

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

ILLINOIS

FOR FISCAL YEAR  
ENDED JUNE 30, 2019



**SUSANA A. MENDOZA**  
ILLINOIS STATE COMPTROLLER

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STATE OF ILLINOIS

# Comprehensive Annual Financial Report

~ 2019 ~

*For Fiscal Year Ended June 30, 2019*

**Comptroller Susana A. Mendoza**

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# **Introductory Section**

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# SUSANA A. MENDOZA

## ILLINOIS STATE COMPTROLLER

April 23, 2020

To the Citizens of the State of Illinois,  
Honorable J.B. Pritzker, Governor and  
Honorable Members of the General Assembly:

I am pleased to present to you the *State of Illinois Comprehensive Annual Financial Report (CAFR)* for the year ended June 30, 2019. The CAFR is the State's official annual report which provides the readers with the financial position of the State as of June 30, 2019, and results of operations during the fiscal year. The report is intended to provide the State's taxpayers, managers, investors, creditors, lawmakers, and other users with information in accordance with generally accepted accounting principles (GAAP). Responsibility for the accuracy of the data as well as the completeness and fairness of presentation of this report rests with my Office and other State agency management.

The Management's Discussion and Analysis (MD&A), which begins on page 14 of this report, provides a narrative introduction, overview, and analysis to the accompanying basic financial statements. This letter is intended to complement the MD&A and should be read in conjunction with the MD&A. The accompanying basic financial statements are prepared in conformity with GAAP applicable to State governments as prescribed by the Governmental Accounting Standards Board (GASB). This Office supports the GASB, contributed to its formation, and participates in the development of pronouncements by submitting comments and recommendations as proposed standards are distributed for exposure.

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

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

balances/net position, revenues, or expenditures/expenses greater than 2% of the total for that fund type are presented separately in the individual fund financial statements, except special revenue funds where funds greater than 1% of the total are presented, and component units where all component units are presented. Combination of funds is necessary due to the existence of approximately 800 funds in the State's reporting entity. Funds used by more than one agency are classified with what is determined to be the primary administering agency.

### ***Internal Controls***

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

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

### ***Independent Audit***

The Illinois Auditor General has performed an audit of the accompanying basic financial statements in accordance with generally accepted auditing standards in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. His unmodified opinion appears at the beginning of the financial section of this report. In addition, the Illinois Auditor General conducts an annual audit pursuant to the requirements set forth in Title 2 of the U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). This report is issued separately.

## **PROFILE OF THE STATE**

Illinois, located in the Midwest, became the twenty-first state in 1818. The State has 56,400 square miles and is the 24th largest state in size. Per the 2010 census, Illinois is the 5<sup>th</sup> largest state in population with approximately 12.8 million residents.

Illinois' government is divided into three branches: executive, legislative, and judicial. An organizational chart, showing the relationships between the Citizens of the State of Illinois, the three branches of Illinois State government, and those of the various agencies, boards, commissions, and universities which provide a full range of State government services, is presented on page 7.

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

the State's financial statements. In addition, the State of Illinois is financially accountable for 16 legally separate entities which have been reported separately within the State's financial statements. Additional information on all of these legally separate entities can be found in the notes to the financial statements.

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

The State of Illinois has a two-month "lapse period." During this time, July 1 to August 31, State agencies can expend funds appropriated in the prior fiscal year if encumbered by June 30. For all fund types, goods or services received prior to June 30 are recorded as liabilities and expenditures or expenses, whichever is appropriate. For governmental fund types, lapse period expenditures for goods encumbered as of June 30 and received prior to August 31 are reported within the existing fund balance classifications at June 30 and not as liabilities or expenditures. Public Act 97-0691 extended the lapse period to December 31 for fiscal year 2013 and future fiscal years for medical assistance payments of the Department of Healthcare and Family Services. In addition, P.A. 101-0010 extended the lapse period to October 31 for fiscal year 2019 to allow the State time to pay fiscal year 2019 expenditures.

Many State programs are accounted for in the General Fund. As analyzed in the MD&A, the GAAP basis financial position of the General Fund at June 30, 2019, increased from June 30, 2018. The fund deficit in the State's General Fund decreased by \$246 million on a GAAP basis, from a deficit of \$7.763 billion to a deficit of \$7.517 billion. On the *budgetary basis*, there was a \$5.713 billion fund deficit at June 30, 2019, compared to a \$5.698 billion fund deficit at June 30, 2018, resulting in a \$15 million increase in the budgetary deficit.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### ***Economy***

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

According to the U.S. Bureau of Labor Statistics, Illinois averaged 6.153 million nonfarm payroll jobs and an unemployment rate of 4.3% in fiscal year 2019.

## **MAJOR INITIATIVES**

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

### ***Revenues Initiative***

Public Act 101-0008 provides for an individual income tax rate structure change from a flat tax rate of 4.95% to a graduated tax rate ranging from 4.75%-7.99%. The graduated income tax amendment requires voters to approve a constitutional amendment in November 2020. If approved, the amended tax rates will go into effect January 1, 2021.

In addition, effective beginning July 1, 2019, the legislature voted to enact the Managed Care Organization Provider Assessment, which provides for a three-tier assessment for Medicaid managed care organizations. This assessment is effective for fiscal years 2020-2025.

### ***Transfers to Defray Operating Costs***

Public Act 100-0023, as amended by Public Act 101-0010, authorized interfund borrowings of up to \$1.2 billion to the General Funds and the Health Insurance Reserve Fund from various other state funds. The Act requires repayment of the interfund borrowings within 48 months from the date borrowed.

### ***Accelerated Pension Benefit Program***

Public Act 100-0587, as amended by Public Act 101-0010, provides two voluntary accelerated pension payment options for certain members of the State Employees' Retirement System, Teachers' Retirement System, and State Universities Retirement System. The Vested Inactive Accelerated Pension Benefit Payment Option offers a pension buyout in an amount estimated at 60 percent of the present value of pension benefits for members who have terminated service, have enough service credit to qualify for a retirement annuity, and have not received a retirement annuity. The Accelerated Pension Benefit Payment at Retirement Option provides Tier 1 members an option to have their automatic annual increase (AAI) reduced in exchange for an accelerated pension benefit payment equal to 70 percent of the difference between the present value of the AAI under the Tier 1 provision and the present value of the reduced AAI. These voluntary programs expire on June 30, 2024.

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

The fiscal year 2019 CAFR reveals continuing underlying financial weaknesses which significantly impact the State's overall fiscal health in regards to deferred liabilities, ongoing operational concerns related to cash management, and long-term concerns related to pension and other postemployment obligations.

### ***Deferred Liabilities***

Section 25 of the State Finance Act permits the payment of selected prior year expenses, primarily Medicaid, in the current fiscal year. The section was originally created to address billing and adjudication issues connected with such expenditures. Over the past two decades, however, it has become a common practice to defer liabilities utilizing Section 25, effectively reducing the appropriation levels needed to fund certain programs within any given fiscal year and pushing expenditures into the next fiscal year. The State ended fiscal year 2019 with \$2.174 billion in such costs. This represents a decrease of \$44 million from the fiscal year 2018 balance of \$2.218 billion.

### ***Cash Management***

Cash flow continues to be an issue as Illinois has had a running General Revenue Fund deficit defined as bills on hand exceeding available cash, with few exceptions, since November of 2000. Cash management practices are greatly affected by the aforementioned budgetary practices in relation to deferred liabilities which place additional pressure in the first and second quarters of the year to pay those expenses. Additionally, the majority of the State's tax collections are received in the second half of the fiscal year with large income tax collections arriving in the spring of each year which further contributes to the payment delays seen within the fiscal year.

In 2000, legislation was enacted to create the State's Budget Stabilization Fund in order to assist the State in meeting cash flow deficits as needed. The statutory goal for funding this reserve was set at five percent of the General Fund's revenues in any given year. Public Act 99-0524, which became effective June 30, 2016, appropriated \$275 million of the balance in the Budget Stabilization Fund across approximately 40 agencies to help defray operating costs through December 31, 2016. As of June 30, 2019, the balance in the Budget Stabilization Fund was \$3.559 million, an amount insufficient in practical terms to address the State's annual cash management needs and timing variations between spending and revenues.

### ***Pension Obligations***

Legislation enacted in 1995 set a long-term funded ratio (assets to actuarial accrued liabilities) target for the State's five retirement systems at 90% and established a plan for contributions in order for the State to reach this target by fiscal year 2045. For fiscal year 2006 through fiscal year 2007, the relevant State statutes were amended to allow for significantly lower State contribution levels to the retirement systems with levels increasing in fiscal years 2008, 2009, and 2010 before returning to the mandated levels of the 1995 law for fiscal year 2011. Additionally, in fiscal year 2004, 2010, and 2011, general obligation pension bonds were issued in the amounts of \$10.0 billion, \$3.5 billion, and \$3.7 billion, respectively. As of June 30, 2019, the State reported a net pension liability totaling \$138.592 billion.

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

The State Employees Group Insurance Program provides other postemployment benefits (OPEB) relating to health, dental, vision, and life insurance to State and University retirees. In addition, the State administers cost-sharing OPEB plans for teachers at school districts and community colleges in Illinois. As of June 30, 2019, the State reported an OPEB liability totaling \$54.522 billion.

## ***Debt Management***

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

Public Act 101-0030, effective June 28, 2019, suspended some of the restrictions for general obligation bonds issued in fiscal year 2019. Under Public Act 101-0030, the requirements that at least 25% of the general obligation bonds issued within a fiscal year must be sold pursuant to notice of sale and public bid, and that general obligation bonds must be issued with principal or mandatory redemption amounts in equal amounts in each fiscal year beginning the year following issuance, do not apply to refunding general obligation issued. Also under Public Act 100-0023, as amended by Public Act 101-0030, the requirement that general obligation bonds may not be issued if, after their issuance, in the next State fiscal year after issuance the amount of debt service on all then-outstanding general obligation bonds exceeds 7% of the General, Road and State Construction Account Fund appropriations for the fiscal year immediately preceding the issuance, does not apply to general obligation bonds issued for new money purposes in an aggregate principal amount of up to \$2 billion or to general obligation bonds issued for refunding purposes in an aggregate principal amount of up to \$2 billion in fiscal year 2019.

## **ACKNOWLEDGMENTS**

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

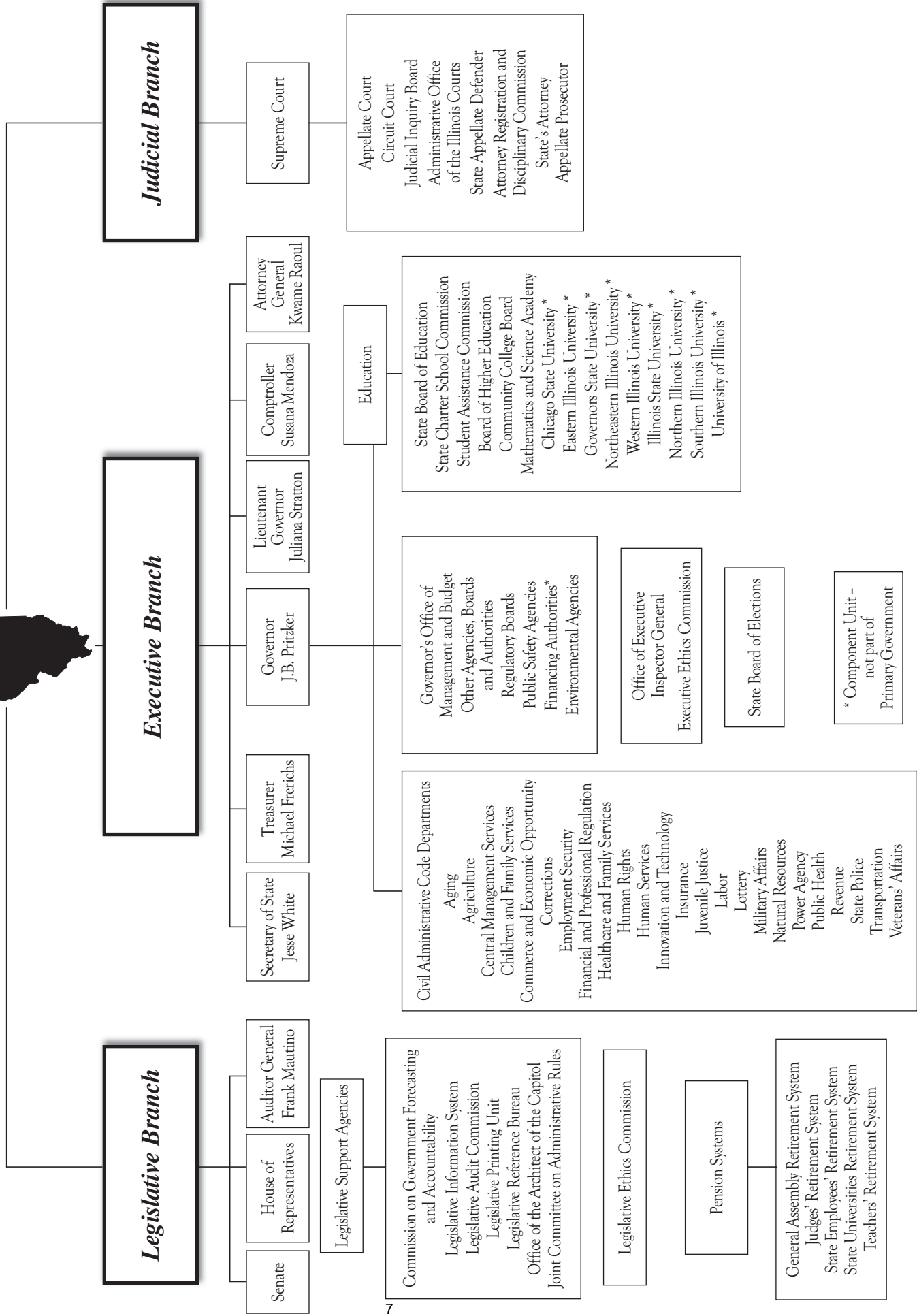
Sincerely,

Susana A. Mendoza  
Comptroller



# STATE OF ILLINOIS

Organizational Chart  
June 30, 2019



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# **Financial Section**

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OFFICE OF THE AUDITOR GENERAL  
FRANK J. MAUTINO

## INDEPENDENT AUDITOR'S REPORT

Honorable Michael J. Madigan, Speaker of the House  
Honorable Don Harmon, President of the Senate  
Members of the General Assembly  
Honorable JB Pritzker, Governor  
Honorable Susana Mendoza, Comptroller

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Illinois, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the State of Illinois' basic financial statements as listed in the Table of Contents for Section II of the State of Illinois' Comprehensive Annual Financial Report.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain university related organizations, which represent 11%, 24%, 7%, and 5%, respectively, of the total assets and deferred outflows of resources, total net position, total revenues, and total expenses of the aggregate discretely presented component unit amounts. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these university related organizations, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

The financial statements of certain university related organizations and certain other authorities were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Illinois, as of June 30, 2019, and the respective changes in its financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matters**

As discussed in Note 2 to the financial statements, the State of Illinois restated the beginning balance of the Illinois State Toll Highway Authority resulting from the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

The deficit for net position of governmental activities continued to increase during Fiscal Year 2019. The deficit increased by \$4,010,749,000, from \$189,069,074,000 at June 30, 2018, to \$193,079,823,000 at June 30, 2019. This deficit, which is presented on an accrual basis, is the excess of total liabilities and deferred inflows of resources over total assets and deferred outflows of resources and represents a deferral of current and prior year costs to future periods. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Defined Benefit Pension Plan Schedules, and Defined Benefit Other Postemployment Benefit Plans - Schedules of Funding Progress on pages 14-28, 190-193, 194-200, and 201-202 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing

the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Illinois' basic financial statements.


The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

In addition, the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2020, on our consideration of the State of Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Illinois' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Illinois' internal control over financial reporting and compliance.

  
FRANK J. MAUTINO  
Auditor General  
State of Illinois

  
JANE CLARK, CPA  
Director of Financial and Compliance Audits  
Office of the Auditor General

Springfield, Illinois  
April 23, 2020

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of the State of Illinois' (the State's) financial performance providing an overview of the activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the transmittal letter and with the State's financial statements which follow this section.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The Statement of Net Position (pages 30 and 31) presents net position as the difference between the State's non-fiduciary assets plus deferred outflows of resources less liabilities less deferred inflows of resources. Over time, increases and decreases in net position measure whether the State's financial position is improving or deteriorating.

The Statement of Activities (pages 32 and 33) presents all of the State's non-fiduciary revenues and expenses with the difference showing how the State's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the change occur regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and unused accrued absences).

Both statements report three activities:

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

Included within the basic financial statements are two schedules (pages 35 and 37) that reconcile the amounts reported on the governmental fund financial statements (modified accrual accounting) with governmental activities on the appropriate government-wide statements (accrual accounting). Modified accrual accounting focuses on current financial resources, which are the



resources available for spending in the near future (defined by the State as 60 days). Accrual accounting reports the total economic resources similar to a private-sector business. The following summarizes some of the differences in modified accrual and accrual accounting:

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

The Notes to the Basic Financial Statements provide additional information that is integral to understanding the data provided in the government-wide and fund financial statements. The notes can be found beginning on page 49 of this report.

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

The fund financial statements begin on page 36 and provide more detail than the government-wide financial statements, concentrating on information about the major individual funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the State uses to keep track of specific sources of funding and spending for a particular purpose. In addition to the major funds, individual fund data for the nonmajor funds is presented beginning on page 203. The State's funds are divided into three categories – governmental, proprietary, and fiduciary – with each using a different accounting method.

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

liabilities that are due in the current period. Governmental funds include the General Fund and special revenue, capital project, debt service, and permanent funds.

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

*Fiduciary funds* – The State acts as a trustee or fiduciary for its employee pension plans. The State is also responsible for other assets that, because of a trust arrangement or other contractual arrangement, can be used only for the trust beneficiaries. The State’s fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position beginning on page 42. These funds, which include pension (and other employee benefit) trust, private-purpose trust, investment trust, and agency funds, are reported using accrual accounting. The government-wide statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and do not represent discretionary assets of the State to finance its operations.

### **Additional Required Supplementary Information**

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

### **Other Supplementary Information**

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

## **FINANCIAL ANALYSIS OF THE STATE**

The State’s combined net position decreased \$3.678 billion or 2.0% during the current fiscal year. The net position of the State’s governmental activities decreased \$4.011 billion or 2.1% and the net position of the State’s business-type activities increased \$333 million or 6.6%. The following condensed financial information was derived from the government-wide Statement of Net Position and reflects the State’s financial position as of June 30, 2019 and 2018:

Net Position as of June 30 (amounts in millions)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other non-current assets	\$ 21,794	\$ 22,754	\$ 8,870	\$ 8,603	\$ 30,664	\$ 31,357
Capital assets	22,386	22,549	3	4	22,389	22,553
Total assets	44,180	45,303	8,873	8,607	53,053	53,910
Deferred outflows of resources	18,971	19,910	49	73	19,020	19,983
Other liabilities	19,567	20,731	1,555	1,483	21,122	22,214
Long-term liabilities	225,716	223,830	1,834	2,025	227,550	225,855
Total liabilities	245,283	244,561	3,389	3,508	248,672	248,069
Deferred inflows of resources	10,948	9,721	145	117	11,093	9,838
Net position:						
Invested in capital assets	16,162	16,205	3	4	16,165	16,209
Restricted	4,305	4,659	6,385	5,705	10,690	10,364
Unrestricted	(213,547)	(209,933)	(1,000)	(654)	(214,547)	(210,587)
<b>Total net position</b>	<b>\$ (193,080)</b>	<b>\$ (189,069)</b>	<b>\$ 5,388</b>	<b>\$ 5,055</b>	<b>\$ (187,692)</b>	<b>\$ (184,014)</b>

The State's largest asset is its capital assets (\$22.389 billion) consisting of land, buildings, equipment, infrastructure, and other items with estimated useful lives of greater than one year. The largest portion of the State's long-term liabilities is its net pension liability (\$138.592 billion), other postemployment benefits liability (\$54.522 billion) and bonds payable obligation (\$32.115 billion), including unamortized premiums and discounts. The State's net position includes the State's investment in capital assets, less any related debt that was recorded to acquire or construct the assets. The restricted net position balance consists of resources subject to external restrictions or enabling legislation as to their use. The remaining portion, unrestricted net position, is the net position available to be used at the State's discretion or need, to be replenished by revenues in future periods.

The State's assets decreased \$857 million from \$53.910 billion at June 30, 2018, to \$53.053 billion at June 30, 2019, due mainly to \$1.254 billion less in securities lending collateral, offset by an increase of \$481 million in cash, which includes both cash equity with the State Treasurer and locally held cash. The State's deferred outflows of resources decreased \$963 million from \$19.983 billion at June 30, 2018, to \$19.020 billion at June 30, 2019, due primarily from the \$966 million decrease in other postemployment benefits (OPEB) related deferred outflows of resources.

The State's liabilities increased \$603 million from \$248.069 billion at June 30, 2018, to \$248.672 billion at June 30, 2019. Net pension liabilities increased \$5.022 billion, offset by a decrease in bonds payable obligations of \$2.438 billion, securities lending collateral of \$1.254 billion, and OPEB liabilities of \$656 million. In addition, deferred inflows of resources increased \$1.255 billion from \$9.838 billion at June 30, 2018, to \$11.093 billion at June 30, 2019, primarily due to an increase in OPEB related deferred inflows of resources of \$1.081 billion.

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

**Changes in Net Position**  
**for Fiscal Year Ending June 30**  
(amounts in millions)

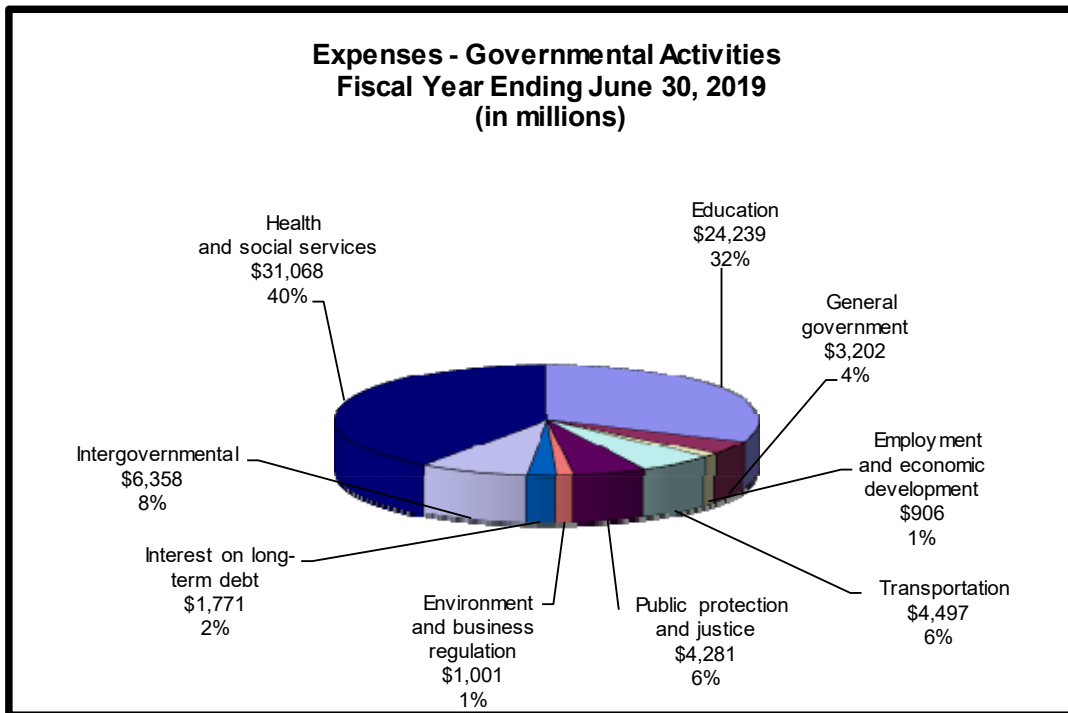
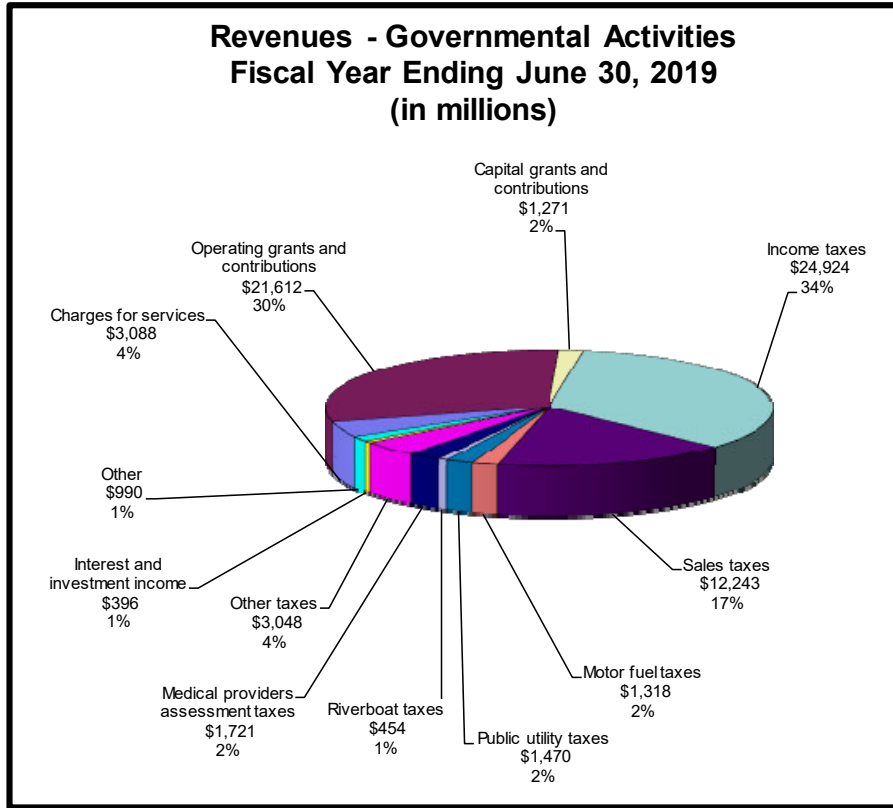
	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	2019	2018	2019	2018	2019	2018	2018 to 2019
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 3,088	\$ 3,067	\$ 5,008	\$ 5,098	\$ 8,096	\$ 8,165	(0.8%)
Operating grants and contributions	21,612	21,347	238	182	21,850	21,529	1.5%
Capital grants and contributions	1,271	1,303	-	-	1,271	1,303	(2.5%)
General revenues							
Income taxes	24,924	22,431	-	-	24,924	22,431	11.1%
Sales taxes	12,243	11,850	-	-	12,243	11,850	3.3%
Motor fuel taxes	1,318	1,324	-	-	1,318	1,324	(0.5%)
Public utility taxes	1,470	1,443	-	-	1,470	1,443	1.9%
Riverboat taxes	454	469	-	-	454	469	(3.2%)
Medical providers assessment taxes	1,721	1,562	-	-	1,721	1,562	10.2%
Other taxes	3,048	2,968	-	-	3,048	2,968	2.7%
Interest and investment earnings	396	124	75	37	471	161	192.5%
Other revenue	990	881	-	-	990	881	12.4%
<b>Total revenues</b>	<b>72,535</b>	<b>68,769</b>	<b>5,321</b>	<b>5,317</b>	<b>77,856</b>	<b>74,086</b>	<b>5.1%</b>
<b>Expenses</b>							
Health and social services	31,068	29,207	-	-	31,068	29,207	6.4%
Education	24,239	25,359	-	-	24,239	25,359	(4.4%)
General government	3,202	2,892	-	-	3,202	2,892	10.7%
Employment and economic development	906	756	-	-	906	756	19.8%
Transportation	4,497	4,626	-	-	4,497	4,626	(2.8%)
Public protection and justice	4,281	4,416	-	-	4,281	4,416	(3.1%)
Environment and business regulation	1,001	778	-	-	1,001	778	28.7%
Unemployment compensation fund	-	-	1,656	1,728	1,656	1,728	(4.2%)
Water revolving fund	-	-	70	63	70	63	11.1%
Prepaid tuition programs	-	-	48	44	48	44	9.1%
Designated account purchase program fund	-	-	11	5	11	5	120.0%
Lottery	-	-	2,238	2,281	2,238	2,281	(1.9%)
Federal student loans	-	-	93	117	93	117	(20.5%)
Student loan operating fund	-	-	8	29	8	29	(72.4%)
Other business-type activities	-	-	87	110	87	110	(20.9%)
Intergovernmental	6,358	5,918	-	-	6,358	5,918	7.4%
Interest	1,771	1,986	-	-	1,771	1,986	(10.8%)
<b>Total expenses</b>	<b>77,323</b>	<b>75,938</b>	<b>4,211</b>	<b>4,377</b>	<b>81,534</b>	<b>80,315</b>	<b>1.5%</b>
Excess (deficiency) before transfers	(4,788)	(7,169)	1,110	940	(3,678)	(6,229)	41.0%
Transfers	777	749	(777)	(749)	-	-	0.0%
<b>Increase (decrease) in net position</b>	<b>(4,011)</b>	<b>(6,420)</b>	<b>333</b>	<b>191</b>	<b>(3,678)</b>	<b>(6,229)</b>	<b>41.0%</b>
Net position - beginning	(189,069)	(182,649)	5,055	4,864	(184,014)	(177,785)	(3.5%)
Net position - ending	<u>\$ (193,080)</u>	<u>\$ (189,069)</u>	<u>\$ 5,388</u>	<u>\$ 5,055</u>	<u>\$ (187,692)</u>	<u>\$ (184,014)</u>	<u>(2.0%)</u>

### **Governmental Activities:**

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

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

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



The State's governmental activities revenues increased \$3.766 billion (5.5%) during fiscal year 2019 with the largest revenue increase consisting of \$2.493 billion in income taxes. Public Act 100-0022 authorized an increase in the individual income tax rate from 3.75% to 4.95% and the corporate income tax rate from 5.25% to 7%, effective July 1, 2017.

