262)	\$ 2,391,491	\$ 2,054,145	\$ (337,346)
14,188	23,105	8,917	94,703	122,065	27,362
610	--	(610)	2,911	337	(2,574)
214,197	157,462	(56,735)	2,483,283	2,175,873	(307,410)
46,137	30,141	(15,996)	803,839	554,284	(249,555)
38,230	19,664	(18,566)	1,007,249	858,944	(148,305)
61,415	35,162	(26,253)	608,463	308,548	(299,915)
10,983	10,983	--	150,752	150,752	--
36,768	17,447	(19,321)	222,059	160,101	(61,958)
32,363	24,353	(8,010)	120,097	73,840	(46,257)
15,438	12,970	(2,468)	57,458	41,110	(16,348)
4,818	4,622	(196)	16,722	12,301	(4,421)
246,152	155,342	(90,810)	2,986,639	2,159,880	(826,759)
(31,955)	2,120	34,075	(503,356)	15,993	519,349
8,443	5,774	(2,669)	40,380	37,711	(2,669)
(9,534)	(5,283)	4,251	(13,539)	(5,774)	7,765
(1,749)	(1,749)	--	(32,608)	(32,608)	--
(34,795)	862	35,657	(509,123)	15,322	524,445
28,557	28,557	--	(149,571)	(149,571)	--
\$ (6,238)	\$ 29,419	\$ 35,657	\$ (658,694)	\$ (134,249)	\$ 524,445

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust - Code Departments

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Children and Family Services			Commerce and Community Affairs		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 40,073	\$ 38,379	\$ (1,694)	\$ 395,650	\$ 292,041	\$ (103,609)
Other				--	255	255
Less:						
Refunds				1,720	82	(1,638)
Total revenues	40,073	38,379	(1,694)	393,930	292,214	(101,716)
EXPENDITURES:						
Current:						
Health and social services	41,642	36,798	(4,844)			
General government				546,829	273,174	(273,655)
Transportation						
Social assistance						
Capital outlays	106	101	(5)	89	31	(58)
Total expenditures	41,748	36,899	(4,849)	546,918	273,205	(273,713)
Excess (deficiency) of revenues over (under) expenditures	(1,675)	1,480	3,155	(152,988)	19,009	171,997
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in						
Operating transfers-out				(4,005)	(491)	3,514
Budgetary funds-nonbudgeted accounts	(250)	(250)	--			
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts	(1,925)	1,230	3,155	(156,993)	18,518	175,511
Budgetary fund (deficits), July 1, 1995	(3,563)	(3,563)	--	(54,494)	(54,494)	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (5,488)	\$ (2,333)	\$ 3,155	\$ (211,487)	\$ (35,976)	\$ 175,511

Public Health			Rehabilitation Services			Other Code Departments		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 202,573	\$ 211,258	\$ 8,685	\$ 139,450	\$ 141,691	\$ 2,241	\$ 358,323	\$ 328,762	\$ (29,561)
59,227	45,051	(14,176)	1,325	911	(414)	19,949	52,601	32,652
199	179	(20)	5	--	(5)	377	76	(301)
261,601	256,130	(5,471)	140,770	142,602	1,832	377,895	381,287	3,392
326,017	263,478	(62,539)	166,719	134,167	(32,552)	223,324	89,700	(133,624)
						219	212	(7)
						139,769	139,769	--
						185,291	142,654	(42,637)
3,088	1,865	(1,223)	3,990	2,151	(1,839)	2,457	2,144	(313)
329,105	265,343	(63,762)	170,709	136,318	(34,391)	551,060	374,479	(176,581)
(67,504)	(9,213)	58,291	(29,939)	6,284	36,223	(173,165)	6,808	179,973
						31,937	31,937	--
			(465)	(465)	--	(28,236)	(28,236)	--
(67,504)	(9,213)	58,291	(30,404)	5,819	36,223	(169,464)	10,509	179,973
(18,107)	(18,107)	--	(4,373)	(4,373)	--	(7,608)	(7,608)	--
\$ (85,611)	\$ (27,320)	\$ 58,291	\$ (34,777)	\$ 1,446	\$ 36,223	\$ (177,072)	\$ 2,901	\$ 179,973

(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 - Code Departments

For the Year Ended June 30, 1996 (Expressed in Thousands)

(continued)

	Total		
	Final Budget	Actual	Variance Over (Under)
REVENUES:			
Federal government	\$ 1,136,069	\$ 1,012,131	\$ (123,938)
Other	80,501	98,818	18,317
Less:			
Refunds	2,301	337	(1,964)
Total revenues	1,214,269	1,110,612	(103,657)
EXPENDITURES:			
Current:			
Health and social services	757,702	524,143	(233,559)
General government	547,048	273,386	(273,662)
Transportation	139,769	139,769	--
Social assistance	185,291	142,654	(42,637)
Capital outlays	9,730	6,292	(3,438)
Total expenditures	1,639,540	1,086,244	(553,296)
Excess (deficiency) of revenues over (under) expenditures	(425,271)	24,368	449,639
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:			
Operating transfers-in	31,937	31,937	--
Operating transfers-out	(4,005)	(491)	3,514
Budgetary funds-nonbudgeted accounts	(28,951)	(28,951)	--
Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts	(426,290)	26,863	453,153
Budgetary fund (deficits), July 1, 1995	(88,145)	(88,145)	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (514,435)	\$ (61,282)	\$ 453,153

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**Combining Schedule of Revenues, Expenditures and Changes
in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
Federal Trust - Department of Children and Family Services**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Federal Projects			Local Effort Day Care		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 18,873	\$ 18,279	\$ (2,594)	\$ 21,200	\$ 22,100	\$ 900
Total revenues	18,873	16,279	(2,594)	21,200	22,100	900
EXPENDITURES:						
Current:						
Health and social services	20,442	15,608	(4,834)	21,200	21,190	(10)
Capital outlays	106	101	(5)			
Total expenditures	20,548	15,709	(4,839)	21,200	21,190	(10)
Excess (deficiency) of revenues over (under) expenditures	(1,675)	570	2,245	--	910	910
Budgetary funds-nonbudgeted accounts	(250)	(250)	--			
Excess (deficiency) of revenues over (under) expenditures and budgetary funds-nonbudgeted accounts	(1,925)	320	2,245	--	910	910
Budgetary fund (deficits), July 1, 1995	(2,592)	(2,592)	--	(971)	(971)	--
BUDGETARY FUND (DEFICITS), JUNE 30, 1996	\$ (4,517)	\$ (2,272)	2,245	\$ (971)	\$ (61)	910

Total		
Final Budget	Actual	Variance Over (Under)
\$ 40,073	\$ 38,379	\$ (1,694)
40,073	38,379	(1,694)
41,642	36,798	(4,844)
106	101	(5)
41,748	36,899	(4,849)
(1,675)	1,480	3,155
(250)	(250)	--
(1,925)	1,230	3,155
(3,563)	(3,563)	--
\$ (5,488)	\$ (2,333)	\$ 3,155

**Combining Schedule of Revenues, Expenditures, Other Uses of Financial Resources
and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
Federal Trust - Department of Commerce and Community Affairs**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Low Income Home Energy Assistance Block Grant			Community Services Block Grant		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 93,450	\$ 79,906	\$ (13,544)	\$ 22,400	\$ 19,697	\$ (2,703)
Other						
Less:						
Refunds	600	3	(597)	170	--	(170)
Total revenues	92,850	79,903	(12,947)	22,230	19,697	(2,533)
EXPENDITURES:						
General government	121,894	80,770	(41,124)	25,557	17,930	(7,627)
Capital outlays	20	2	(18)	6	5	(1)
Total expenditures	121,914	80,772	(41,142)	25,563	17,935	(7,628)
Excess (deficiency) of revenues over (under)						
expenditures	(29,064)	(869)	28,195	(3,333)	1,762	5,095
OTHER (USES) OF FINANCIAL RESOURCES:						
Operating transfers-out	(1,469)	--	1,469	(256)	(7)	249
Excess (deficiency) of revenues over (under)						
expenditures and other (uses) of financial	(30,533)	(869)	29,664	(3,589)	1,755	5,344
resources						
Budgetary fund (deficits), July 1, 1995	(1,541)	(1,541)	--	(3,027)	(3,027)	--
BUDGETARY FUND (DEFICITS), JUNE 30, 1996	\$ (32,074)	\$ (2,410)	\$ 29,664	\$ (6,616)	\$ (1,272)	\$ 5,344

Community Development/ Small Cities Block Grant			Job Training Partnership			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 71,650	\$ 58,557	\$ (13,093)	\$ 208,150	\$ 133,881	\$ (74,269)	\$ 395,650	\$ 292,041	\$ (103,609)
--	212	212	--	43	43	--	255	255
300	21	(279)	650	58	(592)	1,720	82	(1,638)
71,350	58,748	(12,602)	207,500	133,866	(73,634)	393,930	292,214	(101,716)
163,039	55,819	(107,220)	236,339	118,655	(117,684)	546,829	273,174	(273,655)
17	13	(4)	46	11	(35)	89	31	(58)
163,056	55,832	(107,224)	236,385	118,666	(117,719)	546,918	273,205	(273,713)
(91,706)	2,916	94,622	(28,885)	15,200	44,085	(152,988)	19,009	171,997
(530)	(12)	518	(1,750)	(472)	1,278	(4,005)	(491)	3,514
(92,236)	2,904	95,140	(30,635)	14,728	45,363	(156,993)	18,518	175,511
(13,405)	(13,405)	--	(36,521)	(36,521)	--	(54,494)	(54,494)	--
\$ (105,641)	\$ (10,501)	\$ 95,140	\$ (67,156)	\$ (21,793)	\$ 45,363	\$ (211,487)	\$ (35,976)	\$ 175,511

**Combining Schedule of Revenues, Expenditures and Changes in
Budgetary Fund Balances - Budget and Actual (Non-GAAP)
Federal Trust - Department of Public Health**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Public Health Services			U.S.D.A. Women and Infant Care		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 44,940	\$ 45,187	\$ 247	\$ 130,933	\$ 140,609	\$ 9,676
Other	8,560	200	(8,360)	50,667	44,851	(5,816)
Less:						
Refunds	10	--	(10)	179	179	--
Total revenues	53,490	45,387	(8,103)	181,421	185,281	3,860
EXPENDITURES:						
Current:						
Health and social services	67,165	49,920	(17,245)	211,430	183,549	(27,881)
Capital outlays	2,542	1,340	(1,202)	499	478	(21)
Total expenditures	69,707	51,260	(18,447)	211,929	184,027	(27,902)
Excess (deficiency) of revenues over (under) expenditures	(16,217)	(5,873)	10,344	(30,508)	1,254	31,762
Budgetary fund balances (deficits), July 1, 1995	(4,899)	(4,899)	--	(13,343)	(13,343)	--
BUDGETARY FUND (DEFICITS), JUNE 30, 1996	\$ (21,116)	\$ (10,772)	\$ 10,344	\$ (43,851)	\$ (12,089)	\$ 31,762

Maternal & Child Health Services Block Grant			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 26,700	\$ 25,462	\$ (1,238)	\$ 202,573	\$ 211,258	\$ 8,685
			59,227	45,051	(14,176)
10	--	(10)	199	179	(20)
26,690	25,462	(1,228)	261,601	256,130	(5,471)
47,422	30,009	(17,413)	326,017	263,478	(62,539)
47	47	--	3,088	1,865	(1,223)
47,469	30,056	(17,413)	329,105	265,343	(63,762)
(20,779)	(4,594)	16,185	(67,504)	(9,213)	58,291
135	135	--	(18,107)	(18,107)	--
\$ (20,644)	\$ (4,459)	\$ 16,185	\$ (85,611)	\$ (27,320)	\$ 58,291

State of Illinois

**Combining Schedule of Revenues, Expenditures and Changes
in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
Federal Trust - Department of Rehabilitation Services**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Vocational Rehabilitation			Old Age Survivors Insurance		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 80,452	\$ 82,040	\$ 11,588	\$ 58,898	\$ 49,651	\$ (9,347)
Other	1,322	910	(412)	3	1	(2)
Less:						
Refunds	5	--	(5)			
Total revenues	81,769	92,950	11,181	59,001	49,652	(9,349)
EXPENDITURES:						
Current:						
Health and social services	99,463	85,591	(13,872)	67,256	48,576	(18,680)
Capital outlays	1,523	1,388	(135)	2,467	763	(1,704)
Total expenditures	100,986	86,979	(14,007)	69,723	49,339	(20,384)
Excess (deficiency) of revenues over (under) expenditures	(19,217)	5,971	25,188	(10,722)	313	11,035
Budgetary funds-nonbudgeted accounts	(465)	(465)	--			
Excess (deficiency) of revenues over (under) expenditures and budgetary funds-nonbudgeted accounts	(19,682)	5,506	25,188	(10,722)	313	11,035
Budgetary fund (deficits), July 1, 1995	(1,289)	(1,289)	--	(3,084)	(3,084)	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (20,971)	\$ 4,217	\$ 25,188	\$ (13,806)	\$ (2,771)	\$ 11,035

	Total		
Final	Actual		Variance
Budget			Over (Under)
\$ 139,450	\$ 141,691	\$	2,241
1,325	911		(414)
5	--		(5)
140,770	142,602		1,832
166,719	134,167		(32,552)
3,990	2,151		(1,839)
170,709	136,318		(34,391)
(29,939)	6,284		36,223
(465)	(465)		--
(30,404)	5,819		36,223
(4,373)	(4,373)		--
\$ (34,777)	\$ 1,446	\$	36,223

State of Illinois

Combining Schedule of Revenues, Expenditures, Other Sources of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
Federal Trust - Other Code Departments

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Employment Security			Transportation		
	Title III Social Security & Employment Service			Federal/Local Airport		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 159,000	\$ 140,183	\$ (18,817)	\$ 92,733	\$ 102,308	\$ 9,575
Other	12,000	15,421	3,421	7,602	37,054	29,452
Less:						
Refunds	300	--	(300)			
Total revenues	170,700	155,604	(15,096)	100,335	139,362	39,027
EXPENDITURES:						
Current:						
Health and social services						
General government	219	212	(7)			
Transportation				139,769	139,769	--
Social assistance	170,291	142,654	(27,637)			
Capital outlays	2,165	1,862	(303)			
Total expenditures	172,675	144,728	(27,947)	139,769	139,769	--
Excess (deficiency) of revenues over (under) expenditures	(1,975)	10,876	12,851	(39,434)	(407)	39,027
OTHER SOURCES OF FINANCIAL RESOURCES:						
Operating transfers-in						
Budgetary funds-nonbudgeted accounts						
Excess (deficiency) of revenues over (under) expenditures, other sources of financial resources and budgetary funds-non budgeted accounts	(1,975)	10,876	12,851	(39,434)	(407)	39,027
Budgetary fund balances (deficits), July 1, 1995	2,561	2,561	--	2,652	2,652	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ 586	\$ 13,437	\$ 12,851	\$ (36,782)	\$ 2,245	\$ 39,027