The State's governmental activities expenses increased \$1.385 billion (1.8%) during fiscal year 2019, due mostly to increases in health and social services program expenses of \$1.861 billion.

**Business-type Activities:**

The net position of business-type activities increased \$333 million during the fiscal year 2019. This increase was attributed mainly to a \$156 million increase in net position of the Water Revolving Fund, which resulted from an increase in federal government revenue of \$80 million.

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

**General Fund**

The General Fund accounts for resources obtained and used for those services traditionally provided by the State which are not accounted for in another fund. Accordingly, the majority of the State's tax revenues and program support expenses are accounted for in the General Fund. For financial reporting purposes, the General Fund consists of several accounts of the State which are described on page 203. For budgetary purposes the General Funds consist of the General Revenue, Common School-Special, Education Assistance, Common School, Advancement of Education, Commitment to Human Services, and Budget Stabilization Accounts.

The State's General Funds' budgetary fund balance ended fiscal year 2019 with a deficit for the eighteenth consecutive year. At June 30, 2019, the General Funds' budgetary fund balance was a deficit of \$5.713 billion compared to a \$5.698 billion deficit recorded at June 30, 2018. The final budget projected a \$8.137 billion deficit.

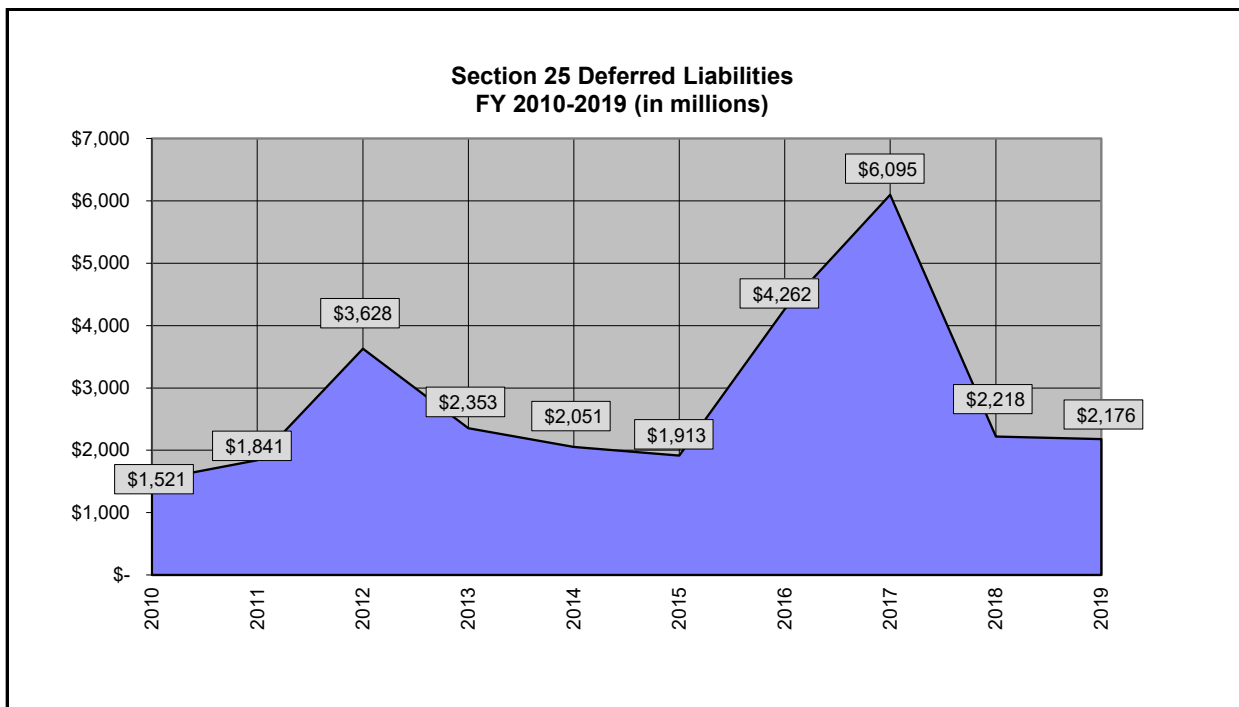
The \$2.424 billion increase in the General Funds' budgetary balance between the final budget and the actual results was due to \$1.562 billion more in actual revenues than budgeted revenues, combined with \$862 million less in actual expenditures than budgeted expenditures. Actual income tax revenues were \$1.474 billion more than budgeted.

The General Fund’s assets at June 30, 2019, were \$9.660 billion, which is a decrease of \$95 million from the June 30, 2018, balance of \$9.755 billion. Cash equity with the State Treasurer increased \$1.030 billion, offset by decreases in securities lending collateral and intergovernmental receivables of \$625 million and \$480 million, respectively.

The General Fund’s liabilities at June 30, 2019, were \$15.577 billion, which is a decrease of \$535 million from the June 30, 2018, balance of \$16.112 billion. The decrease was due mostly from the decrease in securities lending collateral of \$625 million.

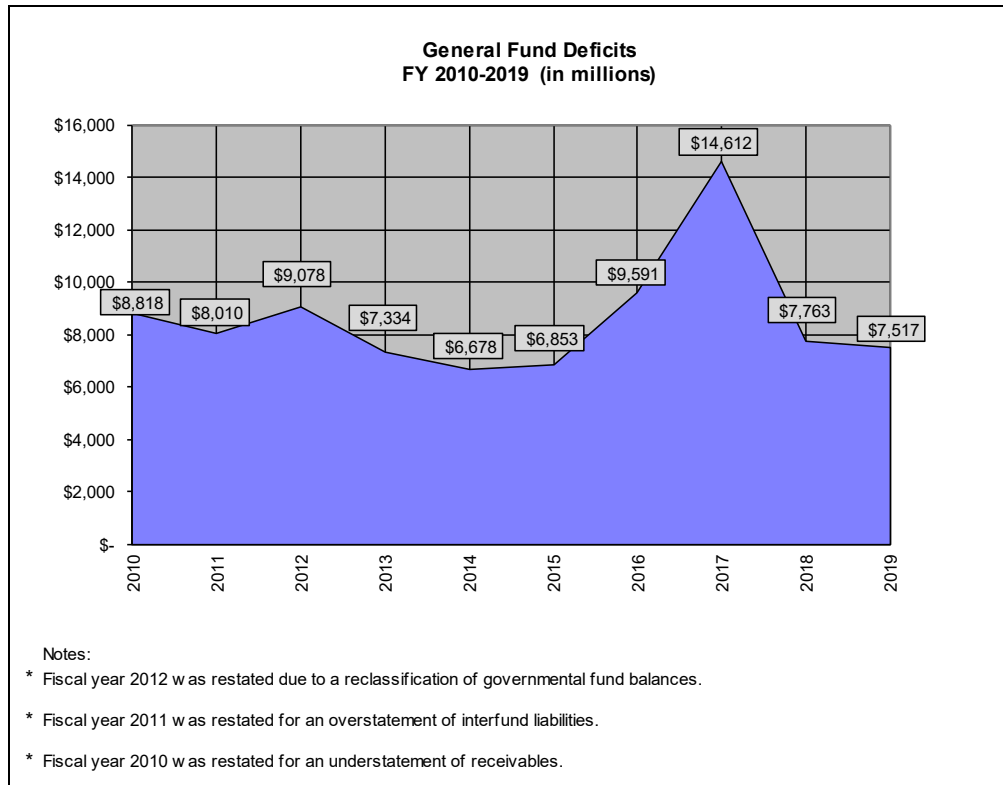
The General Fund’s deferred inflows of resources at June 30, 2019, were \$1.600 billion, which is an increase of \$194 million from the June 30, 2018, balance of \$1.406 billion. The increase relates to unavailable revenue associated with the timing of collections of intergovernmental receivables.

A factor that determines a significant portion of the General Fund liabilities is the accrued liabilities payable from future year’s appropriations. One of the largest components of those liabilities is Section 25 of the State Finance Act (Section 25) deferrals which consist mostly of self-insurance and Medicaid program liabilities. These statutory deferrals allow expenses incurred during one fiscal year to be paid for from the subsequent fiscal year’s budget in limited situations. Section 25 deferrals decreased \$42 million from \$2.218 billion at June 30, 2018, to \$2.176 billion at June 30, 2019.





During fiscal year 2019, the General Fund’s fund deficit decreased from \$7.763 billion to \$7.517 billion, a \$246 million decrease.



During fiscal year 2019, General Fund revenues increased \$1.661 billion to \$49.948 billion. General Fund expenditures increased \$1.609 billion to \$48.037 billion in fiscal year 2019 due mainly to increased spending on health and social services programs of \$1.434 billion. Other sources of financial resources saw a significant decrease due to the prior year issuance of \$6.000 billion in general obligation bonds.

Cash flow problems caused the State to hold over \$7.955 billion in payments and interfund transfers from the General Fund at June 30, 2019.

**Road Fund**

The Road Fund incurred a \$324 million decrease in fund balance in the current year and has a \$64 million fund balance. Revenues decreased \$48 million while expenditures decreased \$70 million in fiscal year 2019. The significant decrease in fund balance resulted from a second year of increased required statutory transfers to the Public Transportation Account, a subaccount of the General Fund. Total transfers to the Public Transportation Account totaled \$230 million for the year ended June 30, 2019.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets:

At June 30, 2019, the State had \$22.389 billion in capital assets, net of accumulated depreciation, in the following categories:

<b>Capital Assets as of June 30</b> (net of depreciation, amounts in millions)						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2019	2018	2019	2018	2019	2018
Land and land improvements	\$ 3,598	\$ 3,551	\$ -	\$ -	\$ 3,598	\$ 3,551
Site improvements	187	200	-	-	187	200
Buildings and building improvements	1,671	1,746	2	2	1,673	1,748
Equipment	585	528	-	1	585	529
Intangible assets	635	592	1	1	636	593
Infrastructure	15,434	15,770	-	-	15,434	15,770
Other	13	13	-	-	13	13
Subtotal	22,123	22,400	3	4	22,126	22,404
Construction in progress	263	149	-	-	263	149
<b>Total</b>	<b>\$ 22,386</b>	<b>\$ 22,549</b>	<b>\$ 3</b>	<b>\$ 4</b>	<b>\$ 22,389</b>	<b>\$ 22,553</b>

Infrastructure assets consist of 69% of the State's net capital assets and comprise \$872 million of the \$1.381 billion (63%) of the current year additions to capital assets of governmental activities. The State capitalizes and depreciates its roads and road improvements over a twenty-year period and its bridges over a forty-year period. More detailed information regarding the State's capital assets is presented in Note 7 of the financial statements on page 88.

### Debt Administration:

#### Bonded Indebtedness

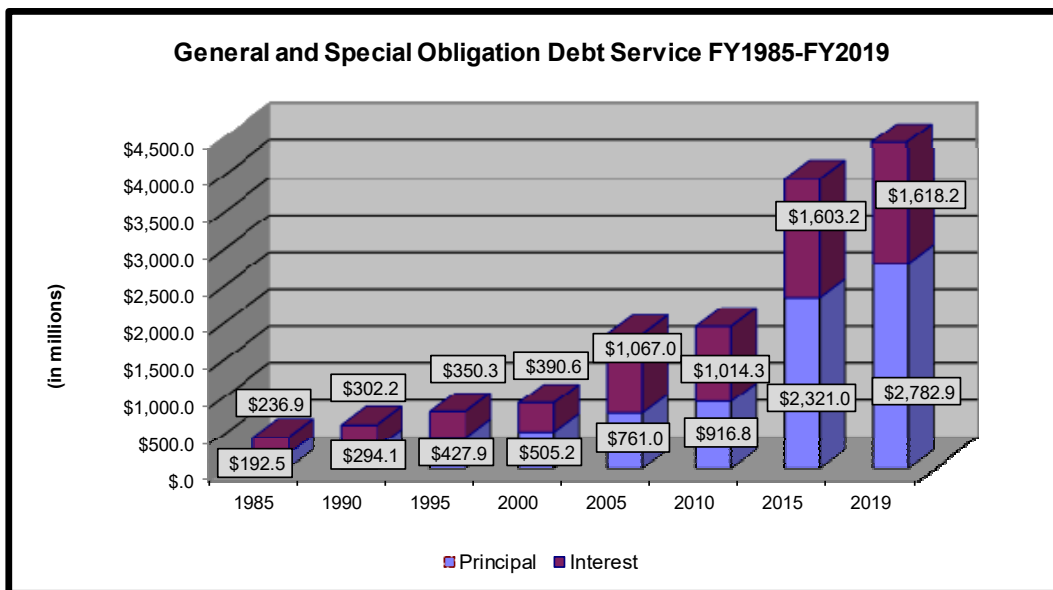
The State, certain State agencies and component units of the State are empowered by law to authorize, issue, and sell debt obligations. General obligation bonds, issued by the State, are backed by the full faith and credit of the State and are considered a direct debt of the State. Special obligation bonds are also considered direct debt of the State but are not backed by the full faith and credit of the State. Rather, special obligation bonds are supported and repaid only by a dedicated State revenue source. Revenue bonds are not backed by the full faith and credit of the State but are backed by a specific revenue stream. Some revenue bonds can be considered moral obligation debt which means that if resources from the specified revenue stream are insufficient to support the debt service, any amount necessary to make up the deficiency will be included in the budget recommendation made to the State legislature, which may appropriate moneys to make up the shortfall. The legislature, however, is not legally obligated to make such an appropriation. Also, some revenue bonds are classified as indirect debt which means that the asset is the property of a local government but part of the payment of the debt service comes from State resources. Lastly, some revenue bonds can be considered conduit debt which implies no

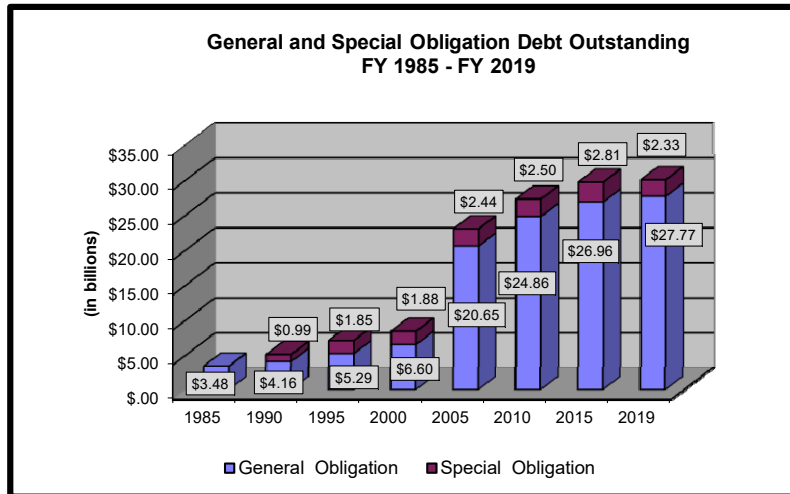
obligation for the State. More detailed information regarding the State's long-term debt obligations is presented in Notes 9, 10 and 11 to the financial statements beginning on page 98.

Outstanding Bonded Debt as of June 30 (Amounts in millions)						
Primary Government	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
	General obligation bonds (backed by the State)	\$ 27,765	\$ 29,998	\$ -	\$ -	\$ 27,765
Special obligation bonds (backed by specific fee revenue)	2,327	2,304	-	-	2,327	2,304
Revenue bonds (backed by specific tax and fee revenue)	873	967	143	167	1,016	1,134
	<u>\$ 30,965</u>	<u>\$ 33,269</u>	<u>\$ 143</u>	<u>\$ 167</u>	<u>\$ 31,108</u>	<u>\$ 33,436</u>

As shown above, Illinois had outstanding general and special obligation bonds at June 30, 2019 totaling \$30.092 billion. Bonds have been issued primarily to provide funds for acquisition and construction of capital facilities for higher education, public and mental health, correction and conservation purposes, and for maintenance and construction of highway and waterway facilities. Bonds also have been issued to provide assistance to municipalities for construction of sewage treatment facilities, port districts, aquarium facilities, local schools, mass transportation and aviation purposes, and to fund research and development of coal and alternative energy sources. In addition, bonds have been issued to make pension contributions to the State's retirement systems and to fund a portion of the State's unfunded portion of prior year's retirement liabilities. The outstanding amount of \$8.850 billion for pension purposes, issued in 2003, is included in the outstanding general obligation bonds as of June 30, 2019.

Debt service principal of \$2.783 billion and interest costs of \$1.618 billion were paid and charged, respectively, in fiscal year 2019 for general and special obligation bonds. The dramatic increase in debt service payments and outstanding debt since fiscal year 1985 is displayed in the following charts:





In addition to general and special obligation bonds, the primary government had \$1.016 billion of revenue bonds and \$3.328 billion of non-retirement long-term obligations outstanding as of June 30, 2019.

The State’s general obligation bond ratings were Baa3 with a Stable Outlook by Moody’s Investor Services, BBB- with a Stable Outlook by Standard and Poor’s, and BBB with a Negative Outlook by Fitch Ratings as of June 30, 2019. On July 31, 2019, Fitch revised its rating to BBB with a Stable Outlook. Amid concerns due to the COVID-19 outbreak, during April 2020, Moody’s revised its rating to Baa3 with a Negative Outlook, Standard and Poor’s revised its rating to BBB- with a Negative Outlook, and Fitch revised its rating to BBB- with a Negative Outlook.

The State’s special obligation—Build Illinois Bonds – ratings were Baa3 with a Negative Outlook by Moody’s Investor Services, BBB with a Stable Outlook by Standard and Poor’s, and A- with a Negative Outlook by Fitch Ratings as of June 30, 2019. During April 2020, Standard and Poor’s revised its rating to BBB with a Negative Outlook, and Fitch revised its rating to BBB+ with a Negative Outlook.

**Retirement Liabilities**

The State’s largest liability is its net pension liability. The State sponsors five public employee retirement systems that are included in the State’s financial statements as pension trust funds. As the State is statutorily required to make contributions to these retirement systems, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, requires the State to recognize a proportionate share of the collective net pension liability for each of these plans. During fiscal year 2019, the net pension liability as reported in the financial statements totaled \$138.592 billion, an increase of \$5.022 billion from the fiscal year 2018 balance of \$133.570 billion.

During fiscal year 2019, all of the State systems were substantially funded in accordance with the *statutory funding* requirement. The law enacted in fiscal year 1996 provides for a 50-year funding plan with a 15-year phase-in and a “continuing appropriation.” For fiscal years 2006 and 2007, however, the law was amended allowing for decreased contributions to the systems of only \$938.4 million and \$1,374.7 million, respectively, and requiring equal annual increments from fiscal year 2008 to 2010 (the end of the 15-year phase-in) so that by fiscal year 2011, the State

would be contributing at the rate otherwise required by State law. The continuing appropriation provides the Comptroller's Office with the authority to automatically provide funding to the pension systems based on actuarial cost requirements and amortization of the unfunded liability without being subject to the General Assembly's appropriation process. However, the State's 50-year funding plan does *not* conform to the Actuarial Standards of Practice, and although the statutory contribution requirements were met, the statutory funding method generates a contribution requirement that is less than a reasonable actuarial determined contribution.

In addition, the State is statutorily required to make contributions for OPEB to three plans that provide health, dental, vision and life insurance benefits to certain retirees and their dependents. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State recognized its proportionate share of the OPEB liability in the amount of \$54.522 billion as of June 30, 2019, a decrease of \$656 million from the fiscal year 2018 balance of \$55.178 billion.

## ECONOMIC CONDITION AND OUTLOOK

### Fiscal Year 2019

Economic growth continued at a steady pace in Illinois during fiscal year 2019. Each of the measures of Illinois economic activity has shown gradual improvement since the sharp decline recognized in 2009 and 2010. Illinois' non-agricultural employment (derived from survey data from Illinois companies) averaged 6.153 million workers in fiscal year 2019, an increase of 64,000 jobs or 1.05% above 2018 employment and 111,000 jobs or 1.84% above peak employment of 6.042 million jobs in fiscal year 2001. A second Illinois employment estimate, obtained through household surveys, also showed an increase in Illinois employment. According to these surveys, an average of 6.199 million Illinoisans was employed in fiscal year 2019, an increase over the average of 6.187 million in fiscal year 2018.

The average Illinois unemployment rate decreased from 5.3% and 4.6% in fiscal years 2017 and 2018, respectively, to 4.3% in fiscal year 2019. At June 30, 2019, the rate was 4.0%. The decreased average unemployment rate was caused by the increase in employment levels and the drop in the average number of unemployed which decreased from approximately 297,000 during fiscal year 2018 to approximately 276,000 for fiscal year 2019.

A more comprehensive measure of Illinois' economic performance is the change in state personal income adjusted for inflation. This value increased 2.1% in fiscal year 2019 as nominal personal income rose 4.2% and the consumer price index was up 2.1%. State personal income adjusted for inflation had shown a decrease in 2017 of .03% and an increase of 2.0% in 2018.

### Outlook

The State continues to show an inability to generate sufficient cash from its current revenue structure to pay operating expenditures on a timely basis. The State's two largest revenue sources, income tax and sales tax, are especially susceptible to changes in the economy.

These budgetary challenges along with the accumulated deficit in the General Fund, continued growth in the net pension liability and OPEB liability, and ratings on debt issuances of the State may impact the State's ability to access credit markets to pay operational expenditures more timely and may increase interest costs of those borrowings.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors a general overview of the State's financial position and changes in the State's net position for the year ended June 30, 2019. If you have any questions about this report or need additional financial information, contact the Office of Comptroller at (217) 782-6000.