Public Aid			Aging			Alcoholism and Substance Abuse		
Special Purposes Trust			Services for Older Americans			Alcoholism and Substance Abuse		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 35,155	\$ 29,463	\$ (5,692)	\$ 53,082	\$ 42,976	\$ (10,106)	\$ 18,353	\$ 13,832	\$ (4,521)
--	51	51				347	75	(272)
						77	76	(1)
35,155	29,514	(5,641)	53,082	42,976	(10,106)	18,623	13,831	(4,792)
143,978	28,519	(115,459)	51,388	45,471	(5,917)	27,958	15,710	(12,248)
15,000	--	(15,000)						
263	262	(1)	3	2	(1)	26	18	(8)
159,241	28,781	(130,460)	51,391	45,473	(5,918)	27,984	15,728	(12,256)
(124,086)	733	124,819	1,691	(2,497)	(4,188)	(9,361)	(1,897)	7,464
31,937	31,937	--						
(28,232)	(28,232)	--	(4)	(4)	--			
(120,381)	4,438	124,819	1,687	(2,501)	(4,188)	(9,361)	(1,897)	7,464
(2,413)	(2,413)	--	(8,671)	(8,671)	--	(1,737)	(1,737)	--
\$ (122,794)	\$ 2,025	\$ 124,819	\$ (6,984)	\$ (11,172)	\$ (4,188)	\$ (11,098)	\$ (3,634)	\$ 7,464

(continued)

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources of Financial Resources
and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
Federal Trust - Other Code Departments**

For the Year Ended June 30, 1996 (Expressed in Thousands)

(continued)

	Total		
	Final Budget	Actual	Variance Over (Under)
REVENUES:			
Federal government	\$ 358,323	\$ 328,762	\$ (29,561)
Other	19,949	52,601	32,652
Less:			
Refunds	377	76	(301)
Total revenues	377,895	381,287	3,392
EXPENDITURES:			
Current:			
Health and social services	223,324	89,700	(133,624)
General government	219	212	(7)
Transportation	139,769	139,769	--
Social assistance	185,291	142,654	(42,637)
Capital outlays	2,457	2,144	(313)
Total expenditures	551,060	374,479	(176,581)
Excess (deficiency) of revenues over (under) expenditures	(173,165)	6,808	179,973
OTHER SOURCES OF FINANCIAL RESOURCES:			
Operating transfers-in	31,937	31,937	--
Budgetary funds-nonbudgeted accounts	(28,236)	(28,236)	--
Excess (deficiency) of revenues over (under) expenditures, other sources of financial resources and budgetary funds-non budgeted accounts	(169,464)	10,509	179,973
Budgetary fund balances (deficits), July 1, 1995	(7,608)	(7,608)	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (177,072)	\$ 2,901	\$ 179,973

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**Combining Schedule of Revenues, Expenditures and Changes
in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
Federal Trust - Agencies, Boards and Commissions**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	State Board of Education			Other Agencies, Boards and Commissions		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 945,061	\$ 833,515	\$ (111,546)	\$ 109,742	\$ 74,142	\$ (35,600)
Other	--	28	28	14	114	100
Total revenues	945,061	833,543	(111,518)	109,756	74,256	(35,500)
EXPENDITURES:						
Current:						
Education	969,019	839,280	(129,739)			
Public protection and justice				87,734	49,487	(38,247)
Natural resources and recreation				42,020	28,140	(13,880)
Capital outlays	682	396	(286)	1,492	991	(501)
Total expenditures	969,701	839,676	(130,025)	131,246	78,618	(52,628)
(Deficiency) of revenues (under) expenditures	(24,640)	(6,133)	18,507	(21,490)	(4,362)	17,128
Budgetary funds-nonbudgeted accounts	(104)	(104)	--	(1,804)	(1,804)	--
(Deficiency) of revenues (under) expenditures and budgetary funds-nonbudgeted accounts	(24,744)	(6,237)	18,507	(23,294)	(6,166)	17,128
Budgetary fund (deficits), July 1, 1995	(85,405)	(85,405)	--	(4,578)	(4,578)	--
BUDGETARY FUND (DEFICITS), JUNE 30, 1996	\$ (110,149)	\$ (91,642)	\$ 18,507	\$ (27,872)	\$ (10,744)	\$ 17,128

Total		
Final Budget	Actual	Variance Over (Under)
\$ 1,054,803	\$ 907,657	\$ (147,146)
14	142	128
<u>1,054,817</u>	<u>907,799</u>	<u>(147,018)</u>

969,019	839,280	(129,739)
87,734	49,487	(38,247)
42,020	28,140	(13,880)
2,174	1,387	(787)
<u>1,100,947</u>	<u>918,294</u>	<u>(182,653)</u>

(46,130)	(10,495)	35,635
(1,908)	(1,908)	--

(48,038)	(12,403)	35,635
(89,983)	(89,983)	--
<u>\$ (138,021)</u>	<u>\$ (102,386)</u>	<u>\$ 35,635</u>

State of Illinois

**Combining Schedule of Revenues, Expenditures and Changes
in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
Federal Trust - State Board of Education**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	S.B.E. Federal 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	\$ 293,488	\$ 278,974	\$ (14,514)	\$ 651,573	\$ 554,541	\$ (97,032)
Other				--	28	28
Total revenues	293,488	278,974	(14,514)	651,573	554,569	(97,004)
EXPENDITURES:						
Current						
Education	308,038	291,514	(16,524)	660,981	547,768	(113,215)
Capital outlays	175	150	(25)	507	246	(261)
Total expenditures	308,213	291,664	(16,549)	661,488	548,012	(113,476)
Excess (deficiency) of revenues over (under) expenditures	(14,725)	(12,690)	2,035	(9,915)	6,557	16,472
Budgetary funds-nonbudgeted accounts	(88)	(88)	--	(16)	(16)	--
Excess (deficiency) of revenues over (under) expenditures and budgetary funds-nonbudgeted accounts	(14,813)	(12,778)	2,035	(9,931)	6,541	16,472
Budgetary fund (deficits), July 1, 1995	(36,234)	(36,234)	--	(49,171)	(49,171)	--
BUDGETARY FUND (DEFICITS), JUNE 30, 1996	\$ (51,047)	\$ (49,012)	\$ 2,035	\$ (59,102)	\$ (42,630)	\$ 16,472

Total		
Final Budget	Actual	Variance Over (Under)
\$ 945,061	\$ 833,515	\$ (111,546)
--	28	28
945,061	833,543	(111,518)

969,019	839,280	(129,739)
682	396	(286)
969,701	839,676	(130,025)

(24,640)	(6,133)	18,507
(104)	(104)	--

(24,744)	(6,237)	18,507
(85,405)	(85,405)	--
\$ (110,149)	\$ (91,642)	\$ 18,507

**Combining Schedule of Revenues, Expenditures and Changes
in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
Federal Trust - Other Agencies, Boards and Commissions**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Environmental Protection Agency			Criminal Justice Information Authority		
	U.S. Environmental Protection			Criminal Justice Trust		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government	\$ 41,215	\$ 28,957	\$ (12,258)	\$ 29,599	\$ 18,728	\$ (10,873)
Other	14	13	(1)	--	19	19
Total revenues	41,229	28,970	(12,259)	29,599	18,745	(10,854)
EXPENDITURES:						
Current:						
Public protection and justice				32,271	18,753	(13,518)
Natural resources and recreation	42,020	28,140	(13,880)			
Capital outlays	1,428	927	(501)	51	51	--
Total expenditures	43,448	29,067	(14,381)	32,322	18,804	(13,518)
(Deficiency) of revenues (under) expenditures	(2,219)	(97)	2,122	(2,723)	(59)	2,664
Budgetary funds-nonbudgeted accounts	(259)	(259)	--			
(Deficiency) of revenues (under) expenditures and budgetary funds-nonbudgeted accounts	(2,478)	(356)	2,122	(2,723)	(59)	2,664
Budgetary fund balances (deficits), July 1, 1995	(2,023)	(2,023)	--	(2,749)	(2,749)	--
BUDGETARY FUND (DEFICITS), JUNE 30, 1996	\$ (4,501)	\$ (2,379)	2,122	\$ (5,472)	\$ (2,808)	2,664

Emergency Management Agency					
Federal Aid Disaster			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 38,928	\$ 26,459	\$ (12,469)	\$ 109,742	\$ 74,142	\$ (35,600)
--	82	82	14	114	100
38,928	26,541	(12,387)	109,756	74,256	(35,500)
55,463	30,734	(24,729)	87,734	49,487	(38,247)
			42,020	28,140	(13,880)
13	13	--	1,492	991	(501)
55,476	30,747	(24,729)	131,246	78,618	(52,628)
(16,548)	(4,206)	12,342	(21,490)	(4,362)	17,128
(1,545)	(1,545)	--	(1,804)	(1,804)	--
(18,093)	(5,751)	12,342	(23,294)	(6,166)	17,128
194	194	--	(4,578)	(4,578)	--
\$ (17,899)	\$ (5,557)	\$ 12,342	\$ (27,872)	\$ (10,744)	\$ 17,128

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, 1996 (Expressed in Thousands)

	Central Management Services			Corrections		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Other	\$ 178,055	\$ 172,981	\$ (5,074)	\$ 41,600	\$ 41,267	\$ (333)
Less:						
Refunds				18	17	(1)
Total revenues	178,055	172,981	(5,074)	41,582	41,250	(332)
EXPENDITURES:						
Current:						
Education						
General government	179,689	162,594	(17,095)			
Transportation						
Public protection and justice				44,974	38,415	(6,559)
Capital outlays	14,715	14,621	(94)	2,704	408	(2,296)
Total expenditures	194,404	177,215	(17,189)	47,678	38,823	(8,855)
Excess (deficiency) of revenues over (under) expenditures	(16,349)	(4,234)	12,115	(6,096)	2,427	8,523
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	--	4	4			
Operating transfers-out	--	(16)	(16)	--	(29)	(29)
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources	(16,349)	(4,246)	12,103	(6,096)	2,398	8,494
Budgetary fund balances (deficits), July 1, 1995	11,998	11,998	--	(5,778)	(5,778)	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (4,351)	\$ 7,752	\$ 12,103	\$ (11,874)	\$ (3,380)	\$ 8,494

Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 9,974	\$ 10,254	\$ 280	\$ 229,629	\$ 224,502	\$ (5,127)
			18	17	(1)
9,974	10,254	280	229,611	224,485	(5,126)
5,767	3,334	(2,433)	5,767	3,334	(2,433)
5,846	3,705	(2,141)	185,535	166,299	(19,236)
700	647	(53)	700	647	(53)
			44,974	38,415	(6,559)
801	486	(315)	18,220	15,515	(2,705)
13,114	8,172	(4,942)	255,196	224,210	(30,986)
(3,140)	2,082	5,222	(25,585)	275	25,860
--	112	112	--	116	116
--	(1,409)	(1,409)	--	(1,454)	(1,454)
(3,140)	785	3,925	(25,585)	(1,063)	24,522
1,717	1,717	--	7,937	7,937	--
\$ (1,423)	\$ 2,502	\$ 3,925	\$ (17,648)	\$ 6,874	\$ 24,522

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, 1996 (Expressed in Thousands)

	State Garage			Statistical Services		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Other	\$ 31,055	\$ 26,864	\$ (4,191)	\$ 54,000	\$ 49,295	\$ (4,705)
Total revenues	31,055	26,864	(4,191)	54,000	49,295	(4,705)
EXPENDITURES:						
Current:						
General government	30,976	27,939	(3,037)	49,007	42,328	(6,679)
Capital outlays	833	789	(44)	13,584	13,543	(41)
Total expenditures	31,809	28,728	(3,081)	62,591	55,871	(6,720)
Excess (deficiency) of revenues over (under) expenditures	(754)	(1,864)	(1,110)	(8,591)	(6,576)	2,015
OTHER SOURCES (USES) OF FINANCIAL RESOURCES:						
Operating transfers-in	---	1	1	---	1	1
Operating transfers-out	---	(3)	(3)	---	(4)	(4)
Excess (deficiency) of revenues over expenditures and other sources (uses) of financial resources	(754)	(1,866)	(1,112)	(8,591)	(6,578)	2,012
Budgetary fund balances (deficits), July 1, 1995	(3,786)	(3,786)	--	14,823	14,823	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (4,540)	\$ (5,652)	\$ (1,112)	\$ 6,232	\$ 8,244	\$ 2,012

Communications			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 93,000	\$ 96,822	\$ 3,822	\$ 178,055	\$ 172,981	\$ (5,074)
93,000	96,822	3,822	178,055	172,981	(5,074)
99,706	92,327	(7,379)	179,689	162,594	(17,095)
298	289	(9)	14,715	14,621	(94)
100,004	92,616	(7,388)	194,404	177,215	(17,189)
(7,004)	4,206	11,210	(16,349)	(4,234)	12,115
---	2	2	---	4	4
---	(9)	(9)	---	(16)	(16)
(7,004)	4,199	11,203	(16,349)	(4,246)	12,103
961	961	--	11,998	11,998	--
\$ (6,043)	\$ 5,160	\$ 11,203	\$ (4,351)	\$ 7,752	\$ 12,103

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Uses of Financial Resources
and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
State Trust Funds**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Central Management Services			Public Aid		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Sales taxes						
Motor fuel taxes						
Federal government	\$ 800	\$ 499	\$ (301)	\$ 82,378	\$ 67,443	\$ (14,935)
Other	89,267	93,028	3,761	44,094	166,878	122,784
Total revenues	90,067	93,527	3,460	126,472	234,321	107,849
EXPENDITURES:						
Current:						
Health and social services				20	20	--
Education						
General government	112,614	91,736	(20,878)	734	734	--
Social assistance				121,741	83,774	(37,967)
Public protection and justice						
Natural resources and recreation						
Capital outlays	18	18	--	1,690	1,527	(163)
Total expenditures	112,632	91,754	(20,878)	124,185	86,055	(38,130)
Excess (deficiency) of revenues over (under) expenditures	(22,565)	1,773	24,338	2,287	148,266	145,979
OTHER (USES) OF FINANCIAL RESOURCES:						
Operating transfers-out	(4)	(13)	(9)	(6,500)	(4,471)	2,029
Budgetary funds-nonbudgeted accounts				(136,465)	(136,465)	--
Excess (deficiency) of revenues over (under) expenditures, other (uses) of financial resources and budgetary funds-nonbudgeted accounts	(22,569)	1,760	24,329	(140,678)	7,330	148,008
Budgetary fund balances (deficits), July 1, 1995, as previously reported	(212)	(212)	--	6,744	6,744	--
Reclassifications between budgetary-nonbudgetary funds-net						
Budgetary fund balances (deficits), July 1, 1995 as reclassified	(212)	(212)	--	6,744	6,744	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (22,781)	\$ 1,548	\$ 24,329	\$ (133,934)	\$ 14,074	\$ 148,008

	Revenue			Capital Development Board CDB Contributory Trust			Student Assistance Commission		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	State Scholarship Commission	Student Loan	Variance Over (Under)
							Final Budget	Actual	Variance Over (Under)
\$	292,462	\$ 292,462	\$ --						
	22,923	22,923	--						
	35,000	19,264	(15,736)	\$ 525	\$ 525	--	\$ 106,786	\$ 77,959	\$ (28,827)
	838	873	35	14,554	14,554	--	103,214	75,351	(27,863)
	351,223	335,522	(15,701)	15,079	15,079	--	210,000	153,310	(56,690)
							201,599	153,597	(48,002)
	36,211	20,419	(15,792)						
				89	--	(89)	601	329	(272)
	36,211	20,419	(15,792)	89	--	(89)	202,200	153,926	(48,274)
	315,012	315,103	91	14,980	15,079	89	7,800	(616)	(8,416)
				(21)	(21)	--	(75)	(65)	10
	(310,199)	(310,199)	--	(15,709)	(15,709)	--			
	4,813	4,904	91	(740)	(651)	89	7,725	(681)	(8,406)
	21,657	21,657	--	6,220	6,220	--	30,341	30,341	--
	21,657	21,657	--	6,220	6,220	--	30,341	30,341	--
\$	26,470	\$ 26,561	\$ 91	\$ 5,480	\$ 5,569	\$ 89	\$ 38,066	\$ 29,660	\$ (8,406)