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

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State of Illinois

Statement of Net Position

June 30, 2019 (Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash equity with State Treasurer	\$ 9,717,447	\$ 287,931	\$ 10,005,378	\$ 1,025,365
Cash and cash equivalents	293,165	50,357	343,522	1,752,468
Deposits held by federal government		2,118,168	2,118,168	
Securities lending collateral of State Treasurer	2,805,582	69,639	2,875,221	5,247
Investments	44,469	1,064,964	1,109,433	3,032,152
Receivables, net:				
Taxes	2,357,078	339,761	2,696,839	
Intergovernmental	3,132,091	28,545	3,160,636	230,577
Other	955,850	204,356	1,160,206	749,321
Internal balances	105,698	(105,698)	-	
Due from fiduciary funds	25,970	445	26,415	
Due from component units	491,196	8,277	499,473	23,034
Due from primary government				1,507,703
Inventories	137,138		137,138	43,935
Prepaid expenses	7,620	507	8,127	75,061
Unamortized bond insurance costs	11,318		11,318	7,485
Loans and notes receivable, net	50,932	1,303,785	1,354,717	1,268,070
Restricted assets:				
Cash equity with State Treasurer	1,230,957		1,230,957	205,465
Cash and cash equivalents	186,026	10,906	196,932	610,887
Investments	13,019		13,019	5,549,892
Intergovernmental receivables	4,398		4,398	
Other receivables	164,215	32,993	197,208	106,473
Loans and notes receivable, net		3,454,797	3,454,797	18,394
Other assets	42,495		42,495	6,868
Derivative instrument				14
Other assets	16,999		16,999	72,090
Capital assets not being depreciated	4,213,781		4,213,781	2,706,823
Capital assets being depreciated, net	18,172,514	3,247	18,175,761	13,027,261
<b>Total assets</b>	<b>44,179,958</b>	<b>8,872,980</b>	<b>53,052,938</b>	<b>32,024,585</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources - accumulated decrease in fair value of derivatives				115,035
Deferred outflows of resources - unamortized deferred amounts on bond refundings	74,689		74,689	95,597
Deferred outflows of resources - unamortized deferred amounts on certificates of participation refundings				4,929
Deferred outflows of resources - pensions	17,740,434	43,095	17,783,529	133,156
Deferred outflows of resources - OPEB	1,156,206	6,044	1,162,250	104,618
<b>Total deferred outflows of resources</b>	<b>18,971,329</b>	<b>49,139</b>	<b>19,020,468</b>	<b>453,335</b>



State of Illinois

Statement of Net Position

June 30, 2019 (Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	9,664,879	212,604	9,877,483	1,377,687
Intergovernmental payables	4,215,151	6,376	4,221,527	45,085
Due to fiduciary funds	1,179,344		1,179,344	
Due to component units	367,569	1,140,165	1,507,734	23,034
Due to primary government				493,865
Unearned revenue	1,335,094	33,513	1,368,607	471,002
Obligations under security lending of State Treasurer	2,805,582	69,639	2,875,221	5,247
Assets held for others				211,802
Short-term notes payable		93,357	93,357	11,577
Derivative instrument - liability				116,266
Other liabilities				16,111
Long-term obligations:				
Due within one year	3,381,311	172,606	3,553,917	624,650
Due subsequent to one year	222,334,566	1,661,110	223,995,676	14,644,697
<b>Total liabilities</b>	<b>245,283,496</b>	<b>3,389,370</b>	<b>248,672,866</b>	<b>18,041,023</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - loan origination points				1,350
Deferred inflows of resources - accumulated increase in fair value of derivatives				156
Deferred inflows of resources - unamortized deferred amounts on bond refundings	27,652	28,971	56,623	93
Deferred inflows of resources - service concession arrangements				30,705
Deferred inflows of resources - irrevocable split-interest agreements				20,007
Deferred inflows of resources - pensions	4,254,473	50,892	4,305,365	54,378
Deferred inflows of resources - OPEB	6,665,489	64,863	6,730,352	581,412
<b>Total deferred inflows of resources</b>	<b>10,947,614</b>	<b>144,726</b>	<b>11,092,340</b>	<b>688,101</b>
<b>NET POSITION</b>				
Net investment in capital assets	16,161,889	3,210	16,165,099	6,924,659
Restricted for:				
Debt service	2,037,737	27,672	2,065,409	493,390
Capital grants/projects	842,582		842,582	177,974
Repayment of loan from component unit		3,210,137	3,210,137	
Unemployment compensation benefits		2,467,322	2,467,322	
Municipal lending		632,412	632,412	
Education	4,369	47,117	51,486	
Employment and economic development	197,845		197,845	
Health and social services	295,273		295,273	
Public protection and justice	56,059		56,059	
Environment and business regulation	173,756		173,756	
Transportation	47,399		47,399	
Other purposes	594,144		594,144	
Funds held as permanent investments:				
Nonexpendable purposes	51,793		51,793	1,849,228
Expendable purposes	3,991		3,991	3,222,267
Unrestricted	(213,546,660)	(999,847)	(214,546,507)	1,081,278
<b>Total net position</b>	<b>\$ (193,079,823)</b>	<b>\$ 5,388,023</b>	<b>\$(187,691,800)</b>	<b>\$ 13,748,796</b>

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

**State of Illinois**

**Statement of Activities**

For the Year Ended June 30, 2019 (Expressed in Thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>				
Governmental activities				
Health and social services	\$31,068,488	\$ 152,953	\$ 17,928,545	
Education	24,238,730	10,391	2,350,760	
General government	3,202,284	2,272,405	63,772	\$ 10,926
Employment and economic development	906,153	24,584	615,047	
Transportation	4,496,926	54,189	328,243	1,261,119
Public protection and justice	4,281,070	151,038	205,280	
Environment and business regulation	1,000,741	421,971	120,551	
Intergovernmental-revenue sharing	6,357,667			
Interest	1,771,247			
Total governmental activities	<u>77,323,306</u>	<u>3,087,531</u>	<u>21,612,198</u>	<u>1,272,045</u>
Business-type activities				
Unemployment compensation trust	1,656,403	1,776,554		
Water revolving	69,517	77,487	144,768	
Prepaid tuition program	47,674	33,052		
Lottery	2,238,331	2,981,315		
Designated account purchase program	11,251	17,818		
Federal student loans	93,006	8,511	92,570	
Student loan operation fund	8,133	9,612		
Other	86,626	103,455		
Total business-type activities	<u>4,210,941</u>	<u>5,007,804</u>	<u>237,338</u>	
<b>Total primary government</b>	<u>\$81,534,247</u>	<u>\$ 8,095,335</u>	<u>\$ 21,849,536</u>	<u>\$ 1,272,045</u>
<b>Component units</b>				
Authorities				
Illinois Housing Development Authority	\$ 268,289	\$ 131,055	\$ 245,447	
Illinois State Toll Highway Authority	1,143,495	1,436,403		
Other Authorities	43,748	34,459		
Universities				
Illinois State University	554,839	295,070	74,038	\$ 1,849
Northern Illinois University	531,649	237,727	84,660	
Southern Illinois University	1,075,770	535,626	138,096	1,061
University of Illinois	5,836,699	3,041,327	1,057,567	3,767
Other Universities	795,849	273,807	153,003	
<b>Total component units</b>	<u>\$10,250,338</u>	<u>\$ 5,985,474</u>	<u>\$ 1,752,811</u>	<u>\$ 6,677</u>
<b>General revenues</b>				
Taxes:				
Income taxes				
Sales taxes				
Motor fuel taxes				
Public utility taxes				
Riverboat taxes				
Medical providers assessment taxes				
Other taxes				
Interest and investment income				
Other revenues				
Pension and OPEB revenue recognized				
Payments from the State of Illinois				
Additions to permanent endowments				
Transfers				
<b>Total general revenues, payments from the State of Illinois, additions to permanent funds and transfers</b>				
Change in net position				
Net position, July 1, 2018, as restated				
Net position, June 30, 2019				

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

<b>Net (Expense) Revenues and Changes in Net Position</b>			
<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
\$ (12,986,990)		\$ (12,986,990)	
(21,877,579)		(21,877,579)	
(855,181)		(855,181)	
(266,522)		(266,522)	
(2,853,375)		(2,853,375)	
(3,924,752)		(3,924,752)	
(458,219)		(458,219)	
(6,357,667)		(6,357,667)	
(1,771,247)		(1,771,247)	
<u>(51,351,532)</u>			
	\$ 120,151	120,151	
	152,738	152,738	
	(14,622)	(14,622)	
	742,984	742,984	
	6,567	6,567	
	8,075	8,075	
	1,479	1,479	
	16,829	16,829	
	<u>1,034,201</u>		
		(50,317,331)	
			\$ 108,213
			292,908
			(9,289)
			(183,882)
			(209,262)
			(400,987)
			(1,734,038)
			<u>(369,039)</u>
			(2,505,376)
24,923,946		24,923,946	
12,242,861		12,242,861	
1,317,925		1,317,925	
1,470,176		1,470,176	
453,985		453,985	
1,720,775		1,720,775	
3,047,878		3,047,878	
396,133	75,287	471,420	344,347
990,304		990,304	412,327
			1,570,840
			1,130,907
			178,248
<u>776,800</u>	<u>(776,800)</u>	<u>-</u>	
<u>47,340,783</u>	<u>(701,513)</u>	<u>46,639,270</u>	<u>3,636,669</u>
(4,010,749)	332,688	(3,678,061)	1,131,293
(189,069,074)	5,055,335	(184,013,739)	12,617,503
<u>\$ (193,079,823)</u>	<u>\$ 5,388,023</u>	<u>\$ (187,691,800)</u>	<u>\$ 13,748,796</u>

**State of Illinois**

**Balance Sheet -  
Governmental Funds**

June 30, 2019 (Expressed in Thousands)

	General Fund	Road Fund	Other Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash equity with State Treasurer	\$ 3,052,299	\$ 393,853	\$ 7,347,081	\$ 10,793,233
Cash and cash equivalents	5,919	48,215	338,438	392,572
Securities lending collateral of State Treasurer	2,021,398	75,734	686,320	2,783,452
Investments			57,488	57,488
Receivables, net:				
Taxes	1,859,616		497,462	2,357,078
Intergovernmental	1,804,160	208,186	1,114,931	3,127,277
Other	635,651	6,737	446,212	1,088,600
Due from other funds	219,483	63,494	940,411	1,223,388
Due from component units	23,590	96,741	357,962	478,293
Inventories	18,775	55,354	53,944	128,073
Loans and notes receivable, net	4,446	55	46,431	50,932
Other assets	15,000		44,494	59,494
<b>Total assets</b>	<b>9,660,337</b>	<b>948,369</b>	<b>11,931,174</b>	<b>22,539,880</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources - intra-entity transfers of future revenues			410,641	410,641
<b>Total deferred outflows of resources</b>			<b>410,641</b>	<b>410,641</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 9,660,337</b>	<b>\$ 948,369</b>	<b>\$12,341,815</b>	<b>\$ 22,950,521</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 5,837,949	\$ 248,412	\$ 904,649	\$ 6,991,010
Intergovernmental payables	2,160,282	113,315	1,927,246	4,200,843
Due to other funds	4,496,821	231,178	485,005	5,213,004
Due to component units	139,957	148,699	78,447	367,103
Unearned revenue	920,342	11,768	396,173	1,328,283
Obligations under securities lending of State Treasurer	2,021,398	75,734	686,320	2,783,452
Matured portion of long-term liabilities	300	231		531
<b>Total liabilities</b>	<b>15,577,049</b>	<b>829,337</b>	<b>4,477,840</b>	<b>20,884,226</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - unavailable revenue	1,599,885	55,007	741,828	2,396,720
Deferred inflows of resources - intra-entity transfers of future revenues			410,641	410,641
<b>Total deferred inflows of resources</b>	<b>1,599,885</b>	<b>55,007</b>	<b>1,152,469</b>	<b>2,807,361</b>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable - long-term portion of loans and notes receivable	4,446			4,446
Nonspendable - inventories	18,775	55,354	53,944	128,073
Nonspendable - endowments and similar funds			51,793	51,793
Restricted	69,038	47,047	3,942,222	4,058,307
Committed	2,537,792		3,369,048	5,906,840
Unassigned	(10,146,648)	(38,376)	(705,501)	(10,890,525)
<b>Total fund balances (deficits)</b>	<b>(7,516,597)</b>	<b>64,025</b>	<b>6,711,506</b>	<b>(741,066)</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 9,660,337</b>	<b>\$ 948,369</b>	<b>\$12,341,815</b>	<b>\$ 22,950,521</b>

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

**State of Illinois  
Reconciliation of Governmental Funds Balance Sheet  
to Statement of Net Position  
June 30, 2019  
(Expressed in Thousands)**

**Total fund balances-governmental funds** \$ (741,066)

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

Capital assets used in governmental activities, not including amounts included as assets in internal service funds of \$323,329, are not financial resources and therefore are not reported in the funds. 22,062,966

Prepaid expenses for governmental activities are current uses of financial resources for funds. 7,620

Bond insurance costs are reported as current expenditures in governmental funds. However, bond insurance costs are deferred and amortized over the life of the bonds and are included as governmental activities in the Statement of Net Position. 11,318

Bond refunding costs are reported as current expenditures in governmental funds. However, bond refunding costs are deferred and amortized over the life of the defeased bonds and are included in governmental activities in the Statement of Net Position. 47,037

Internal service funds are used to charge costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported as governmental activities in the Statement of Net Position. 583,568

Some revenues will be collected after year-end but are "unavailable" to pay for the current period's expenditures due to not being collectible for several months and therefore are deferred in governmental funds. 2,396,720

Some liabilities, deferred outflows of resources and deferred inflows of resources reported in the Statement of Net Position do not require the use of current financial resources and therefore are not reported in governmental funds. These liabilities, deferred outflows of resources and deferred inflows of resources not including amounts included as liabilities in internal service funds of \$610,793, consist of:

Net pension liability	\$ (138,334,394)	
Deferred outflows of resources - pensions	17,740,434	
Deferred inflows of resources - pensions	(4,254,473)	
OPEB liability	(54,379,320)	
Deferred outflows of resources - OPEB	1,156,206	
Deferred inflows of resources - OPEB	(6,665,489)	
General obligation bonds	(27,765,109)	
Special obligation bonds	(2,326,539)	
Revenue bonds	(873,430)	
Unamortized premiums	(1,013,797)	
Unamortized discounts	1,381	
Compensated absences	(347,102)	
Certificates of participation	(2,745)	
Pollution remediation obligation	(33,675)	
Auto liability	(19,467)	
Capital leases	(10,356)	
Accrued interest	(320,111)	
	(217,447,986)	(217,447,986)

**Net position of governmental activities** \$ (193,079,823)

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

State of Illinois

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

For the Year Ended June 30, 2019 (Expressed in Thousands)

	General Fund	Road Fund	Other Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>				
Income taxes	\$ 22,208,743		\$ 2,797,641	\$ 25,006,384
Sales taxes	8,699,105		3,545,704	12,244,809
Motor fuel taxes		\$ 303,090	1,015,903	1,318,993
Public utility taxes	915,615		563,213	1,478,828
Riverboat taxes			453,985	453,985
Medical providers assessment taxes	1,694,988			1,694,988
Other taxes	2,584,383		492,137	3,076,520
Federal government	11,698,252	1,261,107	8,413,425	21,372,784
Licenses and fees	565,446	967,250	1,255,728	2,788,424
Interest and other investment income	258,940	13,783	117,901	390,624
Other	1,322,288	122,038	1,040,047	2,484,373
<b>Total revenues</b>	<b>49,947,760</b>	<b>2,667,268</b>	<b>19,695,684</b>	<b>72,310,712</b>
<b>EXPENDITURES</b>				
Current:				
Health and social services	24,618,950		5,351,502	29,970,452
Education	17,409,100		2,650,354	20,059,454
General government	2,279,285	247	629,581	2,909,113
Employment and economic development	111,041		744,625	855,666
Transportation	549,117	2,146,594	689,765	3,385,476
Public protection and justice	2,791,595		585,263	3,376,858
Environment and business regulation	194,856		654,126	848,982
Debt service:				
Principal	2,105	370	2,881,633	2,884,108
Interest	13,721	237	1,667,982	1,681,940
Capital outlays	67,170	278,931	998,834	1,344,935
Intergovernmental			6,357,667	6,357,667
<b>Total expenditures</b>	<b>48,036,940</b>	<b>2,426,379</b>	<b>23,211,332</b>	<b>73,674,651</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,910,820</b>	<b>240,889</b>	<b>(3,515,648)</b>	<b>(1,363,939)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>				
General and special obligation bonds issued			550,000	550,000
Premiums on general and special obligation bonds issued			12,206	12,206
Discounts on general and special obligation bonds issued			(418)	(418)
General obligation refunding bonds issued			1,106,050	1,106,050
Premiums on general obligation refunding bonds issued			67,449	67,449
Transfers-in	2,001,016	4,126	4,765,316	6,770,458
Transfers-out	(3,664,646)	(573,209)	(1,756,603)	(5,994,458)
Payments to refunded bond escrow agent			(1,168,591)	(1,168,591)
Capital lease financing	3,132	625	2,100	5,857
<b>Net other sources (uses) of financial resources</b>	<b>(1,660,498)</b>	<b>(568,458)</b>	<b>3,577,509</b>	<b>1,348,553</b>
<b>Net change in fund balances</b>	<b>250,322</b>	<b>(327,569)</b>	<b>61,861</b>	<b>(15,386)</b>
Fund balances (deficits), July 1, 2018	(7,763,293)	387,761	6,643,308	(732,224)
Increase (decrease) for changes in inventories	(3,626)	3,833	6,337	6,544
<b>FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ (7,516,597)</b>	<b>\$ 64,025</b>	<b>\$ 6,711,506</b>	<b>\$ (741,066)</b>

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

**State of Illinois**  
**Reconciliation of Statement of Revenues, Expenditures and Changes in**  
**Fund Balances of Governmental Funds to Statement of Activities**  
**For the Year Ended June 30, 2019**  
**(Expressed in Thousands)**

<b>Net change in fund balances</b>	\$ (15,386)
Change in inventories	6,544
	(8,842)

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

Prepaid expenses are recorded as uses of current financial resources in governmental funds but do not affect the expenses reported on the Statement of Activities. Prepaid expenses decreased by this amount during the year. (120)

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

Capital outlays	\$ 1,344,935	
Depreciation expense	(1,484,517)	
Excess of depreciation expense over capital outlays		(139,582)

Revenues for capital assets acquired through noncash transactions are not recorded in governmental funds. However, in the Statement of Activities, program revenues are recorded for donated capital assets in this amount. 8,193

Gains and losses from capital assets no longer in use are not recorded in governmental funds but are reported as other revenues and expenses in the Statement of Activities. In the current year, these transactions include losses on capital assets scrapped, damaged or stolen. (27,777)

Transfers of capital assets to and from proprietary funds are not recorded in governmental funds. This amount represents the net transfers of capital assets between governmental funds and proprietary funds in the Statement of Activities. (2,744)

Internal service funds are used to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported as governmental activities in the Statement of Activities. (40,150)

Because some revenues will not be collected for several months, they are considered "unavailable" revenues and revenue recognition is deferred in the governmental funds. Unavailable revenues increased by this amount during the year. 173,906

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

Bond proceeds, including premiums of \$79,655	(1,735,287)	
Payments to refunded bond escrow agent	1,168,591	
Bond insurance costs deferred	1,388	
Bond principal retirements	2,876,550	
Deferred gain on current year refundings of debt	(5,781)	
Accrued interest paid to refunding agent	(80,661)	
Amortization of bond premiums	189,089	
Amortization of bond discounts	(129)	
Amortization of bond insurance costs	(1,297)	
Amortization of deferred amounts on refundings of debt	(25,561)	
Capital lease and installment purchase agreement proceeds	(5,857)	
Capital lease and installment purchase principal retirements	4,968	
Certificates of participation principal retirements	2,590	
Net increase in change in fund balance of governmental funds from long-term debt transactions		2,388,603

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

Increase in net pension liability	(5,052,712)	
Increase in deferred outflows of resources - pensions	133,735	
Increase in deferred inflows of resources - pensions	(170,224)	
Decrease in OPEB liability	615,846	
Decrease in deferred outflows of resources - OPEB	(964,634)	
Increase in deferred inflows of resources - OPEB	(1,055,188)	
Increase in compensated absences obligation	(7,203)	
Decrease in disproportionate share hospital payment obligations	124,206	
Interest accreted on capital appreciation debt	(4,180)	
Increase in auto liability obligation	(2,789)	
Increase in pollution remediation obligations	(3,425)	
Decrease in accrued interest on obligations	24,332	
Net increase in expenses for net increase in long-term liabilities not reported in governmental funds		(6,362,236)

<b>Change in net position of governmental activities</b>	<b>\$ (4,010,749)</b>
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The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois

Statement of Net Position -  
Proprietary Funds

June 30, 2019 (Expressed in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Major				Total	
	Unemployment Compensation Trust Fund	Water Revolving Fund	Prepaid Tuition Fund	Nonmajor Enterprise Funds		
<b>ASSETS</b>						
Cash equity with State Treasurer		\$ 107,725	\$ 637	\$ 179,569	\$ 287,931	\$ 155,171
Cash and cash equivalents	\$ 14,850		4,410	31,097	50,357	86,619
Deposits held by federal government	2,118,168				2,118,168	
Securities lending collateral of State Treasurer		31,333		38,306	69,639	22,130
Investments			146,726	83,855	230,581	
Receivables, net:						
Taxes	339,761				339,761	
Intergovernmental	14,845	307		13,393	28,545	9,212
Other	94,211	15,480	6,690	70,942	187,323	31,465
Due from other funds	4,700			4,724	9,424	2,986,719
Due from component units	146	8,131			8,277	12,903
Loans and notes receivable, net		72,460			72,460	
Restricted assets:						
Cash and cash equivalents				10,906	10,906	
Other receivables, net		11,687		21,306	32,993	
Loans and notes receivable, net		200,820		33,325	234,145	
Inventories						9,065
Prepaid expenses		17		490	507	
<b>Total current assets</b>	<b>2,586,681</b>	<b>447,960</b>	<b>158,463</b>	<b>487,913</b>	<b>3,681,017</b>	<b>3,313,284</b>
Investments			550,408	283,975	834,383	
Other receivables, net			17,033		17,033	
Loans and notes receivable, net		1,231,325			1,231,325	
Restricted loans and notes receivable, net		2,997,630		223,022	3,220,652	
Capital assets not being depreciated						133,517
Capital assets being depreciated, net		9		3,238	3,247	189,812
<b>Total noncurrent assets</b>		<b>4,228,964</b>	<b>567,441</b>	<b>510,235</b>	<b>5,306,640</b>	<b>323,329</b>
<b>Total assets</b>	<b>2,586,681</b>	<b>4,676,924</b>	<b>725,904</b>	<b>998,148</b>	<b>8,987,657</b>	<b>3,636,613</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows of resources - pensions		7,350		35,745	43,095	
Deferred outflows of resources - OPEB		740		5,304	6,044	
<b>Total deferred outflows of resources</b>		<b>8,090</b>		<b>41,049</b>	<b>49,139</b>	
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	115,182	583	1,670	95,169	212,604	2,353,758
Intergovernmental payables	3,081	144		3,151	6,376	14,308
Due to other funds	1,096	401	179	23,956	25,632	44,779
Due to component units		1,140,143	10	12	1,140,165	466
Unearned revenue				33,513	33,513	6,811
Obligations under securities lending of State Treasurer		31,333		38,306	69,639	22,130
Short-term notes payable				93,357	93,357	
Current portion of long-term obligations		869	145,130	26,607	172,606	112,193
<b>Total current liabilities</b>	<b>119,359</b>	<b>1,173,473</b>	<b>146,989</b>	<b>314,071</b>	<b>1,753,892</b>	<b>2,554,445</b>
Due to other funds				89,045	89,045	
Noncurrent portion of long-term obligations		90,930	873,867	696,313	1,661,110	498,600
<b>Total noncurrent liabilities</b>		<b>90,930</b>	<b>873,867</b>	<b>785,358</b>	<b>1,750,155</b>	<b>498,600</b>
<b>Total liabilities</b>	<b>119,359</b>	<b>1,264,403</b>	<b>1,020,856</b>	<b>1,099,429</b>	<b>3,504,047</b>	<b>3,053,045</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows of resources - unamortized deferred amounts on bond refundings				28,971	28,971	
Deferred inflows of resources - pensions		9,200		41,692	50,892	
Deferred inflows of resources - OPEB		15,182		49,681	64,863	
<b>Total deferred inflows of resources</b>		<b>24,382</b>		<b>120,344</b>	<b>144,726</b>	
<b>NET POSITION</b>						
Net investment in capital assets		9		3,201	3,210	321,757
Net position restricted for:						
Debt service				27,672	27,672	
Repayment of loan from component unit		3,210,137			3,210,137	
Unemployment compensation benefits	2,467,322				2,467,322	
Municipal lending		632,412			632,412	
Education				47,117	47,117	
Unrestricted		(446,329)	(294,952)	(258,566)	(999,847)	261,811
<b>Total net position</b>	<b>\$ 2,467,322</b>	<b>\$ 3,396,229</b>	<b>\$ (294,952)</b>	<b>\$ (180,576)</b>	<b>\$5,388,023</b>	<b>\$ 583,568</b>

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



State of Illinois

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

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Business-type Activities - Enterprise Funds				Total	Governmental Activities - Internal Service Funds
	Major					
	Unemployment Compensation Trust Fund	Water Revolving Fund	Prepaid Tuition Fund	Nonmajor Enterprise Funds		
<b>OPERATING REVENUES</b>						
Charges for sales and services			\$ 248	\$ 3,096,013	\$ 3,096,261	\$ 3,590,534
Interest income pledged as revenue bond security				17,288	17,288	
Interest and other investment income		\$ 77,487	32,804	58	110,349	
Employer contributions	\$ 1,769,104				1,769,104	
Other	7,385			6,585	13,970	42
<b>Total operating revenues</b>	<b>1,776,489</b>	<b>77,487</b>	<b>33,052</b>	<b>3,119,944</b>	<b>5,006,972</b>	<b>3,590,576</b>
<b>OPERATING EXPENSES</b>						
Cost of sales and services				279,078	279,078	638,189
Benefit payments and refunds	1,656,403			46,313	1,702,716	2,707,528
Prizes and claims				1,907,153	1,907,153	
Interest				3,933	3,933	
General and administrative		14,758	3,794	172,777	191,329	82,567
Depreciation		3		721	724	29,039
Other		28,078	43,880	15,877	87,835	10
<b>Total operating expenses</b>	<b>1,656,403</b>	<b>42,839</b>	<b>47,674</b>	<b>2,425,852</b>	<b>4,172,768</b>	<b>3,457,333</b>
<b>Operating income (loss)</b>	<b>120,086</b>	<b>34,648</b>	<b>(14,622)</b>	<b>694,092</b>	<b>834,204</b>	<b>133,243</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest and investment income	45,720	3,305		26,262	75,287	4,852
Interest expense		(23,844)		(11,197)	(35,041)	(186,416)
Federal government		144,768		92,570	237,338	4,750
Other revenues	65			767	832	734
Other expenses		(2,834)		(298)	(3,132)	(933)
<b>Income (loss) before contributions and transfers</b>	<b>165,871</b>	<b>156,043</b>	<b>(14,622)</b>	<b>802,196</b>	<b>1,109,488</b>	<b>(43,770)</b>
Contributions of capital assets						2,820
Transfers-in				13,698	13,698	800
Transfers-out	(15,910)			(774,588)	(790,498)	
<b>Change in net position</b>	<b>149,961</b>	<b>156,043</b>	<b>(14,622)</b>	<b>41,306</b>	<b>332,688</b>	<b>(40,150)</b>
Net position, July 1, 2018	2,317,361	3,240,186	(280,330)	(221,882)	5,055,335	623,718
<b>NET POSITION, JUNE 30, 2019</b>	<b>\$ 2,467,322</b>	<b>\$ 3,396,229</b>	<b>\$ (294,952)</b>	<b>\$ (180,576)</b>	<b>\$ 5,388,023</b>	<b>\$ 583,568</b>