(continued)

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Uses of Financial Resources
and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)
State Trust Funds**

For the Year Ended June 30, 1996 (Expressed in Thousands)

(continued)

	Other			Total		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Sales taxes				\$ 292,462	\$ 292,462	\$ --
Motor fuel taxes				22,923	22,923	--
Federal government	\$ 2,287	\$ 2,204	\$ (83)	227,776	167,894	(59,882)
Other	10,039	10,297	258	262,006	360,981	98,975
Total revenues	12,326	12,501	175	805,167	844,260	39,093
EXPENDITURES:						
Current:						
Health and social services	3,432	1,202	(2,230)	3,452	1,222	(2,230)
Education	1,193	342	(851)	202,792	153,939	(48,853)
General government	4,430	1,695	(2,735)	153,989	114,584	(39,405)
Social assistance	53	53	--	121,794	83,827	(37,967)
Public protection and justice	3,179	1,158	(2,021)	3,179	1,158	(2,021)
Natural resources and recreation	5,481	3,245	(2,236)	5,481	3,245	(2,236)
Capital outlays	84	73	(11)	2,482	1,947	(535)
Total expenditures	17,852	7,768	(10,084)	493,169	359,922	(133,247)
Excess (deficiency) of revenues over (under) expenditures	(5,526)	4,733	10,259	311,898	484,338	172,340
OTHER (USES) OF FINANCIAL RESOURCES:						
Operating transfers-out	--	(2)	(2)	(6,600)	(4,572)	2,028
Budgetary funds-nonbudgeted accounts	(5,091)	(5,091)	--	(467,464)	(467,464)	--
Excess (deficiency) of revenues over (under) expenditures, other (uses) of financial resources and budgetary funds-nonbudgeted accounts	(10,617)	(360)	10,257	(162,066)	12,302	174,368
Budgetary fund balances (deficits), July 1, 1995, as previously reported						
	4,999	4,999	--	69,749	69,749	--
Reclassifications between budgetary-nonbudgetary funds-net						
	264	264	--	264	264	--
Budgetary fund balances (deficits), July 1, 1995 as reclassified						
	5,263	5,263	--	70,013	70,013	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (5,354)	\$ 4,903	\$ 10,257	\$ (92,053)	\$ 82,315	\$ 174,368

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State of Illinois

**Combining Schedule of Revenues, Expenditures 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, 1996 (Expressed in Thousands)

	Local Government Health Insurance Reserve			Group Insurance Premium		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Federal government				\$ 800	\$ 499	\$ (301)
Other	\$ 35,111	\$ 36,632	\$ 1,521	54,156	56,396	2,240
Total revenues	35,111	36,632	1,521	54,956	56,895	1,939
EXPENDITURES:						
Current:						
General government	47,337	31,758	(15,579)	65,277	59,978	(5,299)
Capital outlays	18	18	--			
Total expenditures	47,355	31,776	(15,579)	65,277	59,978	(5,299)
Excess (deficiency) of revenues over (under) expenditures	(12,244)	4,856	17,100	(10,321)	(3,083)	7,238
Other (uses) of financial resources:						
Operating transfers-out	(4)	(5)	(1)	--	(8)	(8)
Excess (deficiency) of revenues over expenditures, other (uses) of financial resources	(12,248)	4,851	17,099	(10,321)	(3,091)	7,230
Budgetary fund balances (deficits), July 1, 1995	3,630	3,630	--	(3,842)	(3,842)	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ (8,618)	\$ 8,481	\$ 17,099	\$ (14,163)	\$ (6,933)	\$ 7,230

Total		
Final Budget	Actual	Variance Over (Under)
\$ 800	\$ 499	\$ (301)
89,267	93,028	3,761
90,067	93,527	3,460

112,614	91,736	(20,878)
18	18	--
112,632	91,754	(20,878)

(22,565)	1,773	24,338
(4)	(13)	(9)

(22,569)	1,760	24,329
(212)	(212)	--
\$ (22,781)	\$ 1,548	\$ 24,329

State of Illinois

**Combining Schedule of Revenues, Expenditures and Changes in
Budgetary Fund Balances - Budget and Actual (Non-GAAP)
State Trust Funds - Department of Revenue**

For the Year Ended June 30, 1996 (Expressed in Thousands)

	Home Rule Municipal Retailers Occupation Tax			County Option Motor Fuel Tax		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
REVENUES:						
Sales taxes	\$ 292,462	\$ 292,462	\$ --			
Motor fuel taxes				\$ 22,923	\$ 22,923	\$ --
Federal government						
Other	671	671	--	167	167	--
Total revenues	293,133	293,133	--	23,090	23,090	--
EXPENDITURES:						
Current:						
General government	277	277	--	434	434	--
Total expenditures	277	277	--	434	434	--
Excess (deficiency) of revenues over (under)						
expenditures	292,856	292,856	--	22,656	22,656	--
Budgetary funds-nonbudgeted accounts	(287,098)	(287,098)	--	(23,101)	(23,101)	--
Excess (deficiency) of revenues over (under)						
expenditures and budgetary funds-						
nonbudgeted accounts	5,758	5,758	--	(445)	(445)	--
Budgetary fund balances, July 1, 1995	16,656	16,656	--	4,545	4,545	--
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 1996	\$ 22,414	\$ 22,414	\$ --	\$ 4,100	\$ 4,100	\$ --

Federal Home Investment Trust			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 292,462	\$ 292,462	\$ --
			22,923	22,923	--
\$ 35,000	\$ 19,264	\$ (15,736)	35,000	19,264	(15,736)
--	35	35	838	873	35
35,000	19,299	(15,701)	351,223	335,522	(15,701)
35,500	19,708	(15,792)	36,211	20,419	(15,792)
35,500	19,708	(15,792)	36,211	20,419	(15,792)
(500)	(409)	91	315,012	315,103	91
			(310,199)	(310,199)	--
(500)	(409)	91	4,813	4,904	91
456	456	--	21,657	21,657	--
\$ (44)	\$ 47	\$ 91	\$ 26,470	\$ 26,561	\$ 91

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STATISTICAL AND ECONOMIC DATA

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State of Illinois

**Combined Statement of Revenues, Expenditures,
Other Sources and Uses of Financial Resources - GAAP Basis
All Governmental Fund Types and Expendable Trust Funds**

For the Last Ten Fiscal Years (Expressed in Thousands)

	1996	1995	1994	1993	1992
REVENUES					
Income taxes.....	\$ 7,350,286	\$ 6,862,484	\$ 6,341,405	\$ 5,927,379	\$ 5,645,604
Sales taxes.....	6,520,321	6,271,692	5,984,237	5,514,941	5,183,617
Motor fuel taxes.....	1,197,288	1,154,482	1,098,820	1,056,565	1,032,741
Public utility taxes.....	1,047,020	985,016	1,011,616	970,740	952,493
Other taxes.....	2,901,397	3,266,077	3,110,413	2,739,100	1,972,536
Federal government.....	8,409,885	8,639,857	8,404,474	8,078,948	7,075,372
Licenses and fees.....	1,020,758	1,001,099	996,453	1,144,715	1,317,403
Interest and other investment income.....	351,718	311,898	202,119	171,410	254,302
Other.....	1,099,356	1,035,374	1,308,394	552,133	470,987
Total revenues	29,898,029	29,527,979	28,457,931	26,155,931	23,905,055
EXPENDITURES					
Current:					
Health and social services.....	8,732,071	8,623,643	7,855,039	7,387,137	6,369,477
Education.....	5,752,793	5,395,845	5,128,035	4,857,626	4,679,110
General government.....	4,917,335	4,571,183	4,417,418	4,182,189	3,967,119
Social assistance.....	4,131,674	3,995,466	4,698,546	4,706,918	4,649,024
Transportation.....	2,627,170	2,713,372	2,535,653	2,372,496	2,605,775
Public protection and justice.....	1,481,413	1,437,874	1,412,870	1,168,459	1,114,520
Natural resources and recreation.....	364,848	388,607	426,270	369,944	394,158
Debt service:					
Principal.....	456,350	443,676	427,646	394,935	379,301
Interest.....	433,587	444,490	396,971	380,755	350,639
Capital outlays.....	366,518	290,361	263,573	272,729	253,729
Total expenditures	29,263,759	28,304,517	27,562,021	26,093,188	24,762,852
Excess (deficiency) of revenues over (under) expenditures	634,270	1,223,462	895,910	62,743	(857,797)
OTHER SOURCES (USES) OF FINANCIAL RESOURCES					
Proceeds from notes and general/special obligation bond issues.....	728,944	776,220	686,929	522,808	588,673
Proceeds from general/special obligation refunding bond issues.....	318,040		501,162	880,673	436,203
Operating transfers-in.....	4,395,048	4,149,874	3,559,780	3,546,143	3,402,400
Operating transfers from component units.....	18	40	113		
Operating transfers-out.....	(3,790,475)	(3,564,180)	(3,002,277)	(4,136,820)	(3,965,878)
Operating transfers to component units.....	(1,402,746)	(1,377,869)	(1,284,315)		
Capital lease financing.....	26,411	10,711	23,148	41,719	21,245
Payment to refunded bond escrow agent.....	(318,040)		(501,162)	(880,673)	(438,686)
Proceeds from certificates of participation.....	90,052	18,802			
Proceeds from certificates of participation refunding..					2,483
Net other sources (uses) of financial resources	47,252	13,598	(16,622)	(26,150)	46,440
Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources	\$ 681,522	\$ 1,237,060	\$ 879,288	\$ 36,593	\$ (811,357)

* As restated

	1991	1990 *	1989	1988	1987
\$	5,472,105	\$ 5,338,959	\$ 4,677,087	\$ 4,347,136	\$ 3,971,306
	5,263,439	4,825,537 *	3,937,291	3,702,870	3,468,103
	1,020,294	947,840	725,929	702,731	689,929
	927,745	913,222	910,247	886,181	915,512
	1,903,844	1,980,669	2,047,575	1,989,493	2,046,166
	5,583,518	5,083,032	4,687,304	4,470,240	3,761,450
	839,862	830,495	776,878	740,294	702,947
	339,960	373,813	302,439	196,881	148,446
	416,791	390,013	278,257	529,767	626,084
	<u>21,767,558</u>	<u>20,683,580</u>	<u>18,343,007</u>	<u>17,565,593</u>	<u>16,329,943</u>
	5,117,272	4,501,034	3,885,003	3,406,599	3,409,809
	4,667,968	4,480,114	4,047,950	3,808,737	3,891,431
	4,147,658	3,608,186	2,459,592	2,211,305	2,067,110
	3,935,452	3,350,807	2,983,126	3,321,992	2,500,106
	2,540,051	2,207,848	1,954,240	1,877,167	1,863,351
	1,089,656	988,815	888,238	844,861	781,381
	429,966	420,014	363,986	310,510	306,999
	354,320	324,240	280,653	262,899	254,236
	343,337	378,989	367,814	407,287	421,635
	367,077	367,790	303,723	299,659	253,260
	<u>22,992,757</u>	<u>20,627,837</u>	<u>17,534,325</u>	<u>16,751,016</u>	<u>15,749,318</u>
	(1,225,199)	55,743	808,682	814,577	580,625
	621,703	635,530	529,152	553,609	356,845
		181,164			340,738
	3,204,329	2,893,649	2,515,717	2,324,086	2,381,840
	(3,861,013)	(3,520,707)	(2,960,409)	(2,788,269)	(2,838,487)
	35,642	39,369	20,272	36,671	31,244
		(224,211)			(340,738)
		16,671			
	<u>661</u>	<u>21,465</u>	<u>104,732</u>	<u>126,097</u>	<u>(68,558)</u>
\$	<u>(1,224,538)</u>	\$ 77,208	\$ 913,414	\$ 940,674	\$ 512,067

State of Illinois

**Ratio of General and Special Obligation Bonded Debt
To Assessed Value and Net Bonded Debt Per Capita**

For the Last Ten Fiscal Years (Expressed in Thousands Except Ratio and Per Capita Data)

For the Year Ended June 30	Population	Equalized Assessed Value	General and Special Obligation Bond Debt			Net General and Special Obligation Bond Debt	
			Total	Less Debt Service Fund	Net	Ratio to Assessed Value	Per Capita
1986	11,349	\$ 86,281,000	\$ 3,947,880	\$ 141,161	\$ 3,806,719	4.41 %	\$ 335.42
1987	11,393	92,988,000	4,132,020	155,318	3,976,702	4.28	349.05
1988	11,392	99,720,000	4,456,376	167,180	4,289,196	4.30	376.51
1989	11,410	107,416,000	4,756,265	203,301	4,552,964	4.24	399.03
1990	11,431	117,543,328	5,144,930	214,029	4,930,901	4.19	431.36
1991	11,543	127,707,027	5,520,230	251,506	5,268,724	4.13	456.44
1992	11,613	136,609,057	5,918,461	257,655	5,660,806	4.14	487.45
1993	11,697	144,468,536	6,274,656	355,254	5,919,402	4.10	506.06
1994	11,752	150,144,693	6,699,950	361,549	6,338,401	4.22	539.35
1995	11,830 e	155,899,112 e	7,143,804	416,068	6,727,736	4.32	568.70
1996	(a)		7,537,521	499,319	7,038,202		

e-estimated

(a)- Population and Equalized Assessed Value data are not available.

Source: *Illinois Property Tax Statistics - Illinois Department of Revenue.*
U.S. Department of Commerce, Bureau of the Census.

State of Illinois

**Ratio of Annual Debt Service for General and Special Obligation
Debt to Total Revenues and Expenditures - GAAP Basis
All Governmental Fund Types
(Primary Government and Component Units)**

For the Last Ten Fiscal Years (Expressed in Thousands Except Ratio Data)

For the Year Ended June 30	Principal	Interest	Total Debt Service	Revenues	Ratio	Expenditures	Ratio
1987	\$ 230,535	\$ 291,451	\$ 521,986	\$ 16,329,943	3.20 %	\$ 15,749,318	3.31 %
1988	238,385	296,343	534,728	17,565,593	3.04	16,751,016	3.19
1989	256,620	305,289	561,909	18,343,007	3.06	17,534,325	3.20
1990	294,075	302,188	596,263	20,683,580	2.88	20,627,837	2.89
1991	323,270	299,723	622,993	21,767,558	2.86	22,992,757	2.71
1992	349,878	296,405	646,283	23,905,055	2.70	24,762,852	2.61
1993	369,687	318,813	688,500	26,155,931	2.63	26,093,188	2.64
1994	410,292	323,309	733,601	28,463,037	2.58	27,567,179	2.66
1995	427,902	350,295	778,197	29,555,580	2.63	28,311,850	2.75
1996	440,080	352,906	792,986	29,945,854	2.65	29,281,140	2.71

State of Illinois

**Revenue Bond Coverage
Proprietary**

For the Last Ten Fiscal Years (Expressed in Thousands Except Coverage Data)