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

State of Illinois

Statement of Cash Flows -  
Proprietary Funds

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Major				Total	
	Unemployment Compensation Trust Fund	Water Revolving Fund	Prepaid Tuition Fund	Nonmajor Enterprise Funds		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from sales and services			\$ 248	\$ 163,735	\$ 163,983	\$ 171,067
Cash received from lottery sales				2,973,737	2,973,737	
Cash received from transactions with other funds						3,579,805
Cash payments to suppliers for goods and services		\$ (2,877)	(1,656)	(241,676)	(246,209)	(3,312,840)
Cash payments to employees for services		(13,974)	(1,726)	(54,738)	(70,438)	(182,959)
Cash payments for lottery prizes				(1,908,136)	(1,908,136)	
Cash payments for commissions and bonuses				(165,329)	(165,329)	
Cash receipts from unemployment taxes	\$ 1,754,597				1,754,597	
Cash receipts from unemployment grants	7,480				7,480	
Cash payments for unemployment benefits	(1,617,836)				(1,617,836)	
Cash receipts from prepaid tuition contract sales			10,714		10,714	
Cash payments for tuition			(123,650)		(123,650)	
Cash payments for tuition contract refunds			(25,668)		(25,668)	
Cash receipts from student loan principal				46,071	46,071	
Cash receipts from student loan interest				10,520	10,520	
Cash payments for student loans issued				(2,001)	(2,001)	
Cash payments for workers' compensation						(93,836)
Cash receipts from other operating activities				8,564	8,564	72,701
Cash payments for other operating activities				(165,097)	(165,097)	
Net cash provided (used) by operating activities	144,241	(16,851)	(141,738)	665,650	651,302	233,938
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Proceeds from revenue bonds and other borrowings		272,532			272,532	
Principal paid on revenue bonds and other borrowings				(44,279)	(44,279)	
Interest paid on revenue bonds and other borrowings				(7,862)	(7,862)	(362,571)
Grants received		144,437		102,048	246,485	4,969
Grants paid		(1,411)			(1,411)	
Transfers-in from other funds				14,407	14,407	500
Transfers-out to other funds	(17,114)			(755,919)	(773,033)	
Federal recovery funds	61				61	
Net cash provided (used) by noncapital financing activities	(17,053)	415,558		(691,605)	(293,100)	(357,102)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets				(265)	(265)	(25,333)
Principal paid on capital debt				(20)	(20)	(1)
Proceeds from sales of capital assets						682
Net cash used by capital and related financing activities				(285)	(285)	(24,652)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of investment securities			(145,148)	(78,682)	(223,830)	
Proceeds from sales and maturities of investment securities			274,835	59,359	334,194	
Cash paid to investment managers			(400)		(400)	
Cash paid for long-term annuity prizes payable				(22,922)	(22,922)	
Loan disbursements		(659,794)		(16,000)	(675,794)	
Loan repayments		160,725		15,000	175,725	
Interest and dividends on investments	45,720	68,756	2,967	4,170	121,613	4,873
Net cash provided (used) by investing activities	45,720	(430,313)	132,254	(39,075)	(291,414)	4,873
<b>Net increase (decrease) in cash and cash equivalents</b>	172,908	(31,606)	(9,484)	(65,315)	66,503	(142,943)
Cash and cash equivalents, July 1, 2018	1,960,110	139,331	14,531	286,887	2,400,859	384,733
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2019</b>	\$ 2,133,018	\$ 107,725	\$ 5,047	\$ 221,572	\$ 2,467,362	\$ 241,790
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position:</b>						
Total cash and cash equivalents per Statement of Net Position	\$ 14,850		\$ 4,410	\$ 31,097	\$ 50,357	\$ 86,619
Add: cash equity with State Treasurer		\$ 107,725	637	179,569	287,931	155,171
Add: deposits held by federal government	2,118,168				2,118,168	
Add: restricted cash equivalents				10,906	10,906	
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2019</b>	\$ 2,133,018	\$ 107,725	\$ 5,047	\$ 221,572	\$ 2,467,362	\$ 241,790

State of Illinois

Statement of Cash Flows -

Proprietary Funds

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Major					
	Unemployment Compensation Trust Fund	Water Revolving Fund	Prepaid Tuition Fund	Nonmajor Enterprise Funds	Total	
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
<b>OPERATING INCOME (LOSS)</b>	\$ 120,086	\$ 34,648	\$ (14,622)	\$ 694,092	\$ 834,204	\$ 133,243
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation		3		721	724	29,039
Provision for uncollectible accounts		28,078		7,792	35,870	
In-kind contribution of services		298			298	
Interest and investment income		(77,487)	(30,594)	(452)	(108,533)	
Interest expense				3,922	3,922	
Miscellaneous income				(27)	(27)	682
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:						
(Increase) decrease in accounts receivable	407		9,354	(35,326)	(25,565)	(3,402)
(Increase) decrease in intergovernmental receivables	11,349			254	11,603	(1,867)
(Increase) decrease in due from other funds	21,709	278		786	22,773	157,091
(Increase) decrease in due from component units	(8)				(8)	3,121
(Increase) decrease in loans and notes receivable				42,435	42,435	
(Increase) decrease in inventories						299
(Increase) decrease in prepaid expenses		(5)		(321)	(326)	
(Increase) decrease in deferred outflows of resources		3,638		19,800	23,438	
Increase (decrease) in accounts payable and accrued liabilities	(8,989)	529	955	(53,962)	(61,467)	(83,391)
Increase (decrease) in intergovernmental payables	(313)	22		(3,073)	(3,364)	(6,071)
Increase (decrease) in due to other funds		105	(34)	296	367	16,610
Increase (decrease) in due to component units		83	(509)	10	(416)	97
Increase (decrease) in unearned revenue				(440)	(440)	(5,709)
Increase (decrease) in net pension liability		(2,758)		(28,129)	(30,887)	
Increase (decrease) in OPEB liability		(6,042)		(34,411)	(40,453)	
Increase (decrease) in other liabilities		(3)	(106,288)	(581)	(106,872)	(5,804)
Increase (decrease) in long-term annuity prizes payable				22,077	22,077	
Increase (decrease) in deferred inflows of resources		1,762		30,187	31,949	
Total adjustments	24,155	(51,499)	(127,116)	(28,442)	(182,902)	100,695
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	\$ 144,241	\$ (16,851)	\$ (141,738)	\$ 665,650	\$ 651,302	\$ 233,938
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>						
Gain (loss) on disposal of capital assets		\$ (2)			\$ (2)	\$ (843)
Transfer of assets/liabilities from (to) other state funds						2,744
Loan repayments held at Trustee		96,988			96,988	
Increase (decrease) in fair value of investments				\$ (11,056)	(11,056)	
Cost of capital asset acquisitions financed by installment purchases						1,965
Interest accreted on investments				11,181	11,181	
Interest accreted on long-term annuity prizes payable				(11,181)	(11,181)	

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

State of Illinois

Statement of Fiduciary Net Position -  
Fiduciary Funds

June 30, 2019 (Expressed in Thousands)

	Pension (and Other Employee Benefit) Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds	Agency Funds
<b>ASSETS</b>				
Cash equity with State Treasurer	\$ 302,060		\$ 12	\$ 668,845
Cash and cash equivalents	1,021,572	\$ 1,826,546	856,662	40,777
Securities lending collateral of State Treasurer	110,710		3	112,093
Investments:				
Equities	34,928,507	2,769	6,782,064	936,089
Fixed income	17,785,736	1,865,021	4,317,291	
Private equity	6,378,902			
Real estate	9,124,328			
Other	10,699,421			
Equity in Illinois State Board of Investments	19,119,776			
Securities lending collateral	3,364,030			
Receivables, net:				
Taxes				168,038
Members	111,074			
Employers	23,054			
Investment income	392,158	7,379	28,415	
Intergovernmental	1,396			520
Pending investment sales	6,556,900			
Other	15,157	1	8	196,716
Due from other funds	186			
Due from primary government funds	1,138,318			41,026
Prepaid expenses	2,319			
Loans and notes receivable, net	41,473		38	
Other assets				137
Capital assets not being depreciated	5,464			
Capital assets being depreciated, net	18,032			
<b>Total assets</b>	<b>111,140,573</b>	<b>3,701,716</b>	<b>11,984,493</b>	<b>\$ 2,164,241</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	341,668	125	23,505	\$ 37,168
Intergovernmental payables	3			846,884
Due to other funds	186			
Due to primary government funds	25,971	444		
Due to component units				16
Obligations under securities lending of State Treasurer	110,710		3	112,093
Security lending collateral	3,362,347			
Payable to brokers for unsettled trades	7,189,884			
Obligations under reverse repurchase agreements	85,457			
Depository and other liabilities		48	8	1,168,080
Long-term obligations:				
Due within one year	325			
Due subsequent to one year	3,805			
<b>Total liabilities</b>	<b>11,120,356</b>	<b>617</b>	<b>23,516</b>	<b>\$ 2,164,241</b>
<b>NET POSITION</b>				
Restricted for:				
Pension	100,095,073			
Pool participants		3,701,099		
Individuals, organizations and other governments			11,960,977	
Unrestricted	(74,856)			
<b>Total net position</b>	<b>\$ 100,020,217</b>	<b>\$ 3,701,099</b>	<b>\$ 11,960,977</b>	

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

**State of Illinois**

**Statement of Changes in Fiduciary Net Position -  
Fiduciary Funds**

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Pension (and Other Employee Benefit) Trust Funds	Investment Trust Funds	Private-Purpose Trust Funds
<b>ADDITIONS</b>			
Deposits/Contributions:			
Employer	\$ 2,684,964		
State	6,251,192		
Participants		\$ 3,379	\$ 1,481,628
Members:			
Employees	1,920,075		
Federal Medicare Part D	1,146		
Other contributions	25,033		18
<b>Total contributions</b>	<b>10,882,410</b>	<b>3,379</b>	<b>1,481,646</b>
Investment income:			
Interest and other investment income	2,682,391	93,038	337,477
Net increase (decrease) in fair value of investments	3,560,505	77	270,747
Reimbursements of expenses not separable from investment income	3,010		
Less investment expense	(910,313)	(3,461)	
<b>Net investment income</b>	<b>5,335,593</b>	<b>89,654</b>	<b>608,224</b>
Capital share and individual account transactions:			
Shares sold		14,685,115	
Reinvested distributions		89,547	
Shares redeemed		(14,553,603)	
<b>Net capital share and individual account transactions</b>		<b>221,059</b>	
<b>Total additions</b>	<b>16,218,003</b>	<b>314,092</b>	<b>2,089,870</b>
<b>DEDUCTIONS</b>			
Benefit payments	12,734,560		
Refunds	213,618		
Payments to participants/beneficiaries		341	884,300
Distribution to pool investors		89,547	
Depreciation	2,499		
General and administrative	72,263		29,184
Other	3,454		230
<b>Total deductions</b>	<b>13,026,394</b>	<b>89,888</b>	<b>913,714</b>
<b>Change in net position</b>			
<b>Restricted for:</b>			
<b>Pension benefits</b>	2,781,649		
<b>Retiree health insurance benefits</b>	66,697		
<b>Defined contribution</b>	343,263		
<b>Pool participants</b>		224,204	
<b>Individuals, organizations and other governments</b>			1,176,156
Net position, July 1, 2018	96,828,608	3,476,895	10,784,821
<b>NET POSITION, JUNE 30, 2019</b>	<b>\$ 100,020,217</b>	<b>\$ 3,701,099</b>	<b>\$ 11,960,977</b>

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

State of Illinois

Statement of Net Position -  
Component Units

June 30, 2019 (Expressed in Thousands)

	Illinois Housing Development Authority	Illinois State Toll Highway Authority	Other Authorities	Illinois State University	Northern Illinois University
<b>ASSETS</b>					
Cash equity with State Treasurer	\$ 47	\$ 1,024,761			
Cash and cash equivalents	573,079	59,799	\$ 32,328	\$ 60,303	\$ 10,899
Securities lending collateral of State Treasurer	13		5,053		
Investments	283,832		49,660	273,953	170,899
Receivables, net:					
Intergovernmental		98,298			
Other	1,859	20,277	755	34,245	21,771
Due from component units			22,782	123	32
Due from primary government	21,009	145,085	1,140,673	401	497
Inventories				2,110	1,772
Prepaid expenses		3,434	74	3,347	167
Unamortized bond insurance costs		4,599		175	1,301
Loans and notes receivable, net	1,165,719		14,419	6,531	5,649
Restricted assets:					
Cash equity with State Treasurer		186,713	18,752		
Cash and cash equivalents		179,986	197,575	12,141	58,106
Investments	1,092,121	385,000	431,124	135,654	48,431
Other receivables, net	94,839	1,024	453	7,282	
Loans and notes receivable, net			17,247		
Other assets				965	
Derivative instrument - asset	14				
Other assets	3,877		288	4,160	5,354
Capital assets not being depreciated		1,845,257	35,029	84,403	42,199
Capital assets being depreciated, net	27,081	7,240,983	22,883	441,188	400,664
<b>Total assets</b>	<b>3,263,490</b>	<b>11,195,216</b>	<b>1,989,095</b>	<b>1,066,981</b>	<b>767,741</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources - accumulated decrease in fair value of derivatives	4,934	107,496			
Deferred outflows of resources - unamortized deferred amounts on bond refundings		71,671	155	641	598
Deferred outflows of resources - unamortized deferred amounts on certificates of participation refundings					
Deferred outflows of resources - pensions		89,804	499	765	1,194
Deferred outflows of resources - OPEB		36,718	13	627	5,264
<b>Total deferred outflows of resources</b>	<b>4,934</b>	<b>305,689</b>	<b>667</b>	<b>2,033</b>	<b>7,056</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	98,909	413,801	31,103	30,281	40,266
Intergovernmental payables		29,358			12,748
Due to component units				34	770
Due to primary government	358,087	96,741	8,162		77
Unearned revenue	8,649	195,246	274	11,636	13,328
Obligations under securities lending collateral of State Treasurer	13		5,053		
Assets held for others	154,291		4	2,476	
Short-term notes payable				4,700	
Derivative instrument - liability	4,934	107,496			
Other liabilities			880	7,781	
Long-term obligations:					
Due within one year	74,999	161,453	101,046	12,130	14,484
Due subsequent to one year	1,312,598	7,329,091	1,643,353	191,637	383,793
<b>Total liabilities</b>	<b>2,012,480</b>	<b>8,333,186</b>	<b>1,789,875</b>	<b>260,675</b>	<b>465,466</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources - loan origination points	1,350				
Deferred inflows of resources - accumulated increase in fair value of derivatives	14				
Deferred inflows of resources - unamortized deferred amounts on bond refundings	93				
Deferred inflows of resources - service concession arrangements					
Deferred inflows of resources - irrevocable split-interest agreements					
Deferred inflows of resources - pensions		50,541	3,837		
Deferred inflows of resources - OPEB		40,693	3,647	8,574	10,309
<b>Total deferred inflows of resources</b>	<b>1,457</b>	<b>91,234</b>	<b>7,484</b>	<b>8,574</b>	<b>10,309</b>
<b>NET POSITION</b>					
Net investment in capital assets	4,796	2,672,246	42,725	367,549	114,519
Restricted for:					
Debt service		451,522			
Capital projects				99,802	55,394
Nonexpendable purposes				223,618	123,135
Other expendable purposes	1,005,658	963	66,669	108,796	5,974
Unrestricted	244,033	(48,246)	83,009		
<b>Total net position</b>	<b>\$ 1,254,487</b>	<b>\$ 3,076,485</b>	<b>\$ 192,403</b>	<b>\$ 799,765</b>	<b>\$ 299,022</b>

Southern Illinois University	University of Illinois	Other Universities	Total
\$ 75,408	\$ 744,335	\$ 557	\$ 1,025,365
		196,317	1,752,468
		181	5,247
192,505	2,036,662	24,641	3,032,152
	126,404	5,875	230,577
56,126	569,856	44,432	749,321
44	22	31	23,034
5,147	189,319	5,572	1,507,703
7,725	29,734	2,594	43,935
751	64,385	2,903	75,061
709		701	7,485
15,782	51,038	8,932	1,268,070
			205,465
54,782	51,843	56,454	610,887
288,342	2,996,987	172,233	5,549,892
		2,875	106,473
		1,147	18,394
		5,903	6,868
			14
11,249	45,298	1,864	72,090
121,486	499,006	79,443	2,706,823
685,203	3,396,816	812,443	13,027,261
1,515,259	10,801,705	1,425,098	32,024,585
	2,605		115,035
2,189	20,147	196	95,597
153	4,435	341	4,929
2,716	36,359	1,819	133,156
3,255	56,343	2,398	104,618
8,313	119,889	4,754	453,335
45,872	671,138	46,317	1,377,687
		2,979	45,085
36	22,137	57	23,034
1,423	29,082	293	493,865
29,718	196,920	15,231	471,002
		181	5,247
20,305	33,724	1,002	211,802
	6,877		11,577
	3,836		116,266
		7,450	16,111
38,076	196,697	25,765	624,650
409,078	3,038,394	336,753	14,644,697
544,508	4,198,805	436,028	18,041,023
			1,350
	142		156
			93
		30,705	30,705
	19,542	465	20,007
			54,378
73,374	399,969	44,846	581,412
73,374	419,653	76,016	688,101
574,879	2,520,198	627,747	6,924,659
12,237	24,193	5,438	493,390
27,030	150,494	450	177,974
140,160	1,461,528	92,344	1,849,228
115,032	1,542,014	145,178	3,222,267
36,352	604,709	46,651	1,081,278
\$ 905,690	\$ 6,303,136	\$ 917,808	\$ 13,748,796

State of Illinois

Statement of Activities -  
Component Units

For the Year Ended June 30, 2019 (Expressed in Thousands)

Functions/Programs	Expenses	Program revenues		Net (expense) revenue	
		Charges for services	Operating grants and contributions		Capital grants and contributions
<b>Authorities:</b>					
Illinois Housing Development Authority	\$ 268,289	\$ 131,055	\$ 245,447	\$ 108,213	
Illinois State Toll Highway Authority	1,143,495	1,436,403		292,908	
Other authorities	43,748	34,459		(9,289)	
<b>Universities:</b>					
Illinois State University	554,839	295,070	74,038	\$ 1,849	(183,882)
Northern Illinois University	531,649	237,727	84,660		(209,262)
Southern Illinois University	1,075,770	535,626	138,096	1,061	(400,987)
University of Illinois	5,836,699	3,041,327	1,057,567	3,767	(1,734,038)
Other universities	795,849	273,807	153,003		(369,039)
Total	<u>\$ 10,250,338</u>	<u>\$ 5,985,474</u>	<u>\$ 1,752,811</u>	<u>\$ 6,677</u>	<u>\$ (2,505,376)</u>

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



Pension and OPEB revenue recognized	General revenues			Additions to permanent endowments	Total general revenues and additions to permanent endowments	Change in net position	Net position, July 1, 2018, as restated	Net position, June 30, 2019
	State appropriations	Interest and investment income	Other					
		\$ 26,187			\$ 26,187	\$ 134,400	\$ 1,120,087	\$ 1,254,487
		34,390	\$ 26,528		60,918	353,826	2,722,659	3,076,485
		9,740	4,356		14,096	4,807	187,596	192,403
\$ 82,293	\$ 66,384	23,170	61,787	\$ 5,233	238,867	54,985	744,780	799,765
85,415	85,299	8,995	4,258	2,412	186,379	(22,883)	321,905	299,022
185,684	188,264	21,971	48,682	9,454	454,055	53,068	852,622	905,690
1,045,484	611,569	210,207	261,548	158,596	2,287,404	553,366	5,749,770	6,303,136
171,964	179,391	9,687	5,168	2,553	368,763	(276)	918,084	917,808
<u>\$ 1,570,840</u>	<u>\$ 1,130,907</u>	<u>\$ 344,347</u>	<u>\$ 412,327</u>	<u>\$ 178,248</u>	<u>\$ 3,636,669</u>	<u>\$ 1,131,293</u>	<u>\$ 12,617,503</u>	<u>\$ 13,748,796</u>

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**STATE OF ILLINOIS**  
**Notes to the Financial Statements**  
**June 30, 2019**

***1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

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

***A. Financial Reporting Entity***

The State of Illinois is a “primary government” whose financial statements consist of the primary government and organizations for which the primary government is financially accountable. The financial statements include all funds, elected offices, departments, and agencies as well as boards, commissions, authorities, and universities for which the State’s elected officials are financially accountable. Financial accountability exists when (1) the State’s governing body appoints a majority of an organization’s governing board and either (a) the State can impose its will upon the organization or (b) there is a potential for the organization to provide specific financial benefit to, or impose specific financial burdens on, the State, or (2) the organization has fiscal dependency on the State.

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

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

**Fiduciary Component Units**

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

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

### **Blended Component Unit**

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

1. *Railsplitter Tobacco Settlement Authority ("RTSA")*. The RTSA was established in July 2010 as a special purpose corporation to sell revenue bonds, repayment of which is supported solely by future tobacco settlement revenues ("TSRs"). The State relinquished rights to \$4.1 billion of TSRs to RTSA in exchange for a significant portion of the revenue bond proceeds and a residual certificate representing the State's ownership in excess TSRs to be received by RTSA during the term of the Sales Agreement. (Administrative Office: James R. Thompson Center, 100 W. Randolph Street, Suite 15-100, Chicago, Illinois 60601.)

### **Discretely Presented Component Units**

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

1. *Illinois Housing Development Authority ("IHDA")*. The IHDA issues notes and bonds to make loans for the acquisition, construction, and rehabilitation of housing and to encourage home ownership. The State approves bonds and notes issued by the IHDA and is secondarily liable for its debt if there is not sufficient IHDA monies available to pay principal and interest. (Administrative Offices: 111 E. Wacker Drive, Suite 1000, Chicago, Illinois 60601.)
2. *Illinois State Toll Highway Authority ("THA")*. The THA operates a toll highway system to promote the public welfare and to facilitate vehicular traffic by providing convenient, safe, modern, and limited access highways within Illinois. The State approves new toll highways and issuance of bonds. The THA reports on a December 31 year-end. (Administrative Offices: 2700 Ogden Avenue, Downers Grove, Illinois 60515.)
3. *Comprehensive Health Insurance Plan ("CHIP") Board*. The CHIP provides an alternate market for health insurance for eligible Illinois residents having a pre-existing health condition. The State provides significant operating subsidies to the CHIP. (Administrative Offices: 320 West Washington Street, Suite 700, Springfield, Illinois 62701.)

4. *Illinois Finance Authority (“Authority”).* The Authority was created to foster economic development to the public and private institutions that create and retain jobs and improve the quality of life in Illinois by providing access to capital. The State approves bonds and notes issued by the Authority and has a moral obligation for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601.)
5. *Illinois Medical District Commission (“Commission”).* The Commission was created to maintain and expand a designated “medical district.” The Illinois Finance Authority has issued bonds on behalf of the Commission. The State has a moral obligation for this debt if there are not sufficient monies to pay principal and interest. (Administrative Offices: 2100 W. Harrison Street, Chicago, Illinois 60612.)
6. *Southwestern Illinois Development Authority (“Authority”).* The Authority promotes economic development within the counties of St. Clair and Madison in the State of Illinois. The State approves bonds and notes issued by the Authority and has a moral obligation for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 1022 Eastport Plaza Drive, Collinsville, Illinois 62234.)
7. *Upper Illinois River Valley Development Authority (“Authority”).* The Authority promotes economic development within the counties of Grundy, LaSalle, Bureau, Putnam, Kendall, Kane, McHenry, and Marshall in the State of Illinois. The State approves bonds and notes issued by the Authority and has a moral obligation for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 633 La Salle Street, Suite 401, Ottawa, Illinois 61350.)
8. *Boards of Trustees of Chicago State University (“CSU”), Eastern Illinois University (“EIU”), Governors State University (“GSU”), Northeastern Illinois University (“NEIU”), Western Illinois University (“WIU”), Illinois State University (“ISU”), Northern Illinois University (“NIU”), Southern Illinois University (“SIU”), and University of Illinois (“U of I”) (“boards”).* The boards of the respective universities operate, manage, control, and maintain the schools. The State provides significant financial support to the boards of the universities. Certain universities have donor restricted endowments that are restricted as to spending by the donor which are detailed in their separately issued financial statements. The Uniform Management of Institutional Funds Act permits the boards to spend net appreciation of endowments as they determine to be prudent.

(Administrative Offices:

- CSU, 9501 South King Drive, Chicago, Illinois 60628
- EIU, 600 Lincoln Avenue, Charleston, Illinois 61920
- GSU, 1 University Parkway, University Park, Illinois 60484
- NEIU, 5500 North St. Louis Avenue, Chicago, Illinois 60625
- WIU, 1 University Circle, Macomb, Illinois 61455
- ISU, Hovey Hall, Normal, Illinois 61790
- NIU, 300 Altgeld Hall, DeKalb, Illinois 60115
- SIU, 1400 Douglas Drive, Carbondale, Illinois 62901
- U of I, 349 Henry Administration Building, 506 South Wright Street, Urbana, Illinois 61801.)

**Joint Venture**

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

A state becomes a member of the Fund by agreeing to contribute an amount set forth in the Articles of Incorporation. The required contribution from all member states at incorporation was \$81 million. The Fund’s net position on December 31, 2018, was \$123.492 million.

Once a state agrees to make the required contribution, that state’s governor becomes a “member” of the Fund. Each member is entitled to appoint two individuals to the board of directors. Budgetary and financial decisions rest with the board of directors except where restricted by the Articles of Incorporation. Two-thirds of the Fund’s income is used to finance projects compatible with the organization’s objectives as set forth in the Articles of Incorporation. The remaining one-third of income is paid to member states in proportion to the amount and period of time that each state’s contribution was invested with the Fund (“state shares”). Illinois received a state share for 2018 of \$210 thousand. Complete financial statements of the Fund can be obtained from the Fund’s Administrative Offices at 1560 Sherman Avenue, Suite 1370, Evanston, Illinois 60201.

**Related Organizations and Jointly Governed Organizations**

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

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

***B. Basis of Presentation*****Government-wide Financial Statements**

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

The Statement of Net Position presents the reporting entity's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Net position is reported in three categories:

- **Invested in capital assets component of net position** consists of capital assets, net of accumulated depreciation reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.
- **Restricted component of net position** results when constraints placed on the use of net position are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through enabling legislation.
- **Unrestricted component of net position** consists of the portion of net position which does not meet the definition of the two preceding categories. The unrestricted component of net position often has constraints that are imposed by management, but can be removed or modified.

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

### **Fund Financial Statements**

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

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

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

The State reports the following major governmental funds:

**General** – This is the State's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund. These services include, among others, employment and economic development, education, and health and social services. Certain resources obtained from federal grants and used to support general governmental activities are accounted for in the General Fund consistent with applicable legal



requirements. The State's General Fund contains four primary sub-accounts (General Revenue, Education Assistance, Common School, and Medicaid Provider Assessment Program) with numerous secondary sub-accounts.

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

The State reports the following major proprietary funds:

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

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

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

Additionally, the State reports the following fund types:

#### **Governmental Fund Types:**

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

**Debt Service** – These funds account for and report governmental resources obtained and restricted, committed, or assigned to pay interest and principal on general long-term debt (other than capital leases, installment purchases, workers' compensation, and net pension liability).

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

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

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

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

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

**Fiduciary Fund Types:**

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

**Investment Trust** – These funds account for the external portion of investment pools sponsored by the State including the Public Treasurer’s External Investment Pool Fund and the Illinois Secure Choice Savings Program.

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

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

**Component Units**

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

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

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

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

**Governmental Fund Financial Statements**

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

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

***D. Eliminations***

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

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

***E. Cash Equivalents***

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

***F. Investments***

Investments are generally measured at fair value with the exception of certain investments which are more appropriately measured using other cost-based measures. The State applies fair value

to certain investments and provides for additional disclosures surrounding the measurement in Note 18.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than market value. Additionally, the investments in The Illinois Funds by the State and certain of its component units are also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Treasurer's investment policies are governed by State statute. In addition, the Treasurer's Office has adopted its own investment practices that supplement the statutory requirement. The Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

The State's financial statements contain certain investments that meet the definition of "derivatives." Derivative investments included in the pension trust funds are described in more detail in Note 14.

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

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

For governmental funds, prepaid expenditures are recognized when paid.