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
PRIMARY GOVERNMENT							
Illinois Student Assistance Commission -							
1987	\$ 27,063	\$ 4,619	\$ 22,444	\$ 16,770	\$ 13,152	\$ 29,922	.75
1988	32,251	4,717	27,534	27,480	18,395	45,875	.60
1989	33,440	5,688	27,772	30,960	21,744	52,704	.53
1990	59,665 (a)	7,101	52,564	56,795 (a)	31,251	88,046	.60
1991	73,133 (b)	12,859	60,274	33,200 (b)	17,184	50,384	1.20
1992	121,320 (c)	9,600	111,720	58,690 (c)	38,526	97,216	1.15
1993	131,411 (d)	12,591	118,820	68,930 (d)	40,367	109,297	1.09
1994	202,314 (e)	13,053	189,261	140,680 (e)	42,548	183,228	1.03
1995	117,416 (f)	14,142	103,274	61,720 (f)	44,596	106,316	0.97
1996	124,164 (g)	15,338	108,826	61,025 (g)	47,692	108,717	1.00
COMPONENT UNITS							
Illinois State Toll Highway Authority -							
1987	\$ 355,896 (h)	\$ 61,978	\$ 293,918	\$ 119,875 (h)	\$ 15,823	\$ 135,688	2.17
1988	241,031	67,178	173,853	4,865	39,935	44,800	3.88
1989	213,941	75,269	138,672	4,025	40,776	44,801	3.10
1990	246,602	85,909	160,693	4,285	40,517	44,802	3.59
1991	247,381	99,256	148,125	15,735	40,231	55,966	2.65
1992	258,248	101,506	156,742	27,230	48,385	75,615	2.07
1993	262,209	90,311	171,898	17,710	47,818	65,528	2.62
1994	293,092	127,132	165,960	21,545	52,149	73,694	2.25
1995	314,657	186,967	127,690	24,250	53,962	78,212	1.63
1996	325,410	167,580	157,830	25,750	54,354	80,104	1.97
Illinois Housing Development Authority -							
1987	\$ 183,597	\$ 10,940	\$ 172,657	\$ 210,920	\$ 155,580	\$ 366,500	.47
1988	181,256	10,589	170,667	119,882	152,505	272,187	.63
1989	191,766	13,137	178,629	73,811	157,220	231,031	.77
1990	196,080	11,426	186,654	89,455	165,763	255,218	.73
1991	521,256 (i)	12,224	509,032	421,485 (i)	176,302	597,787	.85
1992	277,018 (j)	12,979	264,039	146,388 (j)	184,577	330,965	.80
1993	272,645 (k)	14,651	257,994	328,676 (k)	172,455	501,131	.51
1994	329,589 (l)	18,429	311,160	793,354 (l)	149,209	942,563	.33
1995	220,268 (m)	16,446	203,822	226,107 (m)	121,482	347,589	.59
1996	360,854 (n)	174,136	186,718	173,146 (n)	129,502	302,648	.62
Illinois Rural Bond Bank -							
1992 (o)	\$ 1,343	\$ 700	\$ 643	\$ 95	\$ 279	\$ 374	1.72
1993	1,917	535	1,382	630	1,384	2,014	.69
1994	2,528	642	1,886	1,135	1,730	2,865	.66
1995	3,068	564	2,504	1,325	2,455	3,780	.66
1996	3,338	511	2,827	1,875	2,932	4,807	.59

- (a) The Commission advance refunded their previously issued bonds in January, 1990. The amount of the proceeds utilized for refunding was \$27,570.
- (b) The Commission redeemed \$33.2 million of principal with bond proceeds in February, 1991.
- (c) The Commission redeemed \$58.69 million of principal with bond proceeds in January, 1992.
- (d) The Commission redeemed \$68.27 million of principal with bond proceeds in December, 1992.
- (e) The Commission redeemed \$135.86 million of principal with bond proceeds in February, 1994.
- (f) The Commission redeemed \$49.695 million of principal with bond proceeds in February, 1995.
- (g) The Commission redeemed \$49.9 million of principal with bond proceeds in February, 1996.
- (h) The Authority advance refunded their previously issued bonds in February, 1987. The amount of the proceeds utilized for refunding was \$139,145.
- (i) The Authority advance refunded their previously issued bonds throughout the year. The amount of the proceeds used for refunding was \$301,737.
- (j) The Authority advance refunded their previously issued bonds throughout the year. The amount of the proceeds used for refunding was \$58,750.
- (k) The Authority redeemed \$58.005 million of principal with bond proceeds throughout the year. In addition, the Authority used \$4.241 million from the sale of mortgage loan receivables to redeem previously issued bonds.
- (l) The Authority redeemed \$146.645 million of principal with bond proceeds throughout the year.
- (m) The Authority redeemed \$57.625 million of principal with bond proceeds in November, 1994.
- (n) The Authority redeemed \$32.44 million of principal with bond proceeds in November, 1995.
- (o) First year the Bank issued revenue bonds.

State of Illinois

Revenue Bond Coverage *

University and College

For the Last Ten Fiscal Years (Expressed in Thousands Except Coverage Data)

Fiscal Year	Revenues/ Other Additions	Expenditures/ Other Deductions	Net Revenue/ Additions Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1987	\$ 282,713	\$ 244,686	\$ 38,027	\$ 17,426	\$ 13,860	\$ 31,286	1.22
1988	287,026	251,129	35,897	18,011	12,477	30,488	1.18
1989	270,353	244,188	26,165	19,667	11,470	31,137	0.84
1990	304,535	262,707	41,828	20,358	12,078	32,436	1.29
1991	313,066	253,813	59,253	20,031	22,233	42,264	1.40
1992	336,807	272,979	63,828	20,160	26,176	46,336	1.38
1993	413,427	345,794	67,633	19,323	27,546	46,869	1.44
1994	361,832	295,495	66,337	21,600	27,224	48,824	1.36
1995	362,303	291,301	71,002	21,495	29,232	50,727	1.40
1996	457,926	383,897	74,029	25,059	28,754	53,813	1.38

* Chicago State, Eastern, Northeastern, Western, Illinois State, Northern, Southern Illinois, and the University of Illinois. The above amounts do not include student tuition and fees which are generally available, if necessary, to cover bond debt service requirements. The tuition and fees amounts, if included, would significantly increase debt service coverage.

State of Illinois

Population by Age Group

	ILLINOIS			
	1980	Percent	1990	Percent
Under 5 years	842,324	7.4 %	848,141	7.4 %
5 - 19 years	2,836,273	24.8	2,451,088	21.5
20 - 44 years	4,221,949	37.0	4,553,416	39.8
45 - 64 years	2,264,972	19.8	2,141,412	18.7
65 years and over	1,261,911	11.0	1,436,545	12.6
Total	11,427,429	100.0 %	11,430,602	100.0 %

	UNITED STATES			
	1980	Percent	1990	Percent
Under 5 years	16,298,350	7.2 %	18,354,443	7.4 %
5 - 19 years	56,117,954	24.8	56,976,857	22.9
20 - 44 years	84,112,743	37.1	95,765,733	38.5
45 - 64 years	44,518,372	19.6	46,371,009	18.6
65 years and over	25,498,386	11.3	31,241,831	12.6
Total	226,545,805	100.0 %	248,709,873	100.0 %

Sources: *Illinois Bureau of the Budget, Current Population Reports: Local Population Estimates, Series P-26, August, 1987.*

Illinois Bureau of the Budget, Current Population Reports: Population Estimates and Projections, Series P-25, July, 1988.

Illinois Bureau of the Budget, Data From 1990 Census, Summary Tape File 1, July, 1991.

State of Illinois

Total Personal Income

For the Last Ten Fiscal Years

Year	Amount (millions)	Percent Change	Per Capita Personal Income	
			Illinois	United States
1987	\$ 184,628	4.61 %	\$ 16,214	\$ 15,290
1988	196,392	6.37	17,241	16,189
1989	209,713	6.78	18,412	17,278
1990	225,718	7.63	19,782	18,494
1991	238,875	5.83	20,898	19,568
1992	249,834	4.59	21,677	20,177
1993	263,910	5.63	22,728	21,016
1994	274,364	3.96	23,470	21,696
1995	290,985	6.06	24,745	22,786
1996	305,772	5.08	25,847	23,812

Source: *Survey of Current Business, U.S. Department of Commerce*

*State of Illinois***Employment/Unemployed**

For the Last Ten Fiscal Years

Year	Total Employment	Unemployment	
		Unemployed	Rate (Percent)
1987	5,252,933	443,833	7.8 %
1988	5,381,292	405,617	7.0
1989	5,568,758	361,875	6.1
1990	5,590,325	359,517	6.0
1991	5,524,245	390,259	6.6
1992	5,500,050	476,793	8.0
1993	5,540,375	440,613	7.4
1994*	5,602,368	398,597	6.6
1995*	5,725,906	315,996	5.2
1996*	5,803,589	319,481	5.2

* Due to changes in the employment survey, the results of the employment survey beginning in 1994 and after are not comparable to earlier reports.

Source: U.S. Department of Labor, Bureau of Labor Statistics Employment and Earnings.

*State of Illinois***Employment by Industry**

For the Last Ten Fiscal Years (Expressed in Thousands)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Mining	24	22	21	20	19	18	17	15	14	13
Construction	191	201	209	218	213	200	197	206	214	217
Manufacturing	927	959	981	988	965	921	928	944	959	974
Transportation and Public Utilities	289	298	302	307	307	302	307	314	321	327
Wholesale and Retail Trade	1,205	1,232	1,271	1,263	1,259	1,240	1,238	1,262	1301	1331
Finance, Insurance and Real Estate	354	365	370	375	380	376	381	390	385	384
Services	1,148	1,203	1,269	1,326	1,357	1,385	1,437	1,487	1546	1601
Government	722	729	743	755	770	773	775	777	795	806
Total	<u>4,860</u>	<u>5,009</u>	<u>5,166</u>	<u>5,252</u>	<u>5,270</u>	<u>5,215</u>	<u>5,280</u>	<u>5,395</u>	<u>5,535</u>	<u>5,653</u>

Source: U.S. Department of Labor.

State of Illinois

**Contracts for Future Construction
And Residential Building Activity**

For the Last Ten Fiscal Years

Year	Contracts For Future Construction (millions)	Residential Building Activity	
		Permits	Valuation (millions)
1987	\$ 9,029	51,284	\$ 3,631
1988	10,247	46,184	3,639
1989	10,700	47,440	3,982
1990	11,800	41,070	3,696
1991	8,923	32,367	3,008
1992	10,026	37,358	3,582
1993	10,851	40,381	3,882
1994	11,041	47,168	4,891
1995	11,182	48,506	4,918
1996	11,556	49,304	4,915

Sources: *Dodge Division, McGraw Hill
Information System Co.*

*U.S. Department of Commerce,
Housing Units Authorized by
Building Permits.*

State of Illinois

**Sales of All Retail Stores
Annual**

For the Last Ten Fiscal Years (Expressed in Millions)

Year	Illinois	Percent of Change	
		Illinois	United States
1987	\$ 72,793	8.1 %	6.3 %
1988	77,561	6.6	7.1
1989	80,967	4.4	6.6
1990	86,235	6.5	6.0
1991	90,390	4.8	2.3
1992	91,792	1.6	2.3
1993	93,777	2.2	6.0
1994	97,313	3.8	7.3
1995	101,481	4.3	6.7
1996	103,725	2.2	4.9

Source: *Monthly Retail Trade, U.S.
Department of Commerce.*

*State of Illinois***Cash Receipts from
Farm Marketings**

For the Last Ten Calendar Years (Expressed in Millions)

Year	Livestock					Crops					Total Livestock and Crops
	Cattle	Hogs	Dairy Products	Other Livestock and Products	Total Livestock and Products	Corn	Soybeans	Wheat	Other Crops	Total Crops	
1986	\$ 757	\$ 1,008	\$ 339	\$ 51	\$ 2,155	\$ 2,550	\$ 1,776	\$ 84	\$ 202	\$ 4,612	\$ 6,767
1987	798	1,062	346	56	2,262	1,858	1,733	126	196	3,913	6,175
1988	812	1,024	338	70	2,244	1,795	1,982	213	227	4,217	6,461
1989	791	984	365	108	2,248	1,992	1,820	372	274	4,458	6,706
1990	802	1,206	357	112	2,477	2,768	2,059	259	375	5,461	7,938
1991	740	1,172	339	93	2,344	2,681	1,958	125	401	5,165	7,509
1992	720	1,042	352	88	2,202	2,780	2,026	199	426	5,431	7,633
1993	711	1,112	327	98	2,248	2,868	2,302	182	483	5,835	8,083
1994	688	941	335	101	2,065	2,949	2,547	178	484	6,158	8,223
1995	622	901	323	101	1,947	3,116	2,334	248	479	6,177	8,124
1996 *											

* Information unavailable

Source: *Agricultural Outlook, U.S. Department of Agriculture*

State of Illinois

Largest Manufacturers (Ranked by Number of Employees)

Company	Number of Employees	Number of Illinois Installations
Caterpillar, Inc.	17,450	5
Abbott Laboratories	12,200	2
Motorola, Inc.	6,000	2
Ford Motor Company	4,963	2
Mitsubishi Motor Mfg., Inc.	4,000	1
Olin Corporation	4,000	2
Chrysler Corporation	3,750	1
Granite City Steel	3,000	1
Honeywell	3,000	1
Sundstrand Aerospace	2,700	1
Northrop Grumman Corp.	2,600	1
Baxter Healthcare Corp.	2,500	1
General Motors	2,500	1
Nabisco, Inc.	2,400	1
Northwestern Steel & Wire Co.	2,400	1
Maytag	2,386	1
Zenith Electronics Corp.	2,200	1
Fel-Pro, Inc.	2,000	1
General Tire Company	2,000	1
Rock Island Arsenal	2,000	1
Excel Corp.	1,850	1
Brach & Brock Confections, Inc.	1,800	1
Ingersoll Milling Machine Co.	1,800	1
Iowa Beef Processors, Inc.	1,800	1
Kraft USA	1,800	1
Bridgestone/Firestone, Inc.	1,680	1
Kelly-Springfield Tire Co.	1,609	1
Acme Metal, Inc.	1,600	1
Keystone Steel & Wire Co.	1,600	1
Central Steel & Wire Co.	1,500	1
Chicago Tribune	1,500	1
Donnelley & Sons Co., R.R.	1,500	1
John Crane, Inc.	1,500	1
S & C Electric Co.	1,500	1
Sweetheart Cup Co.	1,500	1

Source: Illinois' Manufacturer's Directory,
1994 (latest statistics available).

State of Illinois

Bituminous Coal Production Annual

For the Last Ten Calendar Years (Expressed in Thousands of Tons)

Year	Surface	Underground	Total	Percent Total of U.S.
1987	21,573	39,188	60,761	6.9 %
1988	20,585	39,011	59,596	6.3
1989	19,603	40,528	60,131	6.2
1990	18,646	43,011	61,657	6.0
1991	15,903	44,132	60,035	6.1
1992	12,848	47,484	60,332	6.2
1993	7,937	34,207	42,144	4.5
1994	9,246	44,781	54,027	5.3
1995	6,878	42,659	49,537	4.0
1996 a	4,102	21,719	25,821	4.4

a - through June

Source: Illinois Department of Mines and Minerals.