***H. Interfund Transactions***

The State has the following types of interfund transactions:

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

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

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

**Transfers** - flows of assets (such as cash or goods) between funds without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers

are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

**I. Capital Assets**

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

Capitalization thresholds of the primary government generally are as follows:

Capital Asset Category	Capitalization Threshold
Infrastructure	\$ 250
Land	100
Land Improvements	25
Site Improvements	25
Buildings	100
Building Improvements	25
Equipment	5
Works of Art and Historical Treasures	5
Intangible Assets - Internally Generated	1,000
Intangible Assets - Non-Internally Generated	25

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

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

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

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

Capital Asset Category	Estimated Useful Lives (In Years)
Infrastructure	5-50
Land	N/A
Land Improvements	N/A
Site Improvements	3-50
Buildings	10-60
Building Improvements	10-45
Equipment	3-25
Works of Art and Historical Treasures	5-40
Intangible Assets - Internally Generated	3-25
Intangible Assets - Non-Internally Generated	3-25

The State and the University of Illinois, a major component unit, do not capitalize certain collections of works of art or historical treasures held for public exhibition, education, or research in furtherance of public service rather than capital gain. These collections are protected, kept

unencumbered, cared for, and preserved. Proceeds from the sale, exchange, or other disposal of any item belonging to non-capitalized collections of works of art or historical treasures for the State and the University of Illinois must be applied to the acquisition of additional items for the same collection.

## ***J. Retirement Costs and Other Post-Employment Benefit Costs***

### **Retirement**

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

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, expense, and expenditures associated with the State's contribution requirements, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported within the separately issued plan financial statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with terms of the plan. Investments are reported at fair value.

The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of service and the plans' fiduciary net position. The total pension expense is comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expenses, current year benefit changes, and other changes in plan fiduciary net position less employee contributions and projected earnings on plan investments. Additionally, the total pension expense includes the annual recognition of outflows and inflows of resources due to pension assets and liabilities.

The net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense associated with each of the State's retirement systems have been recognized in the government-wide, proprietary fund, and component unit financial statements.

### **Post-Employment Benefits Other Than Pensions ("OPEB")**

The State provides health, dental, vision, and life insurance benefits for certain retirees and their dependents through the State Employees Group Insurance Program ("SEGIP"). The total OPEB liability, deferred outflows of resources, deferred inflows of resources, expense, and expenditures associated with the program have been determined through an actuarial valuation using certain actuarial assumptions as applicable to the current measurement period (see Note 17).

The State also maintains OPEB plans for public school teachers and employees at community colleges in Illinois' cities other than Chicago (see Note 17). For purposes of measuring the net

OPEB liability, deferred outflows of resources, deferred inflows of resources, expense, and expenditures associated with the State's contribution requirements, information about fiduciary net position of the plans, and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported within the separately issued plan financial statements. For this purpose, benefit payments are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

The OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and OPEB expense associated with each of the State's OPEB plans have been recognized in the government-wide, proprietary fund, component unit, and university component unit financial statements.

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

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

#### ***L. Compensated Absences***

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

Legislation that became effective January 1, 1998, capped the paid sick leave for all State Employees' Retirement System members at December 31, 1997. Employees continue to accrue twelve sick days per year, but will not receive monetary compensation for any additional time earned after December 31, 1997. Sick days earned between 1984 and December 31, 1997, (with a 50% cash value) would only be used after all days with no cash value are depleted. Any sick days earned and unused after December 31, 1997, will be converted to service time for purposes of calculating employee pension benefits.

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

#### ***M. Bond Premiums, Discounts, and Insurance/Issuance Costs***

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

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

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

In the government-wide and proprietary fund financial statements, gains and losses from advance refundings of debt resulting in defeasance are deferred and amortized as a component of interest expense over the shorter of the remaining life of the old debt or the life of the new debt using the effective interest method. The deferred amounts on bond refundings are reported as deferred outflows of resources and deferred inflows of resources.

#### ***O. Net Position/Fund Balances***

The difference between fund assets, deferred outflows of resources, liabilities, and deferred inflows of resources is “Net Position” on government-wide, proprietary fund, and fiduciary fund financial statements and “Fund Balance” on governmental fund financial statements.

The following classifications of fund balances for governmental funds comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds:

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

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

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

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

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

The State utilizes encumbrance accounting to identify governmental fund obligations. Unexpended appropriations at June 30<sup>th</sup> are available for subsequent expenditure to the extent that



encumbrances for the purchase of equipment and commodities have been incurred at June 30<sup>th</sup>, provided the expenditure is presented for payment during the succeeding two months.

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

#### ***P. Endowments***

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

#### ***Q. Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, 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.

#### ***R. New Accounting Pronouncements***

Effective for the year ending June 30, 2019, the State adopted GASB Statement No. 83, *Certain Asset Retirement Obligations*, which establishes standards for the accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement or permanent removal of a tangible capital asset from service such as from sale, abandonment, recycling, or disposal. The statement provides uniform criteria for governments to recognize and measure certain AROs including the timing and pattern of recognition of the liability and the corresponding deferred outflow of resources. The implementation of this statement had no financial impact on the State's primary government net position or results of operations.

Effective for the year ending June 30, 2019, the State adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, the objective of which is to improve the consistency of information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. It also clarifies which liabilities should be included in the debt related disclosures. The statement defines debt for the purposes of disclosures in notes to financial statements as a liability that arises from a contractual obligation to pay cash in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The implementation of this statement had no financial impact on the State's primary government net position or results of operations.

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

Effective for the year ending June 30, 2020, the State will adopt GASB Statement No. 84, *Fiduciary Activities*, the objective of which is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes, the recognition of liabilities to beneficiaries, and how fiduciary activities should be reported. The statement redefines the fiduciary fund types focusing on the resources to be reported within each. The types include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. A statement of fiduciary net position will be used to report assets, deferred outflows of resources, liabilities, deferred inflows of resources and fiduciary net position of pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. A statement of changes in fiduciary net position will be required to report additions to and deductions from the four fiduciary fund types including the presentation of investment earnings, investment costs, net investment earnings and deductions, disaggregated by type. The State has not yet determined the impact on its financial statements as a result of adopting this statement.

Effective for the year ending June 30, 2021, the State will adopt GASB Statement No. 87, *Leases*, which is intended to improve accounting and financial reporting for leases by governments to better meet the information needs of financial statement users. The Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The State has not yet determined the impact on its financial statements as a result of adopting this statement.

Effective for the year ending June 30, 2021, the State will adopt GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the end of a Construction Period*, which enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and establishes accounting requirements for interest cost incurred before the end of a construction period. The State has not yet determined the impact on its financial statements as a result of adopting this statement.

Effective for the year ending June 30, 2020, the State will adopt GASB Statement No. 90, *Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61*, the objective of which is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The statement defines a majority equity interest and provides information on how the holding of a majority equity interest in a legally separate organization should be accounted for based on the ownership percentage, whether the holding meets the definition of an investment or whether the legally separate organization should be reported as a component unit. The State has not yet determined the impact on its financial statements as a result of adopting this statement.

Effective for the year ending June 30, 2022, the State will adopt GASB Statement No. 91, *Conduit Debt Obligations*, the objective of which is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. The State has not yet determined the impact on its financial statements as a result of adopting this statement.

## 2 FUND BALANCE / NET POSITION

### A. Classification of Fund Balances

Fund Balance classifications comprise a hierarchy based primarily on the extent to which the State is bound to observe constraints imposed upon the use of resources reported in governmental funds. The specific purposes of the governmental funds fund balances at June 30, 2019, are as follows:

Table 2-1 (amounts expressed in thousands)

	General Fund	Road Fund	Other Nonmajor Funds	Total Governmental Funds
<b>Fund Balances Nonspendable:</b>				
Long-Term Portion of Loans and Notes Receivable	\$ 4,446	\$ -	\$ -	\$ 4,446
Inventories	18,775	55,354	53,944	128,073
Endowments and Similar Funds	-	-	51,793	51,793
Total Nonspendable	23,221	55,354	105,737	184,312
<b>Restricted For:</b>				
Debt Service	-	-	1,900,283	1,900,283
Capital Grants/Projects				
Transportation Construction/Maintenance	-	-	314,681	314,681
Other	-	-	527,901	527,901
Health and Social Services	65,794	-	226,626	292,420
Education	-	-	2,146	2,146
General Government				
Unclaimed Property	-	-	201,303	201,303
Pension Acceleration Program	-	-	256,033	256,033
Other	5	-	111,414	111,419
Employment and Economic Development	-	-	192,350	192,350
Transportation	-	47,047	352	47,399
Public Protection and Justice	3,239	-	53,021	56,260
Environment and Business Regulation				
Abandoned Mined Land Reclamation	-	-	56,117	56,117
Other	-	-	99,995	99,995
Total Restricted	69,038	47,047	3,942,222	4,058,307
<b>Committed For:</b>				
Capital Grants/Projects				
Transportation Construction/Maintenance	-	-	705,337	705,337
Other	-	-	8,550	8,550
Health and Social Services				
Healthcare/Pharmaceutical Provider Relief	1,295,615	-	-	1,295,615
Public Assistance Recoveries	53,996	-	-	53,996
Adoption/Foster Care Services	-	-	81,452	81,452
Other	333,550	-	158,788	492,338
Education				
Education Assistance	183,979	-	-	183,979
Other	-	-	23,329	23,329
General Government				
School Infrastructure	384,408	-	-	384,408
Affordable Housing	-	-	405,451	405,451
State Universities Pension	-	-	13,464	13,464
Real Estate Tax-Relief Loan Program	-	-	54,756	54,756
Identification Security and Theft Prevention Measures	-	-	31,369	31,369
Other	142,116	-	265,839	407,955
Employment and Economic Development				
Low Income Energy Assistance	-	-	162,455	162,455
Tourism Promotion	-	-	144,962	144,962
Renewable Energy Programs	-	-	162,644	162,644
Other	8,792	-	67,743	76,535
Transportation				
Downstate Public Transportation	-	-	130,467	130,467
Other	87,525	-	39,940	127,465
Public Protection and Justice	5,689	-	315,625	321,314
Environment and Business Regulation				
Clean Water Activities	-	-	20,860	20,860
Open Space Lands Acquisition and Development	-	-	97,148	97,148
Parks and Conservation Activities	-	-	30,074	30,074
Insurance Regulation and Administration	-	-	100,521	100,521
Other	42,122	-	348,274	390,396
Total Committed	2,537,792	-	3,369,048	5,906,840
<b>Unassigned</b>	<u>(10,146,648)</u>	<u>(38,376)</u>	<u>(705,501)</u>	<u>(10,890,525)</u>
	<u>\$ (7,516,597)</u>	<u>\$ 64,025</u>	<u>\$ 6,711,506</u>	<u>\$ (741,066)</u>

**B. Restatements**

The Illinois State Toll Highway Authority (“THA”) implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of its year end, December 31, 2018, as reported within the State’s June 30, 2019, financial statements. The implementation required the restatement of the prior year net position balance as reported within THA’s December 31, 2017, financial statements, as reported within the State’s June 30, 2018, financial statements. The restatement includes the impact of recording the total OPEB liability as well as recording the associated deferred outflows and deferred inflows of resources as of June 30, 2017, the beginning of the year measurement date. As a result of the restatement, the net position at June 30, 2018, decreased by \$145.528 million from \$2.868 billion to \$2.723 billion.

**C. Net Position Restricted by Enabling Legislation**

The government-wide statement of net position reports \$10.591 billion of restricted net position, of which \$4.475 billion is restricted by enabling legislation.

### 3 DEPOSITS AND INVESTMENTS

The State Treasurer is the custodian of the State’s deposits and investments for most funds and maintains these deposits and investments in the State Treasury. The investment authority and guidelines for the Treasurer’s published investment policy for the State Treasury is found in Section 22.8 of the Deposit of State Moneys Act (15 ILCS 520). The pooling of cash allows the Treasurer to invest monies not needed to pay immediate obligations so that investment earnings on available cash are maximized. Investments of the State Treasury are not segregated by fund; rather, each contributing fund’s balance is treated as equity in the State Treasury. Accordingly, the State Treasury is not reported as a separate fund in this report. Instead, each State fund’s and each component unit’s balance in the State Treasury is presented as “Cash equity with State Treasurer.” Investments held by the State Treasurer in the State Treasury at June 30, 2019, consisted of the following:

<b>Investment Type</b>	<b>Fair Value</b>
Repurchase agreements	\$ 1,251,255
U.S. Treasury obligations	2,688,427
U.S. Agency obligations	2,871,684
Supranational bonds	119,349
Municipal debt	81,252
Commercial paper	4,214,659
Corporate debt securities	517,530
Money market mutual funds	1,089,025
Private equity	109,005
Equity in Public Treasurers' Investment Pool	1,408,702
Equity in other investment pools	13
Securities lending collateral invested in repurchase agreements	3,103,274
<b>Total fair value</b>	<b>\$ 17,454,175</b>

Funds maintained outside the State Treasury have independent statutory authority to manage their own deposits and investments. The investment authority of the Illinois State Board of Investment (“ISBI”), Teachers’ Retirement System (“TRS”), and State Universities Retirement System (“SURs”) is governed by the Illinois Pension Code (40 ILCS 5). Authorized investments consist of bonds, equities, real estate, venture capital, and other activities to be made with the care, skill, prudence, and diligence which a prudent person acting in a like capacity and familiar with such matters would use in the conduct of investing similar retirement trusts. ISBI, TRS, and SURS each have published investment policies incorporating these guidelines. Primary government investments held outside of the State Treasury at June 30, 2019, except for investments held by ISBI, TRS, and SURS, consisted of the following:

Table 3-2 (amounts expressed in thousands)

Investment Type	Fair Value
Negotiable certificates of deposit	\$ 5,540
U.S. Treasury obligations	1,088,514
U.S. Agency obligations	38,729
Municipal debt	147,588
Annuities	165
Corporate debt securities	75,777
Debt mutual funds	4,442,243
Equity in Public Treasurers' Investment Pool	3,798,949
Equity in Illinois State Board of Investments	39,488
Government notes - non U.S.	4,408
Cash and pending trades	176
Money market mutual funds	1,213,074
Equity securities	184,003
Equity mutual funds	6,785,391
Blended mutual funds	1,961
Guaranteed investment contracts	600,268
Bond trust funds	79,483
Equity trust funds	1,224,584
Blended trust funds	2,631,986
Other	331,088
Total fair value	\$ 22,693,415

The ISBI is considered to be an internal investment pool of the State of Illinois, operating solely from investment income. The ISBI manages and invests the pension assets of three separate public employee retirement systems: General Assembly Retirement System, Judges’ Retirement System of Illinois, and State Employees’ Retirement System of Illinois. Additionally, ISBI reports one agency fund, the Illinois Power Agency Trust Fund. The ISBI’s member systems retain all of the cash necessary for current operating expenditures in the State Treasury. The amount of cash received by the ISBI’s member systems in excess of their current operating expenditures is transferred to the ISBI for purposes of long-term investment. The ISBI is not reported as a separate fund in this report. Instead, each member system’s balance in the ISBI is presented as “Equity in the Illinois State Board of Investments.” The member system’s equity is approximately \$47.654 million more than the deposits and investments of the ISBI, due to net receivables of the ISBI.

Investments held by ISBI at June 30, 2019, consisted of the following:

Table 3-3 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Fair Value</u>
U.S. Treasury obligations	\$ 137,474
U.S. Agency obligations	111,737
Municipal debt	2,175
Corporate obligations	833,263
Common stock and equity funds	2,976,005
Foreign equity securities	218,879
Foreign preferred stock	50
Commingled funds	10,791,640
Opportunistic debt	506,151
Hedge funds	141,716
Real estate	1,737,431
Private equity	779,475
Money market instruments	156,715
Infrastructure funds	316,264
Bank loans	392,021
Total Investments	<u>\$ 19,100,996</u>

### CUSTODIAL CREDIT RISK

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

#### *Deposits*

##### *Primary Government:*

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

The carrying amount and bank balance of cash deposits held outside of the State Treasury, except for investments held by ISBI, TRS, and SURS, was \$257.278 million and \$242.868 million at June 30, 2019, respectively. Of the total bank balance of these cash deposits at June 30, 2019, \$24.104 million was uninsured with collateral held by the pledging financial institution in the State's name, \$8.907 million was uninsured with collateral held by the pledging financial institution but not in the State's name, and \$4.428 million was uninsured and uncollateralized.

ISBI's policy outlines the control procedures used to monitor custodial credit risk for deposits. These deposits are under the custody of Northern Trust which has an A+ Long-term Deposit/Debt rating by Standard and Poor's and an A2 rating by Moody's. The carrying amount and bank balance of ISBI's cash deposits were both \$10.615 million at June 30, 2019.

TRS's foreign currency held by investment managers at June 30, 2019, totaled \$95.013 million, all of which was uncollateralized.

SURS's cash held in its investment related bank account in excess of \$250,000 is uninsured. SURS has a formal policy to address custodial credit risk. Deposits are under the custody of Northern Trust Company, which has an Aa2 Long-term Bank Deposit rating by Moody's and an AA rating by Fitch. At June 30, 2019, the carrying amount was \$819.413 million and the bank balance was \$786.888 million, of which \$5.730 million was uninsured.

### ***Investments***

#### *Primary Government:*

The State does not have a formal policy for custodial credit risk of investments held outside of the State Treasury. Of the total balance of primary government investments held outside of the State Treasury, except for investments held by ISBI, TRS, and SURS, \$927.057 was held by the pledging financial institution, but not in the State's name, at June 30, 2019. These investments were held in negotiable certificates of deposit, U.S. Treasury obligations, U.S. Agency obligations, municipal debt, corporate debt securities, and foreign debt securities, in the amounts of \$5.540 million, \$727.871 million, \$24.295 million, \$145.946 million, \$21.900 million, and \$1.505 million, respectively.

### **CREDIT RISK**

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

#### *Primary Government:*

Section 2 of the Public Funds Investment Act limits the State's investments, both inside and outside the State Treasury, to securities of the U.S. government or its agencies, short-term obligations of domestic corporations exceeding \$500 million in assets that are rated in the three highest categories by at least two nationally recognized statistical ratings organizations not to exceed ten percent of the domestic corporations outstanding obligations, money market mutual funds invested in the U.S. government and/or its agencies, and repurchase agreements securities of the U.S. government or its agencies or money market mutual funds invested in the U.S. government or its agencies. Additional investments may be authorized in certain funds as exceptions to Section 2 of the Public Funds Investment Act pursuant to State statute prescribing the activities of a fund. The following table summarizes the Moody's credit quality ratings for debt securities held by the State Treasurer in the State Treasury at June 30, 2019:

Table 3-4 (amounts expressed in thousands)

Investment Type	Aaa	Aa	A	Baa	P-1	P-2	Not Rated	Total
Repurchase agreements	\$ -	\$ -	\$ -	\$ -	\$ 553,645	\$ -	\$ 697,610	\$ 1,251,255
U.S. Agency obligations	2,304,839	-	-	-	-	-	566,845	2,871,684
Supranational Bonds	119,349	-	-	-	-	-	-	119,349
Municipal debt	3,378	23,942	5,429	408	-	-	48,095	81,252
Commercial paper	-	-	-	-	3,575,520	639,139	-	4,214,659
Corporate debt securities	75,941	243,046	133,591	-	-	-	64,952	517,530
Money market mutual funds	1,089,025	-	-	-	-	-	-	1,089,025
Equity in Public Treasurers' Investment Pool	-	-	-	-	-	-	1,408,702 *	1,408,702
Equity in other investment pools	-	-	-	-	-	-	13	13
Securities lending collateral:								
Invested in repurchase agreements	-	-	-	-	-	-	3,103,274 **	3,103,274
<b>Total subject to credit risk</b>	<b>\$ 3,592,532</b>	<b>\$ 266,988</b>	<b>\$ 139,020</b>	<b>\$ 408</b>	<b>\$ 4,129,165</b>	<b>\$ 639,139</b>	<b>\$ 5,889,491</b>	<b>14,656,743</b>
U.S. Treasury obligations								2,688,427
<b>Total fixed income securities</b>								<b>\$ 17,345,170</b>

\* Equity in Public Treasurers' Investment Pool was rated AAA by Standard and Poor's.

\*\* The breakdown of Moody's credit ratings of the collateral for securities lending collateral invested in repurchase agreements was as follows: 1.79% Aaa, 3.04% Aa, 5.32% A, 15.12% Baa, 11.45% Ba, 12.72% B, 5.89% Caa, 5.88% Ca, 0.60% C, 38.19% Not Rated.

The following table summarizes the Moody's credit quality ratings for debt securities held by the primary government, except for debt securities held by ISBI, TRS, and SURS, outside of the State Treasury at June 30, 2019:

Table 3-5 (amounts expressed in thousands)

Investment Type	Aaa	Aa	A	Baa	Ba	Not Rated	Withdrawn	Total
Negotiable certificates of deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,540	\$ -	\$ 5,540
U.S. Agency obligations	33,135	-	359	163	93	4,979	-	38,729
Municipal debt	22,794	94,351	20,731	7,392	-	2,201	119	147,588
Corporate debt securities	6,156	8,914	45,806	5,813	156	8,932	-	75,777
Government notes - non U.S.	-	-	2,354	410	-	1,644	-	4,408
Mutual funds	85,507	5,008	14,311	21,298	7	4,316,112	-	4,442,243
Equity in Public Treasurers' Investment Pool	-	-	-	-	-	3,798,949 *	-	3,798,949
Money market mutual funds	275,984	-	-	-	-	937,090	-	1,213,074
Bond trust funds	-	-	-	-	-	79,483	-	79,483
<b>Total subject to credit risk</b>	<b>\$ 423,576</b>	<b>\$ 108,273</b>	<b>\$ 83,561</b>	<b>\$ 35,076</b>	<b>\$ 256</b>	<b>\$ 9,154,930</b>	<b>\$ 119</b>	<b>9,805,791</b>
U.S. Treasury obligations								1,088,514
<b>Total fixed income securities</b>								<b>\$10,894,305</b>

\* Equity in Public Treasurers' Investment Pool was rated AAA by Standard and Poor's.

The portfolios of ISBI, TRS, and SURS are managed by professional investment management firms. Each investment manager must comply with risk management guidelines individually assigned to them as part of their Investment Management Agreement. However, in circumstances where position downgrades occur, investment managers have been given permission to hold securities due to circumstances such as a higher peer group rating from another nationally recognized statistical rating organization, firm internal ratings, or other mitigating factors.

The following table summarizes the Moody's credit quality ratings for debt securities held by ISBI at June 30, 2019:



Table 3-6 (amounts expressed in thousands)

Quality Rating	Corporate Debt Obligations	U.S. Agency Obligations	Municipal Debt	Money Market Instruments	Total
Aaa	\$ -	\$ 91,066	\$ -	\$ -	\$ 91,066
A	359,076	-	-	-	359,076
Baa	22,822	-	292	-	23,114
Ba	95,219	-	77	-	95,296
B	165,375	-	-	-	165,375
Caa	85,910	-	-	-	85,910
Ca	4,354	-	417	-	4,771
C	723	-	-	-	723
Not rated	99,784	20,671	1,389	156,715	278,559
<b>Total subject to credit risk</b>	<b>\$ 833,263</b>	<b>\$ 111,737</b>	<b>\$ 2,175</b>	<b>\$ 156,715</b>	<b>\$ 1,103,890</b>

The following table summarizes the Moody's credit quality ratings for debt securities held by TRS at June 30, 2019:

Table 3-7 (amounts expressed in thousands)

Quality Rating	Corporate Debt Obligations	Foreign Debt Obligations	U.S. Agency Obligations	Municipal Obligations	Commingled Funds	Total
Aaa	\$ 833,901	\$ 88,207	\$ 718,591	\$ 2,942	\$ -	\$ 1,643,641
Aa	362,714	211,452	-	49,831	69,076	693,073
A	1,401,754	290,367	-	23,623	453,721	2,169,465
Baa	1,737,655	581,018	-	13,427	392,547	2,724,647
Ba	658,153	200,755	-	3,199	414,999	1,277,106
B	808,497	176,242	-	-	1,125,828	2,110,567
Caa	90,281	3,796	-	-	-	94,077
Ca	5,594	-	-	-	2,468	8,062
C	8,091	-	-	-	-	8,091
Not rated	54,536	140	-	-	1,506,324	1,561,000
<b>Total subject to credit risk</b>	<b>\$ 5,961,176</b>	<b>\$ 1,551,977</b>	<b>\$ 718,591</b>	<b>\$ 93,022</b>	<b>\$ 3,964,963</b>	<b>12,289,729</b>
U.S. Treasury obligations						1,436,033
<b>Total fixed income securities</b>						<b>\$ 13,725,762</b>

The following table summarizes the Standard and Poor's credit quality ratings for debt securities held by SURS at June 30, 2019:

Table 3-8 (amounts expressed in thousands)

Quality Rating	Corporate Debt Securities	Foreign Debt Securities	U.S. Agency Obligations	Repurchase Agreements	Municipal Obligations	Total
AAA	\$ 132,793	\$ 16,366	\$ -	\$ -	\$ 4,230	\$ 153,389
AA	111,355	1,151	631,959	-	14,643	759,108
A	344,047	10,574	-	3,100	1,814	359,535
BBB	509,268	4,364	-	-	1,543	515,175
BB	93,741	9,227	-	-	-	102,968
B	45,504	4,454	-	-	-	49,958
CCC	17,084	-	-	-	275	17,359
CC	6,505	-	-	-	-	6,505
D	1,820	-	-	-	-	1,820
Not rated	205,713	3,009	-	-	1,748	210,470
<b>Total subject to credit risk</b>	<b>\$ 1,467,830</b>	<b>\$ 49,145</b>	<b>\$ 631,959</b>	<b>\$ 3,100</b>	<b>\$ 24,253</b>	<b>2,176,287</b>
U.S. Treasury obligations						1,685,875
U.S. Agency obligations explicitly guaranteed by U.S. government						111,915
Less cash equivalents						(39,151)
<b>Total fixed income securities</b>						<b>\$ 3,934,926</b>

## INTEREST RATE RISK

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

*Primary Government:*

As a means of limiting its exposure to fair value losses arising from rising interest rates, the State Treasurer's investment policy for the State Treasury limits investments to maturities not to exceed ten years with no limit to the amount allocated to investments with less than a two-year maturity. No more than 55% of the investment portfolio shall be allocated to investments with a 2 to 3 year maturity band. No more than 30% of the investment portfolio shall be allocated to investments with a 3 to 4 year maturity band (not including Foreign Government Securities). No more than 15% of the investment portfolio shall be allocated to investments with a 4 to 5 year maturity band. No more than 5% of the investment portfolio shall be allocated to investments with a 5 to 10 year maturity band. For funds held outside of the State Treasury, excluding pension (and other employee benefit) trust funds, there is no formal policy limiting investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

The following table summarizes the segmented time distribution of debt securities held by the State Treasurer in the State Treasury at June 30, 2019:

Investment Type	Fair Value	Less Than 1 Year	1 to 5 Years	6 to 10 Years
Repurchase agreements	\$ 1,251,255	\$ 1,251,255	\$ -	\$ -
U.S. Treasury obligations	2,688,427	1,742,566	945,861	-
U.S. Agency obligations	2,871,684	1,438,752	1,432,932	-
Supranational Bonds	119,349	29,922	89,427	-
Municipal debt	81,252	10,276	40,502	30,474
Commercial paper	4,214,659	4,214,659	-	-
Corporate debt securities	517,530	56,099	461,431	-
Money market mutual funds	1,089,025	1,089,025	-	-
Equity in Public Treasurers' Investment Pool	1,408,702	1,408,702	-	-
Equity in other investment pools	13	-	13	-
Securities lending collateral:				
Invested in repurchase agreements	3,103,274	3,103,274	-	-
<b>Total fixed income investments</b>	<b>\$ 17,345,170</b>	<b>\$ 14,344,530</b>	<b>\$ 2,970,166</b>	<b>\$ 30,474</b>

The following table summarizes the Weighted Average Maturity ("WAM") for debt securities held by the primary government, except for debt securities held by ISBI, TRS, and SURS, outside of the State Treasury at June 30, 2019. The WAM expresses investment time horizons – the time when investments become due and payable – in years to reflect the dollar size of individual investments within an investment type. The portfolio's WAM is derived by dollar-weighting the WAM for each investment type.

Table 3-10 (amounts expressed in thousands)

Investment Type	Fair Value	Weighted Average Maturity (Years)
Negotiable certificates of deposit	\$ 5,540	2.520
U.S. Treasury obligations	1,088,514	5.485
U.S. Agency obligations	38,729	5.274
Municipal debt	147,588	11.048
Corporate debt securities	75,777	7.466
Government notes - non U.S.	4,408	10.396
Mutual funds	4,442,243	4.565
Equity in Public Treasurers' Investment Pool	3,798,949	0.121
Money market mutual funds	1,213,074	0.057
Bond trust funds	79,483	7.810
<b>Total fixed income investments</b>	<b>\$ 10,894,305</b>	

*Pensions:*

ISBI manages its exposure to fair value losses arising from interest rate risk by diversifying the debt securities portfolio and maintaining the debt securities portfolio to an effective weighted duration consistent with the Barclay's U.S. Universal Index (benchmark index). As of June 30, 2019, the effective weighted duration of ISBI's fixed income portfolio was 3.9 years and the effective duration of the benchmark index was 5.6 years.

Duration is the measure of a debt investment's exposure to fair value changes arising from changing interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's fair value. The effective duration measures the sensitivity of market price to parallel shifts in the yield curve. The following table summarizes the effective duration of the debt securities held by ISBI at June 30, 2019:

Table 3-11 (amounts expressed in thousands)

Investment Type	Fair Value	Effective Weighted Duration (Years)
Government and agency obligations:		
U.S. Treasury obligations	\$ 137,474	17.3
U.S. Agency obligations	111,737	0.7
	\$ 249,211	
Municipal debt	2,175	8.9
Corporate obligations:		
Bank and finance	384,384	1.0
Industrials	28,444	2.4
Other	420,435	3.0
	833,263	
Total subject to interest rate risk	<u>\$ 1,084,649</u>	

For the ISBI bank loan portfolio, the appropriate measure of interest rate risk is Weighted Average Maturity ("WAM"). WAM is the average time it takes for securities in a portfolio to measure weighted in proportion to the dollar amount that is invested in the portfolio. At June 30, 2019, the WAM of ISBI's bank loan portfolio was 5.4 years.

TRS manages its exposure to fair value loss arising from increasing interest rates by diversifying the debt securities portfolio. The following table summarizes the time segmented distribution of the debt securities held by TRS at June 30, 2019:

Table 3-12 (amounts expressed in thousands)

Investment Type	Fair Value	Less Than 1 Year	1 to 5 Years	6 to 10 Years	10 to 20 Years	More Than 20 Years	Other
U.S. Treasury obligations	\$ 1,436,033	\$ 215,860	\$ 434,095	\$ 523,149	\$ 58,003	\$ 204,926	\$ -
U.S. Agency obligations	718,591	49,402	78,437	10,765	47,244	532,743	-
Municipal obligations	93,022	277	4,872	10,578	33,116	44,179	-
Corporate debt securities	5,961,176	354,986	2,790,800	1,559,038	498,054	758,298	-
Foreign debt securities	1,551,977	194,837	362,139	690,153	194,912	109,936	-
Commingled funds	3,964,963	-	1,906,753	880,170	-	-	1,178,040 *
Derivatives	(55,888)	980	(2,228)	(25,564)	(1,467)	(27,609)	-
Total subject to interest rate risk	13,669,874	\$ 816,342	\$ 5,574,868	\$ 3,648,289	\$ 829,862	\$ 1,622,473	\$ 1,178,040
Less derivatives	55,888						
<b>Total fixed income securities</b>	<b>\$ 13,725,762</b>						

\* Maturity date is not available or applicable.

SURS manages its exposure to fair value loss arising from increasing interest rates by diversifying the debt securities portfolio. SURS has not adopted a formal policy specific to interest rate risk. The following table summarizes the time segmented distribution of the debt securities held by SURS at June 30, 2019:

Table 3-13 (amounts expressed in thousands)

Investment Type	Fair Value	Less Than 1 Year	1 to 5 Years	6 to 10 Years	10 to 20 Years	More Than 20 Years
U.S. Treasury and Agency obligations	\$ 2,429,749	\$ 104,115	\$ 793,220	\$ 529,568	\$ 123,267	\$ 879,579
Repurchase agreements	3,100	3,100	-	-	-	-
Municipal obligations	24,253	51	1,437	3,269	7,381	12,115
Corporate debt securities	1,467,830	19,551	636,285	456,899	133,473	221,622
Foreign debt securities	49,145	1,994	2,974	896	14,235	29,046
Derivatives - swaps	(12,214)	6	(1,628)	(5,899)	(684)	(4,009)
Total subject to interest rate risk	3,961,863	\$ 128,817	\$ 1,432,288	\$ 984,733	\$ 277,672	\$ 1,138,353
Less derivatives - swaps	12,214					
Less cash equivalents	(39,151)					
<b>Total fixed income securities</b>	<b>\$ 3,934,926</b>					

## FOREIGN CURRENCY RISK

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

### Primary Government:

Only assets held by the State Treasurer and assets held outside the State Treasury by the Prepaid Tuition Fund, a major enterprise fund, and foreign offices are allowed to be used to purchase investments in foreign securities. The State Treasurer is limited by the Deposit of State Moneys Act to investments in debt instruments issued by foreign governments, except the Republic of Sudan, that are guaranteed by the full faith and credit of the foreign government in which the foreign government has not defaulted or been late in payment on similar debt instruments at the time the Treasurer purchases the debt instrument. The Prepaid Tuition Fund's investment policy establishes targets for long-term and interim asset allocations and rebalancing ranges. As of June 30, 2019, the long-term and interim targets for international equities were 17% and 18%, respectively, with a rebalancing range of 15% to 21% for the lower and upper limits.

The following table summarizes the foreign currency risk, by currency denomination, of the primary government, except for debt securities held by ISBI, TRS, and SURS, outside of the State Treasury at June 30, 2019:

Table 3-14 (amounts expressed in thousands)

<u>Currency Denomination</u>	<u>Foreign Short-term Deposits</u>	<u>Foreign Debt Securities</u>	<u>Foreign Currency and Pending Currency Transactions</u>
Canadian Dollar	\$ 31	\$ -	\$ -
Euro	130	806	(742)
Japanese Yen	103	-	-
Mexican Peso	111	-	-
New Israeli Shekel	-	2,343	(797)
Peruvian Nuevo Sol	-	849	-
South African Rand	-	410	(395)
Total deposits and investments subject to foreign currency risk	<u>\$ 375</u>	<u>\$ 4,408</u>	<u>\$ (1,934)</u>

*Pensions:*

The ISBI, TRS, and SURS do not have formal foreign currency risk policies. ISBI's international portfolio is constructed on the principles of diversification, quality growth, and value. Risk of loss arises from changes in currency exchange rates.

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

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

The following table summarizes the foreign currency risk by currency denomination for deposits and investments held by ISBI as of June 30, 2019:

Table 3-15 (amounts expressed in thousands)

Currency Denomination	Foreign Equity Securities and Foreign Preferred Stock
Australian Dollar	\$ 4,103
British Pound Sterling	27,771
Canadian Dollar	12,261
Euro	72,550
Hong Kong Dollar	12,968
Japanese Yen	48,061
Mexican Peso	1,835
South Korean Won	4,494
Swedish Krona	3,018
Swiss Franc	25,477
Thailand Baht	2,142
Other currencies	4,249
Total investments subject to foreign currency risk	\$ 218,929

In addition, certain investments held in infrastructure funds and real estate funds trade in a reported currency of Euro based dollars valued at \$144.983 million at June 30, 2019.

The following table summarizes the foreign currency risk by currency denomination for deposits and investments held by TRS as of June 30, 2019:

Table 3-16 (amounts expressed in thousands)

Currency Denomination	Foreign Currency	Foreign Equity Securities	Foreign Debt Obligations	Foreign Derivative Obligations	Total
Australian Dollar	\$ 3,613	\$ 382,234	\$ 25,582	\$ -	\$ 411,429
Brazilian Real	826	205,896	176,221	(502)	382,441
British Pound Sterling	13,787	950,983	103,716	(3,154)	1,065,332
Canadian Dollar	6,477	522,738	13,980	-	543,195
Chinese Yuan Renminbi	(3,666)	106,282	-	63	102,679
Danish Krone	39	111,528	31,401	-	142,968
Euro	18,084	1,932,800	163,390	(1,092)	2,113,182
Hong Kong Dollar	5,243	738,420	-	645	744,308
Indian Rupee	1,272	189,784	104,596	-	295,652
Indonesian Rupiah	716	59,201	160,797	-	220,714
Japanese Yen	20,026	1,405,023	27,855	(3,303)	1,449,601
Mexican Peso	241	78,554	167,490	416	246,701
New Taiwan Dollar	768	263,937	-	-	264,705
South African Rand	693	96,434	57,741	185	155,053
South Korean Won	2,946	333,672	77,772	980	415,370
Swedish Krona	1,037	159,513	6,875	-	167,425
Swiss Franc	3,048	472,049	-	-	475,097
Other currencies	19,863	447,333	434,561	245	902,002
Total deposits and investments subject to foreign currency risk	\$ 95,013	\$ 8,456,381	\$ 1,551,977	\$ (5,517)	\$ 10,097,854

In addition, TRS has foreign currency investments in private equity with fair values totaling \$419.517 million (payable in Euros), \$35.076 million (payable in South Korean Won), \$3.519 million (payable in British Pound Sterling), \$247 thousand (payable in Canadian Dollars), and \$146 thousand (payable in Japanese Yen), and real estate with fair values totaling \$15.096 million (payable in Euros).

The following table summarizes the foreign currency risk by currency denomination for deposits and investments held by SURS as of June 30, 2019:

Table 3-17 (amounts expressed in thousands)

Currency Denomination	Foreign Equity Securities	Foreign Debt Obligations	Foreign Currency and Pending Currency Transactions	Net Foreign Currency Forward Contracts	Other Foreign Derivative Obligations	Total
Australian Dollar	\$ 91,605	\$ -	\$ (4,993)	\$ (68)	\$ -	\$ 86,544
British Pound Sterling	338,787	17,427	(11,578)	(110)	(1,579)	342,947
Canadian Dollar	132,807	-	172	(67)	(193)	132,719
Danish Krone	34,420	-	58	-	-	34,478
Euro	608,451	24,419	(36,564)	(759)	(284)	595,263
Hong Kong Dollar	188,242	-	201	-	-	188,443
Japanese Yen	450,411	-	3,113	(50)	(1,745)	451,729
New Taiwan Dollar	28,406	-	(3,105)	(53)	-	25,248
Singapore Dollar	44,906	-	(3,226)	(47)	-	41,633
South Korean Won	44,899	-	-	-	-	44,899
Swedish Krona	51,875	-	541	-	-	52,416
Swiss Franc	134,663	-	22	-	-	134,685
Other currencies	110,823	7,299	4,336	74	(26)	122,506
Total investments subject to foreign currency risk	<u>\$ 2,260,295</u>	<u>\$ 49,145</u>	<u>\$ (51,023)</u>	<u>\$ (1,080)</u>	<u>\$ (3,827)</u>	<u>\$ 2,253,510</u>

## COMPONENT UNITS

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

### ILLINOIS HOUSING DEVELOPMENT AUTHORITY ("IHDA")

#### Investments

Table 3-18 (amounts expressed in thousands)

Investment Type	Rating Standard & Poor's/Moody's	Fair Value	Less Than 1 Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
U.S. Agency obligations	AA+/Aaa	\$ 1,058,711	\$ 77,337	\$ 126,972	\$ 11,826	\$ 842,576
Municipal debt	NR/Aa1	251	251	-	-	-
Commercial paper	A-1/P-1	281,593	281,593	-	-	-
Money market mutual funds	AAA/Aaa	301,252	301,252	-	-	-
Negotiable certificates of deposit	A/A2	6,601	6,601	-	-	-
Total subject to credit risk		<u>1,648,408</u>	<u>667,034</u>	<u>126,972</u>	<u>11,826</u>	<u>842,576</u>
U.S. Treasury obligations		28,797	6,228	21,032	1,449	88
Total subject to interest rate risk		<u>1,677,205</u>	<u>\$ 673,262</u>	<u>\$ 148,004</u>	<u>\$ 13,275</u>	<u>\$ 842,664</u>
Less cash equivalents		<u>(301,252)</u>				
Total investments		<u>\$ 1,375,953</u>				

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

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

**Concentration of credit risk:** IHDA places no limit on the amount that may be invested in any one issuer. More than 5 percent of IHDA's investments are in Federal Home Loan Bank (\$144.492 million), and Federal National Mortgage Association (\$335.869 million).

## ILLINOIS STATE TOLL HIGHWAY AUTHORITY (“THA”)

## Investments

Table 3-19 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Rating Standard &amp; Poors/Moody's</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 to 5 Years</u>
Money market mutual funds	AAA/Aaa	\$ 179,986	\$ 179,986	\$ -
Total subject to credit risk		179,986	179,986	-
U.S. Treasury obligations		385,000	150,000	235,000
Total subject to interest rate risk		564,986	\$ 329,986	\$ 235,000
Less cash equivalents		(179,986)		
Total investments		\$ 385,000		

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

**Credit risk:** THA is limited to investments as described in the State Statutes.

## ILLINOIS STATE UNIVERSITY (“ISU”)

## Investments

Table 3-20 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Rating Moody's/ Standard &amp; Poor's</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 to 6 Years</u>
U.S. Agency obligations	Aaa/AA+	\$ 154,385	\$ 43,588	\$ 110,797
Illinois Public Treasurers' Investment Pool	Not Rated/AAA	28,522	28,522	-
Money market mutual funds	Aaa/AAA	18,861	18,861	-
Total subject to credit risk		201,768	90,971	110,797
U.S. Treasury obligations		85,051	19,943	65,108
Total subject to interest rate risk		286,819	\$ 110,914	\$ 175,905
Less cash equivalents		(47,384)		
Total investments of the University		239,435		
Investments of component units		170,172		
Total investments		\$ 409,607		

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

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

**Concentration of credit risk:** ISU places no limit on the amount that may be invested in any one issuer. More than 5 percent of ISU’s investments are in Federal Home Loan Bank (\$119.139 million) and Federal Farm Credit Bank (\$35.246 million).



## NORTHERN ILLINOIS UNIVERSITY (“NIU”)

## Investments

Table 3-21 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Rating Standard &amp; Poor's</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>
U.S. Agency obligations	AA	\$ 30,517	\$ 30,517
Money market mutual funds	AAA	13,496	13,496
Illinois Public Treasurers' Investment Pool	AAA	70,982	70,982
Total subject to credit risk		114,995	114,995
U.S. Treasury obligations		5,482	5,482
Total subject to interest rate risk		120,477	<u>\$ 120,477</u>
Less cash equivalents		(13,496)	
Total investments of the University		106,981	
Investments of component units		112,349	
Total investments		<u>\$ 219,330</u>	

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

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

**Concentration of credit risk:** More than 5 percent of NIU's investments are in Federal Home Loan Bank (\$12.430 million), Federal Farm Credit Bank (\$7.486 million), and Federal National Mortgage Association (\$7.105 million).

## SOUTHERN ILLINOIS UNIVERSITY (“SIU”)

## Investments

Table 3-22 (amounts expressed in thousands)

<u>Investment Type</u>	<u>Rating Standard and Poor's</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 to 5 Years</u>	<u>6 to 10 Years</u>
U.S. Agency obligations	*	\$ 96,076	\$ 12	\$ 66,565	\$ 29,499
Commercial Paper	A	32,096	32,096	-	-
Corporate debt securities	**	13,370	-	13,370	-
Equity in Public Treasurers' Investment Pool	AAA	86,598	86,598	-	-
Total subject to credit risk		228,140	118,706	79,935	29,499
U.S. Treasury obligations		75,083	19,977	35,019	20,087
Total subject to interest rate risk		303,223	<u>\$ 138,683</u>	<u>\$ 114,954</u>	<u>\$ 49,586</u>
Common stock		44			
Less cash equivalents		(86,598)			
Total investments of the University		216,669			
Investments of component units		264,178			
Total investments		<u>\$ 480,847</u>			

\*Of the \$96,076 of U.S. Agency obligations, \$23,481 is rated AAA and \$72,595 is rated AA by Standard & Poor's.

\*\*Of the \$13,370 of Corporate debt securities, \$7,282 is rated A and \$6,088 is rated BBB by Standard & Poor's.

**Interest rate risk:** Interest rate risk is mitigated by maintaining significant balances in cash equivalents and other short maturity investments and by establishing an asset allocation policy

that is consistent with the expected cash flows of SIU. Revenue Bond System funds are managed in accordance with covenants provided from SIU's debt issuance activities.

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

## UNIVERSITY OF ILLINOIS ("U of I")

### Investments

**Interest rate risk:** The U of I employs multiple investment managers, each of which has specific maturity assignments related to the operating funds. The funds are structured with different layers of liquidity. Funds expected to be used within one year are invested using the Barclay's Capital 90-day and Bank of America Merrill Lynch 12-month Treasury Bill Index as performance benchmarks. Core operating funds are invested in longer maturity investments. Core operating funds investment manager's performance benchmarks are the Barclay's Capital 1-3 year Government Bond Index, the Barclay's Capital 1-3 year Government Credit Bond Index, the Barclay's Capital Intermediate Government Credit Bond Index, and the Barclay's Capital Intermediate Aggregate Bond Index. The U of I's investments and maturities at June 30, 2019, are illustrated below:

Table 3-23 (amounts expressed in thousands)

Investment Type	Fair Value	Less Than 1 Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
U.S. Treasury obligations	\$ 459,159	\$ 92,802	\$ 287,409	\$ 58,040	\$ 20,908
U.S. Agency obligations	178,988	9,479	15,939	13,732	139,838
Commercial paper	43,858	43,858	-	-	-
Corporate bonds	1,051,368	260,379	689,004	84,208	17,777
Bond mutual funds	3,805	1,099	737	1,969	-
Money market mutual funds	691,845	691,845	-	-	-
Illinois Public Treasurers' Investment Pool	64,811	64,811	-	-	-
Non government mortgage-backed securities	80,714	-	-	-	80,714
Other asset-backed securities	366,473	2,057	314,213	27,374	22,829
Government bonds - non U.S.	4,026	-	2,074	1,530	422
Municipal bonds	21,641	4,904	8,571	4,301	3,865
Total subject to interest rate risk	2,966,688	<u>\$ 1,171,234</u>	<u>\$ 1,317,947</u>	<u>\$ 191,154</u>	<u>\$ 286,353</u>
U.S. equities	27,009				
U.S. equity mutual funds	359,958				
U.S. debt and equity mutual funds	47,685				
Limited partnerships	57,989				
Real estate	142,440				
Less cash equivalents	<u>(767,068)</u>				
Total investments of the University	2,834,701				
Investments of component units	<u>2,198,948</u>				
Total investments	<u>\$ 5,033,649</u>				

At June 30, 2019, the U of I's operating funds pool portfolio had an effective duration of 1.4 years.

**Credit risk:** The U of I's policy requires that short-term operating funds be invested in fixed income securities and other short-term fixed income instruments (e.g., money markets). Fixed

income securities shall be rated investment grade or better by one or more nationally recognized statistical rating organizations at purchase. Unrated securities are not allowed unless specifically permitted by an individual manager's guidelines. Securities that fall below the stated minimum credit requirements subsequent to initial purchase may be held at the manager's discretion.

At June 30, 2019, the U of I debt securities and quality ratings are as shown in the chart below:

Investment Type	Fair Value	Standard and Poor's					Less Than BB or Not Rated
		AAA	AA	A	BBB	BB	
U.S. Agency obligations	\$ 178,988	\$ -	\$ 178,988	\$ -	\$ -	\$ -	\$ -
Commercial paper	43,858	-	-	43,858	-	-	-
Corporate bonds	1,051,368	8,603	127,035	539,347	364,649	11,062	672
Bond mutual funds	3,805	655	1,626	694	717	9	104
Money market mutual funds	691,845	691,845	-	-	-	-	-
Illinois Public Treasurers' Investment Pool	64,811	64,811	-	-	-	-	-
Non government mortgage-backed securities	80,714	70,838	2,996	-	334	-	6,546
Other asset-backed securities	366,473	351,825	10,020	8	511	-	4,109
Government bonds - non U.S.	4,026	1,712	982	204	1,128	-	-
Municipal bonds	21,641	558	15,371	4,053	1,659	-	-
Total subject to credit risk	2,507,529	\$ 1,190,847	\$ 337,018	\$ 588,164	\$ 368,998	\$ 11,071	\$ 11,431
U.S. Treasury obligations	459,159						
Total fixed income securities	\$ 2,966,688						

## SECURITIES LENDING TRANSACTIONS

The investment policies of certain State agencies and component units, principally the State Treasurer, ISBI, TRS, and SURS, permit them to enter into securities lending transactions. In these transactions, the agency loans their securities to broker-dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future. The agencies' securities custodians are agents in lending the securities for collateral of at least 100% of the fair value of the securities. Collateral can consist of cash, cash equivalents, government securities, commercial paper or irrevocable letters of credit. Depending on their nature, securities on loan at year-end are presented as classified or unclassified in the preceding schedule of custodial credit risk. Generally, at year-end, agencies had no credit risk exposure to borrowers because the amounts they owed to borrowers exceeded the amounts borrowers owed the agencies. Policies regarding indemnification vary among agencies. Some agencies' contracts with custodians require them to indemnify the agency if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or the borrowers fail to pay the agency for income distributions by the securities' issuers while the securities are out on loan. Other agencies have no provisions for indemnification.

Generally, securities loans can be terminated on demand by either the agency or the borrower, although the average term of the loans is approximately 8 to 15 days. Cash collateral is generally invested in the lending agents' short-term investment pools, which at year-end had weighted average maturities of approximately 48 to 59 days. The relationship between the maturities of the investment pools and the agencies' loans is affected by the maturities of the securities loans made by other entities that use the agents' pools, which the agencies cannot determine. The agencies cannot pledge or sell collateral securities received unless the borrower defaults.

The following table summarizes the fair value and related collateral value of outstanding loaned investment securities as of June 30, 2019.

Table 3-25 (amounts expressed in thousands)

State Agency/Component Unit	Fair Value	Collateral Value
State Treasurer	\$3,064,815	\$3,103,274
Teachers' Retirement System	2,549,983	2,628,040
State Universities Retirement System	857,606	876,551

## REVERSE REPURCHASE AGREEMENTS

SURS held approximately \$85.457 million in reverse repurchase agreements at June 30, 2019. Investment guidelines permit certain portfolios to enter into reverse repurchase agreements, which are a sale of securities with a simultaneous agreement to repurchase the securities in the future at the same price plus a stated rate of interest. The market value of the securities underlying reverse repurchase agreements exceeds the cash received, providing the counterparty a margin against a decline in market value of the securities. If the counterparty defaults on their obligations to sell these securities back to SURS or provide cash of equal value, SURS could suffer an economic loss equal to the difference between the market value of the underlying securities plus accrued interest and the agreement obligation including accrued interest. This credit exposure at June 30, 2019 was \$77 thousand.

SURS may enter into reverse repurchase agreements with various counterparties and such transactions are governed by Master Repurchase Agreements (MRA). MRAs are negotiated contracts and contain terms in which SURS seeks to minimize counterparty credit risk. SURS also controls credit exposures by limiting trades with any one counterparty to stipulated amounts. The counterparty credit exposure is monitored daily and managed through the transfer of margin, in the form of cash or securities, between SURS and the counterparty.

The cash proceeds from reverse repurchase agreements are reinvested. The maturities of the purchases made with the proceeds of reverse repurchase agreements are not necessarily matched to the maturities of the agreements. The agreed-upon yields earned by the counterparty were between 2.25% and 2.70%. The reverse repurchase agreements had open maturities, whereby a maturity date is not established upon entering into the agreement; however, interest rates on the agreements are negotiated daily. The agreements can be terminated at the will of either SURS or the counterparty.

## 4 TAXES RECEIVABLE AND TAX ABATEMENTS

Taxes receivable for the primary government at June 30, 2019, are as follows:

Table 4-1 (amounts expressed in thousands)

	Governmental Activities			Business-type Activities	
	General Fund	Nonmajor Funds	Total	Unemployment Compensation Trust Fund	Fiduciary Funds
Income tax	\$ 1,186,402	\$ 137,263	\$ 1,323,665	\$ -	\$ -
Less allowance	(328,678)	(33,923)	(362,601)	-	-
Net income tax	857,724	103,340	961,064	-	-
Sales tax	588,323	205,932	794,255	-	-
Less allowance	(64,565)	(24,525)	(89,090)	-	-
Net sales tax	523,758	181,407	705,165	-	-
Motor fuel tax	-	130,788	130,788	-	-
Less allowance	-	(10,930)	(10,930)	-	-
Net motor fuel tax	-	119,858	119,858	-	-
Public utility tax	57,956	10,927	68,883	-	-
Less allowance	(11,427)	(85)	(11,512)	-	-
Net public utility tax	46,529	10,842	57,371	-	-
Riverboat tax	-	6,133	6,133	-	-
Less allowance	-	-	-	-	-
Net riverboat tax	-	6,133	6,133	-	-
Medical providers assessment tax	38,758	-	38,758	-	-
Less allowance	-	-	-	-	-
Net medical providers assessment tax	38,758	-	38,758	-	-
Other tax	408,002	77,688	485,690	-	-
Less allowance	(15,155)	(1,806)	(16,961)	-	-
Net other tax	392,847	75,882	468,729	-	-
Unemployment compensation tax	-	-	-	701,345	-
Less allowance	-	-	-	(361,584)	-
Net unemployment compensation tax	-	-	-	339,761	-
Taxes assessed by other governments	-	-	-	-	168,038
<b>Total taxes receivable, net</b>	<b>\$ 1,859,616</b>	<b>\$ 497,462</b>	<b>\$ 2,357,078</b>	<b>\$ 339,761</b>	<b>\$ 168,038</b>

The State provides tax abatements through two programs—the Economic Development for a Growing Economy (EDGE) Program and the Angel Investment Credit Program.

Under the Economic Development for a Growing Economy Tax Credit Act (35 ILCS 10), special tax incentives are provided to encourage businesses to locate or expand operations in Illinois when there is active consideration of a competing location in another state. EDGE can provide tax credits to qualifying businesses equal to the amount of state income taxes withheld from the salaries of employees in the newly created jobs. Non-refundable credits can be used against corporate income taxes paid or individual income taxes paid if the business is organized as a pass-through entity. Abatements are obtained through application by a business to the Department of Commerce and Economic Opportunity and claimed on tax returns filed with the Department of Revenue. Applicants must show that if not for the credit, the project would not occur in Illinois by demonstrating that at least one other State is being considered for the project and receipt of tax credits is essential to the applicant's decision to create and/or retain jobs in the State. An applicant must agree to make an investment of at least \$5 million in capital improvements and create a minimum of 25 new full time jobs in Illinois. For a company with 100 or fewer employees, a business must agree to make a capital investment of \$1 million and create at least five new full time jobs in Illinois. Credits awarded may be carried forward for 10 taxable years. The Act provides for the recapture of abated taxes in the event a taxpayer does not fulfill the commitment it makes in return for the tax abatement. A taxpayer claiming the credit must hold the investment in the State for the full term of the agreement. If, during the term of the agreement, the project is moved from the State or otherwise ceased, the State can recapture the abated tax requiring the taxpayer to repay the full value of the credit previously claimed.

The Angel Investment Credit Program is authorized under Section 220 of the Illinois Income Tax Act (35 ILCS 5). The program was created to promote job growth and expand capital investment in Illinois by offering credits to interested businesses or individuals who make an investment in qualified innovative and new business ventures. Tax credits for qualified investors are equal to 25% of their investment made in the qualified business ventures and can be applied against corporate and individual income taxes. Abatements are obtained through application to the Department of Commerce and Economic Opportunity and claimed on tax returns filed with the Department of Revenue. In addition to investing in qualified new ventures, applicants must meet various requirements including supplying information demonstrating the venture provides the potential to increase jobs and capital investment in Illinois. Credits awarded may be carried forward for five taxable years. The Act provides for the recapture of abated taxes in the event a taxpayer does not fulfill the commitment it makes in return for the tax abatement. A taxpayer claiming the credit must hold the investment in the State for no less than three years. If, during the three-year period, the qualified new business venture is moved from the State or otherwise ceased, the State can recapture the abated tax requiring the taxpayer to repay the full value of the credit previously claimed.

For the fiscal year ended June 30, 2019, the State abated income taxes totaling approximately \$155.2 million and \$5.2 million under the EDGE and Angel Investment Credit Programs, respectively. The State Revenue Sharing Act (30 ILCS 115) requires specific portions of income tax revenues to be shared with Illinois municipalities and counties. Taxes abated under the EDGE and Angel Investment Credit Programs reduced the amounts shared by approximately \$8.4 million and \$269 thousand, respectively.

**5 INTERFUND BALANCES AND ACTIVITY**

Interfund due to and due from balances at June 30, 2019, consisted of the following:

Table 5-1 (amounts expressed in thousands)

Due From	Due To									
	General Fund	Road Fund	Nonmajor Governmental Funds	Unemployment Compensation Trust Fund	Water Revolving Fund	Prepaid Tuition Fund	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
General Fund	\$ -	\$ 32,479	\$ 50,164	\$ -	\$ 60	\$ -	\$ 108,512	\$ 15,100	\$ 13,168	\$ 219,483
Road Fund	-	-	63,385	-	-	-	-	109	-	63,494
Nonmajor Governmental Funds	682,565	3,886	252,346	1,096	-	-	387	131	-	940,411
Unemployment Compensation Trust Fund	3,213	1,456	30	-	-	-	-	-	1	4,700
Nonmajor Enterprise Funds	1,006	-	4	-	-	179	3,017	74	444	4,724
Internal Service Funds	2,671,020	193,357	80,155	-	341	-	1,085	27,959	12,802	2,986,719
Fiduciary Funds	1,139,017	-	38,921	-	-	-	-	1,406	186	1,179,530
<b>Total</b>	<b>\$ 4,496,821</b>	<b>\$ 231,178</b>	<b>\$ 485,005</b>	<b>\$ 1,096</b>	<b>\$ 401</b>	<b>\$ 179</b>	<b>\$ 113,001</b>	<b>\$ 44,779</b>	<b>\$ 26,601</b>	<b>\$ 5,399,061</b>

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

The State Lottery Fund, a nonmajor enterprise fund, has reported \$89.045 million due to the General Fund which is not expected to be repaid within one year.

Interfund transfers activity at June 30, 2019, consisted of the following:

Table 5-2 (amounts expressed in thousands)

Transfers-In	Transfers-Out					Total
	General Fund	Road Fund	Nonmajor Governmental Funds	Unemployment Compensation Trust Fund	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ 230,474	\$ 1,016,909	\$ -	\$ 753,633	\$ 2,001,016
Road Fund	-	-	4,126	-	-	4,126
Nonmajor Governmental Funds	3,663,846	342,735	735,568	15,910	7,257	4,765,316
Nonmajor Enterprise Funds	-	-	-	-	13,698	13,698
Internal Service Funds	800	-	-	-	-	800
<b>Total</b>	<b>\$ 3,664,646</b>	<b>\$ 573,209</b>	<b>\$ 1,756,603</b>	<b>\$ 15,910</b>	<b>\$ 774,588</b>	<b>\$ 6,784,956</b>

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

INTERENTITY

The due from amounts for the State of Illinois from its component units, as of June 30, 2019, consisted of the following:

Table 5-3 (amounts expressed in thousands)

Due To	Due From								Total
	Illinois Housing Development Authority	Illinois State Toll Highway Authority	Nonmajor Authorities	Northern Illinois University	Southern Illinois University	University of Illinois	Nonmajor Universities		
General Fund	\$ 160	\$ -	\$ -	\$ 77	\$ 1,267	\$ 22,086	\$ -	\$ 23,590	
Road Fund	-	96,741	-	-	-	-	-	96,741	
Nonmajor Governmental Funds	357,697	1	-	-	2	46	216	357,962	
Unemployment Compensation Trust Fund	-	-	-	-	20	95	31	146	
Water Revolving Fund	-	-	8,131	-	-	-	-	8,131	
Internal Service Funds	230	5,607	31	-	134	6,855	46	12,903	
<b>Total</b>	<b>\$ 358,087</b>	<b>\$102,349</b>	<b>* \$ 8,162</b>	<b>\$ 77</b>	<b>\$ 1,423</b>	<b>\$ 29,082</b>	<b>\$ 293</b>	<b>\$499,473</b>	

\* The Illinois State Toll Highway Authority reported \$96,741 at December 31, 2018, its fiscal year-end.

The due to amounts for the State of Illinois to its component units, as of June 30, 2019, consisted of the following:

Table 5-4 (amounts expressed in thousands)

Due From	Due To								
	Illinois Housing Development Authority	Illinois State Toll Highway Authority	Nonmajor Authorities	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois	Nonmajor Universities	Total
General Fund	\$ -	\$ 14	\$ -	\$ 346	\$ 460	\$ 4,943	\$ 129,253	\$ 4,941	\$ 139,957
Road Fund	-	145,085	-	1	27	200	3,386	-	148,699
Nonmajor Governmental Funds	21,009	9	676	51	-	-	56,078	624	78,447
Water Revolving Fund	-	1	1,139,997	-	-	-	145	-	1,140,143
Prepaid Tuition Fund	-	-	-	3	-	-	-	7	10
Nonmajor Enterprise Funds	-	2	-	-	10	-	-	-	12
Internal Service Funds	-	5	-	-	-	4	457	-	466
Fiduciary Funds	-	16	-	-	-	-	-	-	16
<b>Total</b>	<b>\$ 21,009</b>	<b>\$145,132</b>	<b>* \$1,140,673</b>	<b>\$ 401</b>	<b>\$ 497</b>	<b>\$ 5,147</b>	<b>\$ 189,319</b>	<b>\$ 5,572</b>	<b>\$1,507,750</b>

\* The Illinois State Toll Highway Authority reported \$145,085 at December 31, 2018, its fiscal year-end.



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

**6 LOANS AND NOTES RECEIVABLE**

Loans and notes receivable at June 30, 2019, consisted of the following:

Table 6-1 (amounts expressed in thousands)

	Primary Government							
	Governmental Activities				Business-type Activities			
	General Fund	Road Fund	Nonmajor Governmental Funds	Total	Water Revolving Fund	Nonmajor Enterprise Funds	Total	Fiduciary Funds
Student loan program	\$ 33,607	\$ -	\$ 1,368	\$ 34,975	\$ -	\$ 328,986	\$ 328,986	\$ 81
Deferred compensation loan program	-	-	-	-	-	-	-	41,473
Local government infrastructure	-	-	-	-	4,502,235	-	4,502,235	-
Real estate tax-relief loan program	-	-	37,569	37,569	-	-	-	-
Other	222	55	8,399	8,676	-	-	-	-
	<u>33,829</u>	<u>55</u>	<u>47,336</u>	<u>81,220</u>	<u>4,502,235</u>	<u>328,986</u>	<u>4,831,221</u>	<u>41,554</u>
Less: Allowance for uncollectible accounts	29,383	-	905	30,288	-	72,639	72,639	43
Total	<u>4,446</u>	<u>55</u>	<u>46,431</u>	<u>50,932</u>	<u>4,502,235</u>	<u>256,347</u>	<u>4,758,582</u>	<u>41,511</u>
Less: Amounts representing restricted assets	-	-	-	-	3,198,450	256,347	3,454,797	-
Loans and notes receivable, net	<u>\$ 4,446</u>	<u>\$ 55</u>	<u>\$ 46,431</u>	<u>\$ 50,932</u>	<u>\$ 1,303,785</u>	<u>\$ -</u>	<u>\$ 1,303,785</u>	<u>\$ 41,511</u>

Table 6-2 (amounts expressed in thousands)

	Major Component Units				
	Illinois Housing Development Authority	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois
Mortgage loan program	\$ 1,237,045	\$ -	\$ -	\$ -	\$ -
Student loan program	-	7,675	6,023	16,128	54,007
Other	-	-	-	12	-
	<u>1,237,045</u>	<u>7,675</u>	<u>6,023</u>	<u>16,140</u>	<u>54,007</u>
Less: Allowance for uncollectible accounts	71,326	1,144	374	358	2,969
Loans and notes receivable, net	<u>\$ 1,165,719</u>	<u>\$ 6,531</u>	<u>\$ 5,649</u>	<u>\$ 15,782</u>	<u>\$ 51,038</u>

## 7 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

Table 7-1 (amounts expressed in thousands)

	Beginning Balance	Additions	Deletions	Transfers and Reclassifications	Ending Balance
<b>Primary Government</b>					
<b>Governmental activities</b>					
<b>Capital assets not being depreciated:</b>					
Land and land improvements	\$ 3,550,715	\$ 46,896	\$ 69	\$ 447	\$ 3,597,989
Intangible assets	300,107	73,077	-	(33,719)	339,465
Historical treasures and works of art	12,663	-	-	-	12,663
Construction in progress	148,695	169,455	8,976	(45,510)	263,664
Total capital assets not being depreciated	<u>4,012,180</u>	<u>289,428</u>	<u>9,045</u>	<u>(78,782)</u>	<u>4,213,781</u>
<b>Capital assets being depreciated:</b>					
Infrastructure	28,871,939	872,448	692,475	-	29,051,912
Site improvements	812,192	6,258	1,183	(1,128)	816,139
Buildings and building improvements	4,815,961	49,506	8,602	77,795	4,934,660
Equipment	1,462,015	144,734	66,375	(37,990)	1,502,384
Historical treasures and works of art	1,100	-	-	-	1,100
Intangible assets	415,868	17,933	11,442	33,719	456,078
Total capital assets being depreciated	<u>36,379,075</u>	<u>1,090,879</u>	<u>780,077</u>	<u>72,396</u>	<u>36,762,273</u>
<b>Less accumulated depreciation for:</b>					
Infrastructure	13,101,356	1,209,214	692,474	-	13,618,096
Site improvements	612,274	17,035	-	(482)	628,827
Buildings and building improvements	3,069,753	164,059	133	30,061	3,263,740
Equipment	934,193	84,334	64,922	(35,965)	917,640
Historical treasures and works of art	1,100	-	-	-	1,100
Intangible assets	123,765	38,914	2,323	-	160,356
Total accumulated depreciation	<u>17,842,441</u>	<u>1,513,556</u>	<u>759,852</u>	<u>(6,386)</u>	<u>18,589,759</u>
Total capital assets being depreciated, net	<u>18,536,634</u>	<u>(422,677)</u>	<u>20,225</u>	<u>78,782</u>	<u>18,172,514</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 22,548,814</u>	<u>\$ (133,249)</u>	<u>\$ 29,270</u>	<u>\$ -</u>	<u>\$ 22,386,295</u>
<b>Depreciation expense for governmental activities was charged to functions as follows:</b>					
Health and social services					\$ 45,306
Education					6,642
General government					24,853
Employment and economic development					36,138
Transportation					1,254,006
Public protection and justice					89,516
Environmental and business regulation					28,056
Internal service funds					29,039
Total					<u>\$ 1,513,556</u>

Table 7-2 (amounts expressed in thousands)

	Beginning Balance	Additions	Deletions	Transfers and Reclassifications	Ending Balance
<b>Primary Government Business-type activities</b>					
<b>Water Revolving Fund:</b>					
<b>Capital assets being depreciated:</b>					
Equipment	\$ 401	\$ -	\$ 21	\$ -	\$ 380
Total capital assets being depreciated	401	-	21	-	380
<b>Less accumulated depreciation for:</b>					
Equipment	387	3	19	-	371
Total accumulated depreciation	387	3	19	-	371
Total capital assets being depreciated, net	14	(3)	2	-	9
<b>Water Revolving Fund capital assets, net</b>	14	(3)	2	-	9
<b>Nonmajor enterprise funds:</b>					
<b>Capital assets being depreciated:</b>					
Buildings and building improvements	2,472	-	-	-	2,472
Equipment	5,980	265	147	(105)	5,993
Intangible assets	3,357	-	-	-	3,357
Total capital assets being depreciated	11,809	265	147	(105)	11,822
<b>Less accumulated depreciation for:</b>					
Buildings and building improvements	636	179	-	-	815
Equipment	5,549	206	147	(105)	5,503
Intangible assets	1,930	336	-	-	2,266
Total accumulated depreciation	8,115	721	147	(105)	8,584
Total capital assets being depreciated, net	3,694	(456)	-	-	3,238
<b>Nonmajor enterprise funds   capital assets, net</b>	3,694	(456)	-	-	3,238
<b>Total Business-type activities</b>					
Capital assets being depreciated, net	3,708	(459)	2	-	3,247
<b>Business-type activities capital assets, net</b>	<u>\$ 3,708</u>	<u>\$ (459)</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 3,247</u>
<b>Depreciation expense for business-type activities was charged to functions as follows:</b>					
Water revolving					\$ 3
Other					721
Total					<u>\$ 724</u>

Table 7-3 (amounts expressed in thousands)

	Beginning Balance	Additions	Deletions	Transfers and Reclassifications	Ending Balance
<b>Fiduciary Funds</b>					
<b>Capital assets not being depreciated:</b>					
Land and land improvements	\$ 1,735	\$ -	\$ -	\$ -	\$ 1,735
Intangible assets	3	-	-	-	3
Construction in progress	-	3,726	-	-	3,726
Total capital assets not being depreciated	1,738	3,726	-	-	5,464
<b>Capital assets being depreciated:</b>					
Site improvements	1,133	-	-	-	1,133
Buildings and building improvements	20,683	842	-	-	21,525
Equipment	22,302	602	596	-	22,308
Intangible assets	10,188	3,160	-	-	13,348
Total capital assets being depreciated	54,306	4,604	596	-	58,314
<b>Less accumulated depreciation for:</b>					
Site improvements	822	71	-	-	893
Buildings and building improvements	14,200	858	-	-	15,058
Equipment	20,232	728	592	-	20,368
Intangible assets	3,121	842	-	-	3,963
Total accumulated depreciation	38,375	2,499	592	-	40,282
Total capital assets being depreciated, net	15,931	2,105	4	-	18,032
<b>Fiduciary funds capital assets, net</b>	<b>\$ 17,669</b>	<b>\$ 5,831</b>	<b>\$ 4</b>	<b>\$ -</b>	<b>\$ 23,496</b>

Table 7-4 (amounts expressed in thousands)

	Beginning Balance	Additions	Deletions	Transfers and Reclassifications	Ending Balance
<b>Major Component Units</b>					
<b>Illinois Housing Development Authority:</b>					
<b>Capital assets being depreciated:</b>					
Buildings and building improvements	\$ 47,371	\$ 1,479	\$ -	\$ -	\$ 48,850
Equipment	1,947	454	138	-	2,263
Intangible assets	3,330	51	-	-	3,381
Total capital assets being depreciated	52,648	1,984	138	-	54,494
<b>Less accumulated depreciation for:</b>					
Buildings and building improvements	22,389	1,112	-	-	23,501
Equipment	817	292	128	-	981
Intangible assets	2,666	265	-	-	2,931
Total accumulated depreciation	25,872	1,669	128	-	27,413
Total capital assets being depreciated, net	26,776	315	10	-	27,081
<b>Capital assets, net</b>	<b>\$ 26,776</b>	<b>\$ 315</b>	<b>\$ 10</b>	<b>\$ -</b>	<b>\$ 27,081</b>
<b>Illinois State Toll Highway Authority:</b>					
<b>Capital assets not being depreciated:</b>					
Land and land improvements	\$ 566,635	\$ 49,368	\$ 1,378	\$ -	\$ 614,625
Construction in progress	695,131	768,478	232,977	-	1,230,632
Total capital assets not being depreciated	1,261,766	817,846	234,355	-	1,845,257
<b>Capital assets being depreciated:</b>					
Infrastructure	10,449,710	278,243	36,462	-	10,691,491
Buildings and building improvements	58,689	39	-	-	58,728
Equipment	356,470	72,537	5,508	-	423,499
Total capital assets being depreciated	10,864,869	350,819	41,970	-	11,173,718
<b>Less accumulated depreciation for:</b>					
Infrastructure	3,267,262	416,929	36,462	-	3,647,729
Buildings and building improvements	44,208	1,118	-	-	45,326
Equipment	216,472	27,108	3,900	-	239,680
Total accumulated depreciation	3,527,942	445,155	40,362	-	3,932,735
Total capital assets being depreciated, net	7,336,927	(94,336)	1,608	-	7,240,983
<b>Capital assets, net</b>	<b>\$ 8,598,693</b>	<b>\$ 723,510</b>	<b>\$ 235,963</b>	<b>\$ -</b>	<b>\$ 9,086,240</b>

Table 7-4 (continued)

(amounts expressed in thousands)

	Beginning Balance	Additions	Deletions	Transfers and Reclassifications	Ending Balance
<b>Major Component Units, continued</b>					
<b>Illinois State University:</b>					
<b>Capital assets not being depreciated:</b>					
Land and land improvements	\$ 17,102	\$ 802	\$ -	\$ -	\$ 17,904
Construction in progress	23,733	50,039	-	(7,273)	66,499
Total capital assets not being depreciated	<u>40,835</u>	<u>50,841</u>	<u>-</u>	<u>(7,273)</u>	<u>84,403</u>
<b>Capital assets being depreciated:</b>					
Infrastructure	13,147	-	-	-	13,147
Site improvements	42,208	760	-	-	42,968
Buildings and building improvements	646,003	6,044	-	7,273	659,320
Equipment	192,255	5,509	2,851	-	194,913
Intangible assets	30,692	134	-	-	30,826
Total capital assets being depreciated	<u>924,305</u>	<u>12,447</u>	<u>2,851</u>	<u>7,273</u>	<u>941,174</u>
<b>Less accumulated depreciation for:</b>					
Infrastructure	8,506	302	-	-	8,808
Site improvements	16,985	1,287	-	-	18,272
Buildings and building improvements	273,769	15,426	-	-	289,195
Equipment	166,749	7,528	2,773	-	171,504
Intangible assets	10,156	2,051	-	-	12,207
Total accumulated depreciation	<u>476,165</u>	<u>26,594</u>	<u>2,773</u>	<u>-</u>	<u>499,986</u>
Total capital assets being depreciated, net	<u>448,140</u>	<u>(14,147)</u>	<u>78</u>	<u>7,273</u>	<u>441,188</u>
<b>Capital assets, net</b>	<u>\$ 488,975</u>	<u>\$ 36,694</u>	<u>\$ 78</u>	<u>\$ -</u>	<u>\$ 525,591</u>
<b>Northern Illinois University:</b>					
<b>Capital assets not being depreciated:</b>					
Land and land improvements	\$ 23,142	\$ -	\$ -	\$ -	\$ 23,142
Construction in progress	57,909	13,362	3,379	(48,835)	19,057
Total capital assets not being depreciated	<u>81,051</u>	<u>13,362</u>	<u>3,379</u>	<u>(48,835)</u>	<u>42,199</u>
<b>Capital assets being depreciated:</b>					
Site improvements	87,059	-	-	5,152	92,211
Buildings and building improvements	695,568	-	-	43,683	739,251
Equipment	194,600	3,316	5,981	-	191,935
Intangible assets	3,820	-	-	-	3,820
Total capital assets being depreciated	<u>981,047</u>	<u>3,316</u>	<u>5,981</u>	<u>48,835</u>	<u>1,027,217</u>
<b>Less accumulated depreciation for:</b>					
Site improvements	53,887	3,340	-	-	57,227
Buildings and building improvements	350,371	21,886	-	-	372,257
Equipment	193,551	5,212	5,514	-	193,249
Intangible assets	3,820	-	-	-	3,820
Total accumulated depreciation	<u>601,629</u>	<u>30,438</u>	<u>5,514</u>	<u>-</u>	<u>626,553</u>
Total capital assets being depreciated, net	<u>379,418</u>	<u>(27,122)</u>	<u>467</u>	<u>48,835</u>	<u>400,664</u>
<b>Capital assets, net</b>	<u>\$ 460,469</u>	<u>\$ (13,760)</u>	<u>\$ 3,846</u>	<u>\$ -</u>	<u>\$ 442,863</u>

Table 7-4 (continued)

(amounts expressed in thousands)

	Beginning Balance	Additions	Deletions	Transfers and Reclassifications	Ending Balance
<b>Major Component Units, continued</b>					
<b>Southern Illinois University:</b>					
<b>Capital assets not being depreciated:</b>					
Land and land improvements	\$ 22,503	\$ -	\$ -	\$ -	\$ 22,503
Historic treasures and works of art	12,404	40	-	-	12,444
Construction in progress	65,499	28,814	135	(7,639)	86,539
Total capital assets not being depreciated	<u>100,406</u>	<u>28,854</u>	<u>135</u>	<u>(7,639)</u>	<u>121,486</u>
<b>Capital assets being depreciated:</b>					
Infrastructure	21,722	-	-	-	21,722
Site improvements	85,846	287	-	1,508	87,641
Buildings and building improvements	1,316,200	1,908	6	5,348	1,323,450
Equipment	383,789	9,414	7,978	-	385,225
Intangible assets	7,341	-	-	-	7,341
Total capital assets being depreciated	<u>1,814,898</u>	<u>11,609</u>	<u>7,984</u>	<u>6,856</u>	<u>1,825,379</u>
<b>Less accumulated depreciation for:</b>					
Infrastructure	12,535	874	-	-	13,409
Site improvements	57,606	3,805	-	-	61,411
Buildings and building improvements	665,096	36,954	-	(783)	701,267
Equipment	351,482	12,147	6,881	-	356,748
Intangible assets	6,714	627	-	-	7,341
Total accumulated depreciation	<u>1,093,433</u>	<u>54,407</u>	<u>6,881</u>	<u>(783)</u>	<u>1,140,176</u>
Total capital assets being depreciated, net	<u>721,465</u>	<u>(42,798)</u>	<u>1,103</u>	<u>7,639</u>	<u>685,203</u>
<b>Capital assets, net</b>	<b><u>\$ 821,871</u></b>	<b><u>\$ (13,944)</u></b>	<b><u>\$ 1,238</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 806,689</u></b>
<b>University of Illinois:</b>					
<b>Capital assets not being depreciated:</b>					
Land and land improvements	\$ 138,374	\$ -	\$ -	\$ -	\$ 138,374
Intangible assets	130	-	-	-	130
Historic treasures and works of art	24,121	910	78	-	24,953
Construction in progress	269,803	249,974	-	(184,228)	335,549
Total capital assets not being depreciated	<u>432,428</u>	<u>250,884</u>	<u>78</u>	<u>(184,228)</u>	<u>499,006</u>
<b>Capital assets being depreciated:</b>					
Site improvements	737,788	-	-	22,225	760,013
Buildings and building improvements	4,660,830	6,724	1,070	147,103	4,813,587
Equipment	1,961,561	111,741	93,189	11,157	1,991,270
Intangible assets	198,423	-	-	3,743	202,166
Total capital assets being depreciated	<u>7,558,602</u>	<u>118,465</u>	<u>94,259</u>	<u>184,228</u>	<u>7,767,036</u>
<b>Less accumulated depreciation for:</b>					
Site improvements	490,741	23,572	-	-	514,313
Buildings and building improvements	1,936,372	123,844	985	-	2,059,231
Equipment	1,604,577	93,588	89,013	-	1,609,152
Intangible assets	182,349	5,175	-	-	187,524
Total accumulated depreciation	<u>4,214,039</u>	<u>246,179</u>	<u>89,998</u>	<u>-</u>	<u>4,370,220</u>
Total capital assets being depreciated, net	<u>3,344,563</u>	<u>(127,714)</u>	<u>4,261</u>	<u>184,228</u>	<u>3,396,816</u>
<b>Capital assets, net</b>	<b><u>\$ 3,776,991</u></b>	<b><u>\$ 123,170</u></b>	<b><u>\$ 4,339</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,895,822</u></b>

## 8 CHANGES IN LONG-TERM OBLIGATIONS

Changes in long-term obligations for governmental activities for the year ended June 30, 2019, are summarized below:

Table 8-1 (amounts expressed in thousands)

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Amounts Due Within One Year
<b>Primary Government</b>					
<b>Governmental Activities</b>					
Bonds payable:					
General obligation bonds (note 9)	\$ 29,998,385	\$ 1,409,339 *	\$ (3,642,615)	\$ 27,765,109	\$ 1,693,214 ^
Special obligation bonds (note 10)	2,303,893	250,891 **	(228,245)	2,326,539	212,214 ^^
Revenue bonds (note 11)	967,050	-	(93,620)	873,430	98,565
Unamortized premiums:					
General obligation bonds (note 9)	929,525	67,449	(162,350)	834,624	132,412
Special obligation bonds (note 10)	106,077	12,206	(17,549)	100,734	16,275
Revenue bonds (note 11)	87,629	-	(9,190)	78,439	-
Unamortized (discounts):					
General obligation bonds (note 9)	(1,092)	(404)	128	(1,368)	(141)
Special obligation bonds (note 10)	-	(14)	1	(13)	(3)
Total bonds payable	<u>34,391,467</u>	<u>1,739,467</u>	<u>(4,153,440)</u>	<u>31,977,494</u>	<u>2,152,536</u>
Other long-term obligations:					
Capital lease obligations (note 13A)	9,614	5,857	(5,115)	10,356	3,510
Certificates of participation (note 13B)	5,335	-	(2,590)	2,745	2,745
Installment purchase obligations (note 13C)	-	1,965	(393)	1,572	393
Workers compensation (note 20)	603,493	70,059	(77,450)	596,102	110,304
Auto liability (note 20)	17,014	5,285	(2,301)	19,998	4,491
Pollution remediation obligation (note 13D)	30,250	5,025	(1,600)	33,675	1,675
Disproportionate share hospital payment obligations (note 13E)	144,798	-	(144,798)	-	-
Compensated absences (note 1L)	351,431	389,369	(380,579)	360,221	43,612
Net pension liability (note 16)	133,281,682	5,052,712	-	138,334,394	-
OPEB liability (note 17)	54,995,166	-	(615,846)	54,379,320	1,062,045
Total other long-term obligations	<u>189,438,783</u>	<u>5,530,272</u>	<u>(1,230,672)</u>	<u>193,738,383</u>	<u>1,228,775</u>
<b>Total Governmental Activities</b>	<u>\$ 223,830,250</u>	<u>\$ 7,269,739</u>	<u>\$ (5,384,112)</u>	<u>\$ 225,715,877</u>	<u>\$ 3,381,311</u>

\* Includes \$3,289 of interest accreted on capital appreciation debt.  
\*\* Includes \$891 of interest accreted on capital appreciation debt.  
^ \$118 of interest will be accreted on capital appreciation debt in the next year.  
^^ \$291 of interest will be accreted on capital appreciation debt in the next year.

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

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

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

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

**Other postemployment benefit liability** – by the applicable funds that accounted for the salaries and wages of the related employees who are members of the State’s group insurance programs. In addition, appropriations from the General Fund are used to liquidate amounts of the Teacher Retirement Insurance Program and the College Insurance Program.

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

Changes in long-term obligations for business-type activities for the year ended June 30, 2019, are summarized below:

Table 8-2 (amounts expressed in thousands)

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Amounts Due Within One Year
<b>Primary Government</b>					
<b>Business-type Activities</b>					
<b>Water Revolving Fund:</b>					
Other long-term obligations:					
Compensated absences (note 1L)	\$ 961	\$ 1,011	\$ (1,014)	\$ 958	\$ 137
Net pension liability (note 16)	62,326	-	(2,758)	59,568	-
OPEB liability (note 17)	37,315	-	(6,042)	31,273	732
<b>Total Water Revolving Fund</b>	<u>100,602</u>	<u>1,011</u>	<u>(9,814)</u>	<u>91,799</u>	<u>869</u>
<b>Prepaid Tuition Fund:</b>					
Tuition and related accretion payable (note 13G)	1,125,285	43,030	(149,318)	1,018,997	145,130
<b>Total Prepaid Tuition Fund</b>	<u>1,125,285</u>	<u>43,030</u>	<u>(149,318)</u>	<u>1,018,997</u>	<u>145,130</u>
<b>Nonmajor Enterprise Funds:</b>					
Bonds payable:					
Revenue bonds (note 11)	167,025	-	(23,979)	143,046	-
Unamortized (discounts) (note 11)	(5,634)	-	208	(5,426)	-
<b>Total bonds payable</b>	<u>161,391</u>	<u>-</u>	<u>(23,771)</u>	<u>137,620</u>	<u>-</u>
Other long-term obligations:					
Capital lease obligations (note 13A)	57	-	(20)	37	23
Lottery prize awards (note 13F)	253,709	22,077	(11,535)	264,251	23,427
Compensated absences (note 1L)	4,001	2,567	(3,881)	2,687	469
Net pension liability (note 16)	225,939	1,263	(29,392)	197,810	-
OPEB liability (note 17)	145,750	239	(34,650)	111,339	2,131
Other obligations (note 13H)	8,443	747	(14)	9,176	557
<b>Total other long-term obligations</b>	<u>637,899</u>	<u>26,893</u>	<u>(79,492)</u>	<u>585,300</u>	<u>26,607</u>
<b>Total Nonmajor Enterprise Funds</b>	<u>799,290</u>	<u>26,893</u>	<u>(103,263)</u>	<u>722,920</u>	<u>26,607</u>
<b>Total Business-type Activities</b>	<u>\$ 2,025,177</u>	<u>\$ 70,934</u>	<u>\$ (262,395)</u>	<u>\$ 1,833,716</u>	<u>\$ 172,606</u>

Changes in long-term obligations for fiduciary funds for the year ended June 30, 2019, are summarized below:

Table 8-3 (amounts expressed in thousands)

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Amounts Due Within One Year
<b>Fiduciary Funds</b>					
Capital lease obligations (note 13A)	\$ 46	\$ 20	\$ (21)	\$ 45	\$ 21
Compensated absences (note 1L)	4,187	2,996	(3,098)	4,085	304
<b>Total Fiduciary Funds</b>	<u>\$ 4,233</u>	<u>\$ 3,016</u>	<u>\$ (3,119)</u>	<u>\$ 4,130</u>	<u>\$ 325</u>



Changes in long-term obligations for component units for the year ended June 30, 2019, are summarized below:

Table 8-4 (amounts expressed in thousands)

	Balance July 1, 2018 (as restated)	Additions	Deletions	Balance June 30, 2019	Amounts Due Within One Year
<b>Major Component Units</b>					
<b>Illinois Housing Development Authority:</b>					
Bonds and notes payable:					
Revenue bonds - direct placement (note 11)	\$ 136,070	\$ -	\$ (2,565)	\$ 133,505	\$ 2,580
Revenue bonds - other (note 11)	950,233	400,865	(147,562)	1,203,536	57,574
Unamortized premiums - other (note 11)	10,636	13,578	(1,750)	22,464	340
Unamortized (discounts) - other (note 11)	(947)	-	22	(925)	(29)
Notes payable - direct borrowing (note 12)	68,432	1,057,940	(1,098,231)	28,141	13,658
Total bonds and notes payable	<u>1,164,424</u>	<u>1,472,383</u>	<u>(1,250,086)</u>	<u>1,386,721</u>	<u>74,123</u>
Other long-term obligations:					
Compensated absences (note 1L)	651	2,236	(2,011)	876	876
Total other long-term obligations	<u>651</u>	<u>2,236</u>	<u>(2,011)</u>	<u>876</u>	<u>876</u>
<b>Total Illinois Housing Development Authority</b>	<b><u>\$ 1,165,075</u></b>	<b><u>\$ 1,474,619</u></b>	<b><u>\$ (1,252,097)</u></b>	<b><u>\$ 1,387,597</u></b>	<b><u>\$ 74,999</u></b>
<b>Illinois State Toll Highway Authority:</b>					
Bonds payable:					
Revenue bonds (note 11)	\$ 6,107,840	\$ -	\$ (113,160)	\$ 5,994,680	\$ 118,780
Unamortized premiums (note 11)	479,195	-	(30,264)	448,931	29,760
Total bonds payable	<u>6,587,035</u>	<u>-</u>	<u>(143,424)</u>	<u>6,443,611</u>	<u>148,540</u>
Other long-term obligations:					
Accrued self-insurance (note 20)	15,591	17,183	(18,075)	14,699	6,795
Compensated absences (note 1L)	9,460	11,074	(10,984)	9,550	6,100
Net pension liability (note 16)	888,457	-	(5,917)	882,540	-
OPEB liability (note 17)	104,136	35,990	-	140,126	-
Other obligations (note 13G)	46	-	(28)	18	18
Total other long-term obligations	<u>1,017,690</u>	<u>64,247</u>	<u>(35,004)</u>	<u>1,046,933</u>	<u>12,913</u>
<b>Total Illinois State Toll Highway Authority</b>	<b><u>\$ 7,604,725</u></b>	<b><u>\$ 64,247</u></b>	<b><u>\$ (178,428)</u></b>	<b><u>\$ 7,490,544</u></b>	<b><u>\$ 161,453</u></b>
<b>Illinois State University:</b>					
Bonds payable:					
Revenue bonds - direct placement (note 11)	\$ -	\$ 6,200	\$ (645)	\$ 5,555	\$ 545
Revenue bonds - other (note 11)	109,160	-	(5,370)	103,790	5,615
Unamortized premiums - other (note 11)	8,992	-	(614)	8,378	614
Total bonds and notes payable	<u>118,152</u>	<u>6,200</u>	<u>(6,629)</u>	<u>117,723</u>	<u>6,774</u>
Other long-term obligations:					
Certificates of participation (note 13B)	45,560	-	(2,885)	42,675	2,985
Unamortized premiums (note 13B)	40	-	(3)	37	3
Unamortized (discounts) (note 13B)	(198)	-	14	(184)	(14)
Installment purchase obligations (note 13C)	2,558	-	(110)	2,448	112
Compensated absences (note 1L)	15,682	1,672	(1,427)	15,927	1,516
OPEB liability (note 17)	30,042	-	(5,745)	24,297	621
Other obligations (note 13G)	917	60	(133)	844	133
Total other long-term obligations	<u>94,601</u>	<u>1,732</u>	<u>(10,289)</u>	<u>86,044</u>	<u>5,356</u>
<b>Total Illinois State University</b>	<b><u>\$ 212,753</u></b>	<b><u>\$ 7,932</u></b>	<b><u>\$ (16,918)</u></b>	<b><u>\$ 203,767</u></b>	<b><u>\$ 12,130</u></b>

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

	Balance July 1, 2018 (as restated)	Additions	Deletions	Balance June 30, 2019	Amounts Due Within One Year
<b>Major Component Units, continued</b>					
<b>Northern Illinois University:</b>					
Bonds and notes payable:					
Revenue bonds (note 11)	\$ 179,815	\$ -	\$ (4,265)	\$ 175,550	\$ 4,480
Notes payable (note 12)	64	-	(64)	-	-
Total bonds and notes payable	<u>179,879</u>	<u>-</u>	<u>(4,329)</u>	<u>175,550</u>	<u>4,480</u>
Other long-term obligations:					
Capital lease obligations (note 13A)	130,458	-	(2,281)	128,177	2,701
Certificates of participation (note 13B)	8,950	-	(1,105)	7,845	1,150
Unamortized premiums (note 13B)	761	-	(95)	666	95
Compensated absences (note 1L)	15,141	2,687	(2,402)	15,426	2,185
OPEB liability (note 17)	49,837	-	(7,418)	42,419	931
Other obligations (note 13G)	31,045	-	(2,851)	28,194	2,942
Total other long-term obligations	<u>236,192</u>	<u>2,687</u>	<u>(16,152)</u>	<u>222,727</u>	<u>10,004</u>
<b>Total Northern Illinois University</b>	<u>\$ 416,071</u>	<u>\$ 2,687</u>	<u>\$ (20,481)</u>	<u>\$ 398,277</u>	<u>\$ 14,484</u>
<b>Southern Illinois University:</b>					
Bonds payable:					
Revenue bonds - direct placement (note 11)	\$ 15,670	\$ 5,040	\$ (2,200)	\$ 18,510	\$ 2,690
Revenue bonds - other (note 11)	192,095	2,647	(16,875)	177,867	17,189 <sup>^</sup>
Unamortized premiums - other (note 11)	8,317	-	(739)	7,578	739
Total bonds payable	<u>216,082</u>	<u>7,687</u>	<u>(19,814)</u>	<u>203,955</u>	<u>20,618</u>
Other long-term obligations:					
Capital lease obligations (note 13A)	2,002	-	(1,119)	883	191
Certificates of participation - direct placement (note 13B)	8,665	-	(1,155)	7,510	1,195
Certificates of participation - other (note 13B)	25,660	-	(1,205)	24,455	1,255
Unamortized premiums - other (note 13B)	795	-	(51)	744	51
Accrued self-insurance (note 20)	29,205	2,447	(1,532)	30,120	7,391
Compensated absences (note 1L)	40,773	4,473	(4,526)	40,720	4,035
OPEB liability (note 17)	174,635	-	(37,035)	137,600	3,220
Other obligations (note 13G)	1,572	227	(632)	1,167	120
Total other long-term obligations	<u>283,307</u>	<u>7,147</u>	<u>(47,255)</u>	<u>243,199</u>	<u>17,458</u>
<b>Total Southern Illinois University</b>	<u>\$ 499,389</u>	<u>\$ 14,834</u>	<u>\$ (67,069)</u>	<u>\$ 447,154</u>	<u>\$ 38,076</u>
<b>University of Illinois:</b>					
Bonds payable:					
Revenue bonds (note 11)	\$ 1,167,939	\$ 166,562	\$ (79,170)	\$ 1,255,331	\$ 58,124 <sup>^^</sup>
Unamortized premiums (note 11)	60,034	4,732	(4,119)	60,647	4,147
Total bonds payable	<u>1,227,973</u>	<u>171,294</u>	<u>(83,289)</u>	<u>1,315,978</u>	<u>62,271</u>
Other long-term obligations:					
Capital lease obligations (note 13A)	931	4,394	(1,525)	3,800	1,035
Certificates of participation (note 13B)	180,250	-	(33,510)	146,740	34,670
Unamortized premiums (note 13B)	13,882	-	(2,955)	10,927	2,954
Accrued self-insurance (note 20)	235,048	65,048	(58,048)	242,048	39,250
Compensated absences (note 1L)	208,225	24,714	(18,002)	214,937	20,209
OPEB liability (note 17)	1,314,760	-	(122,868)	1,191,892	27,549
Other obligations (note 13G)	117,446	1,255	(9,932)	108,769	8,759
Total other long-term obligations	<u>2,070,542</u>	<u>95,411</u>	<u>(246,840)</u>	<u>1,919,113</u>	<u>134,426</u>
<b>Total University of Illinois</b>	<u>\$ 3,298,515</u>	<u>\$ 266,705</u>	<u>\$ (330,129)</u>	<u>\$ 3,235,091</u>	<u>\$ 196,697</u>

<sup>^</sup> \$231 of interest will be accreted on capital appreciation debt in the next year.<sup>^^</sup> \$3,361 of interest will be accreted on capital appreciation debt in the next year.

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**9 GENERAL OBLIGATION BONDS**

General obligation bonds outstanding and bonds authorized but unissued at June 30, 2019, are as follows:

Table 9-1 (amounts expressed in thousands)

		Original Issue Amount	Final Maturity	Interest Rate Ranges	Anti-Pollution	Capital Development	Coal Development	Income Tax Proceeds
<b>Governmental Activities</b>								
<b>Multiple Purpose Series:</b>								
November	1997	\$ 168,330	8/1/2019	Accreted*	\$ -	\$ 13,987	\$ -	\$ -
November	1998	122,334	8/1/2020	Accreted*	-	10,932	-	-
October	2000	101,855	8/1/2022	Accreted*	-	8,238	-	-
November	2001	375,000	11/1/2026	6.0%	1,413	16,847	-	-
October	2002	62,079	8/1/2024	Accreted*	981	2,959	392	-
June	2003	10,000,000	6/1/2033	4.95% to 5.1%	-	-	-	-
September	2004	285,000	9/1/2019	5.0%	-	44	-	-
September	2005	300,000	9/1/2030	4.5%	-	4,760	-	-
January	2006	325,000	1/1/2031	5.5%	-	18,880	480	-
June	2006	274,950	1/1/2021	5.0%	-	-	-	-
A-June	2006	285,000	6/1/2021	5.0%	-	14,960	300	-
April	2007	150,000	4/1/2032	4.75% to 5.0%	-	11,400	-	-
A-June	2007	108,000	6/1/2020	5.0%	-	2,362	-	-
B-June	2007	329,000	1/1/2021	5.25%	-	-	-	-
April	2008	125,000	4/1/2020	4.75%	-	4,000	-	-
April	2009	150,000	4/1/2020	4.75%	-	2,668	200	-
A-September	2009	400,000	9/1/2027	4.0%	300	3,303	2,397	-
B.A.B. ^	2010-1	1,000,000	2/1/2035	5.463% to 6.63%	-	238,528	-	-
February	2010	1,501,300	1/1/2025	5.0%	-	-	-	-
B.A.B. ^	2010-2	300,000	3/1/2035	5.65% to 6.9%	-	-	-	-
March	2010	56,000	3/1/2035	5.65% to 6.9%	-	-	-	-
B.A.B. ^	2010-3	700,000	4/1/2035	5.727% to 6.725%	-	-	-	-
B.A.B. ^	2010-4	300,000	7/1/2035	5.5% to 7.1%	6,460	-	-	-
B.A.B. ^	2010-5	900,000	7/1/2035	6.2% to 7.35%	19,380	-	-	-
A-January	2012	525,000	1/1/2037	4.0% to 5.0%	-	70,920	1,080	-
B-January	2012	275,000	1/1/2037	4.5% to 5.75%	36,000	3,033	14,390	-
March	2012	575,000	3/1/2037	5.0%	-	108,000	-	-
May	2012	1,797,740	8/1/2025	3.0% to 5.0%	-	-	-	-
September	2012	50,000	9/1/2022	4.0%	-	20,000	-	-
A-April	2013	450,000	4/1/2038	4.0% to 5.0%	-	49,020	-	-
B-April	2013	350,000	4/1/2038	3.65% to 5.52%	-	21,005	-	-
June	2013	1,300,000	7/1/2038	5.0% to 5.5%	1,040	147,760	4,800	-
December	2013	350,000	12/1/2038	3.6% to 5.65%	-	76,800	-	-
February	2014	1,025,000	2/1/2039	5.0% to 5.25%	-	228,000	-	-
April	2014	250,000	4/1/2039	4.25% to 5.0%	-	-	-	-
May	2014	750,000	5/1/2039	3.5% to 5.0%	-	20,800	-	-
January	2016	480,000	1/1/2041	3.75% to 5.0%	-	70,400	-	-
June	2016	550,000	6/1/2041	3.5% to 5.0%	8,800	17,600	-	-
October	2016	1,303,145	2/1/2032	4.0% to 5.0%	-	-	-	-
November	2016	480,000	11/1/2041	4.125% to 5.0%	-	73,600	-	-
B-November	2017	500,000	11/1/2019	5.0%	-	-	-	500,000
C-November	2017	500,000	11/1/2029	5.0%	-	-	-	500,000
D-November	2017	4,500,000	11/1/2028	5.0%	-	-	-	4,500,000
A-December	2017	655,000	12/1/2042	4.0% to 5.25%	-	170,292	-	-
B-December	2017	95,000	12/1/2027	5.0%	-	85,500	-	-
A-May	2018	450,000	5/1/2043	4.0% to 6.0%	-	192,000	-	-
B-May	2018	50,000	5/1/2028	5.0%	-	45,000	-	-
A-September	2018	641,160	10/1/2033	5.0%	-	-	-	-
B-September	2018	324,610	10/1/2033	5.0%	-	-	-	-
A-April	2019	300,000	4/1/2044	3.75% to 6.0%	-	-	-	-
B-April	2019	140,280	9/1/2028	5.0% to 5.125%	-	-	-	-
<b>Total</b>		<b>\$ 36,985,783</b>			<b>\$ 74,374</b>	<b>\$ 1,753,598</b>	<b>\$ 24,039</b>	<b>\$ 5,500,000</b>
<b>Authorized but Unissued</b>					<b>\$ 259,754</b>	<b>\$ 9,912,362</b>	<b>\$ 88,932</b>	<b>\$ 1,200,000</b>
^ Bonds issued under the American Recovery and Reinvestment Act of 2009 commonly referred to as "Build America Bonds." (B.A.B.)								
* Accreted bonds are shown at their accreted values as of 6/30/19. Imputed interest rates on these capital appreciation bonds range from 4.66% to 5.64%.								



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

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

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

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Changes in general obligation bonds during the year ended June 30, 2019, are summarized in Note 8. Future general obligation debt service requirements at June 30, 2019, are as follows:

Table 9-2 (amounts expressed in thousands)

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 1,693,332	\$ 1,401,776	\$ 3,095,108
2021	1,730,901	1,318,142	3,049,043
2022	1,747,461	1,231,426	2,978,887
2023	1,790,749	1,143,393	2,934,142
2024	1,820,136	1,052,896	2,873,032
2025-2029	9,458,053	3,852,298	13,310,351
2030-2034	7,362,918	1,519,506	8,882,424
2035-2039	1,789,242	321,240	2,110,482
2040-2044	376,799	39,448	416,247
	<u>27,769,591</u>	<u>\$ 11,880,125</u>	<u>\$ 39,649,716</u>
Less: Unaccrued appreciation	(4,482)		
	<u>27,765,109</u>		
Unamortized premiums	834,624		
Unamortized (discounts)	(1,368)		
<b>Total</b>	<u>\$ 28,598,365</u>		

## **10 SPECIAL OBLIGATION BONDS**

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

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

The State has pledged the following portions of the State's tax revenues, net of related expenses, to annually repay the debt service requirements of the remaining principal and interest at June 30, 2019, of \$3.1 billion in special obligation bonds related to the Build Illinois Program:



Table 10-1 (amounts expressed in thousands)		
	Annual Revenue Amount	Total Revenue for Source
4.44% of general sales tax revenues plus \$37.8 million transfers from the State and Local Sales Tax Reform Fund	\$ 556,484	\$ 12,184,614
Principal and interest requirements	\$ 318,800	
Percentage to principal and interest requirements	<u>175%</u>	

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

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

The State originally pledged a portion of the State’s horse racing privilege tax to repay the principal and interest at June 30, 2019, of \$20.0 million in special obligation bonds related to the State’s Metropolitan Civic Center Support Program. Upon the abolishment of the horse racing privilege tax, the State annually uses amounts from the General Revenue Account, a sub-account of the General Fund, to pay the debt service of the special obligation bonds related to the State’s Metropolitan Civic Center Support Program.

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

Special obligation bonds outstanding and bonds authorized but unissued for governmental activities at June 30, 2019, are as follows:

Table 10-2 (amounts expressed in thousands)						
<b>Governmental Activities</b>						
	<b>Original Issue Amount</b>	<b>Final Maturity</b>	<b>Interest Rate Ranges</b>	<b>Build Illinois</b>		
				<b>Public Infrastructure</b>	<b>Business Development</b>	<b>Education</b>
Series 1990 B	\$ 4,601	12/15/2019	Accreted*	\$ -	\$ -	\$ -
Series 1991	74,895	12/15/2020	6.25%	-	-	-
Series P	100,000	6/15/2022	6.5%	10,497	-	3,041
Series of September 2001	110,450	6/15/2020	5.375%	-	-	-
Series of April 2002	150,000	6/15/2027	6.0%	44,334	7,000	16,333
Second Series of May 2002	94,815	6/15/2020	5.75%	-	-	-
Series of December 2009-A	154,920	6/15/2021	4.0%	8,660	-	4,125
Series of December 2009-B	375,000	6/15/2020	5.0%	7,943	-	3,400
Series of June 2010	455,080	6/15/2021	4.0% to 5.0%	-	-	-
Series of October 2011	300,000	6/15/2036	3.75% to 5.0%	85,814	1,077	125,609
Series of May 2012	425,040	6/15/2036	2.681% to 4.08%	51,510	62,346	153,723
Series of May 2013	300,000	6/15/2037	1.93% to 3.88%	74,999	37,501	105,001
Series of June 2013	604,110	6/15/2026	5.0%	-	-	-
Series of March 2014	402,000	6/15/2038	2.63% to 4.62%	100,544	39,581	166,251
Series of September 2016-A	150,025	6/15/2034	3.0% to 5.0%	72,794	19,854	21,772
Series of September 2016-B	60,010	6/15/2034	1.53% to 3.17%	25,177	10,589	17,184
Series of September 2016-C	152,000	6/15/2032	4.0% to 5.0%	-	-	-
Series of September 2016-D	186,755	6/15/2034	3.0% to 5.0%	-	-	-
Series of October 2018-A	115,000	6/15/2043	4.0% to 5.0%	104,293	469	-
Series of October 2018-B	125,000	6/15/2043	4.75% to 5.0%	3,568	114,524	-
Series of October 2018-C	10,000	6/15/2028	3.61% to 4.125%	94	8,906	-
<b>Total</b>	<b>\$ 4,349,701</b>			<b>\$ 590,227</b>	<b>\$ 301,847</b>	<b>\$ 616,439</b>
<b>Authorized but Unissued</b>				<b>\$ 1,314,172</b>	<b>\$ 1,518,277</b>	<b>\$ 782,076</b>
* The accreted bond is shown at its accreted value as of 6/30/19. The imputed interest rate on the capital appreciation bond is 7.4%.						

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

Environment	Refunding	Civic Centers		Principal Outstanding June 30, 2019	Amount Related to Capital Assets
		Civic Centers	Libraries		
\$ -	\$ -	\$ 8,569	\$ -	\$ 8,569	\$ -
-	-	9,081	1,399	10,480	-
252	-	-	-	13,790	4,458
-	9,635	-	-	9,635	262
2,333	-	-	-	70,000	4,195
-	9,135	-	-	9,135	3,380
125	-	-	-	12,910	-
247	-	-	-	11,590	61
-	34,840	-	-	34,840	3,266
-	-	-	-	212,500	490
33,491	-	-	-	301,070	286
7,499	-	-	-	225,000	1,044
-	325,290	-	-	325,290	66,651
11,874	-	-	-	318,250	-
17,955	-	-	-	132,375	6,842
-	-	-	-	52,950	33
-	152,000	-	-	152,000	24,656
-	186,755	-	-	186,755	766
5,638	-	-	-	110,400	133
1,908	-	-	-	120,000	-
-	-	-	-	9,000	-
<u>\$ 81,322</u>	<u>\$ 717,655</u>	<u>\$ 17,650</u>	<u>\$ 1,399</u>	<u>\$ 2,326,539</u>	<u>\$ 116,523</u>
<u>\$ 69,414</u>	<u>Unlimited</u>	<u>\$ 179,891</u>	<u>\$ 8,601</u>		
			Unamortized premiums	100,734	8,842
			Unamortized (discounts)	(13)	-
				<u>\$ 2,427,260</u>	<u>\$ 125,365</u>

Changes in special obligation bonds during the year ended June 30, 2019, are summarized in Note 8. Future special obligation debt service requirements at June 30, 2019, are as follows:

Table 10-3 (amounts expressed in thousands)

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2020	\$ 212,505	\$ 99,918	\$ 312,423
2021	173,115	91,159	264,274
2022	178,170	84,149	262,319
2023	166,885	76,350	243,235
2024	159,690	69,077	228,767
2025-2029	676,660	242,141	918,801
2030-2034	508,485	115,355	623,840
2035-2039	212,920	29,571	242,491
2040-2044	38,400	4,313	42,713
	<u>2,326,830</u>	<u>\$ 812,033</u>	<u>\$ 3,138,863</u>
Less: Unaccrued appreciation	(291)		
	<u>2,326,539</u>		
Unamortized premiums	100,734		
Unamortized (discounts)	(13)		
<b>Total</b>	<u>\$ 2,427,260</u>		

## 11 REVENUE BONDS

The State Constitution empowers certain State agencies and authorities to issue bonds that are not supported by the full faith and credit of the State. The bond indentures include a pledge from these agencies and authorities that income derived from acquired or constructed assets be used to retire the debt and service related interest. Bonds outstanding at June 30, 2019 (except for the Illinois State Toll Highway Authority, which is as of December 31, 2018), net of unamortized discounts, unamortized deferred amount on bond refunding, and unamortized bond premiums are as follows:

Table 11-1 (amounts expressed in thousands)

Fund Type/Agency	Amount Outstanding	Outstanding Interest Rates	Annual Maturity To
<b>Primary Government</b>			
<b>Governmental Activities</b>			
Blended component unit:			
Railsplitter Tobacco Settlement Authority	\$ 951,869	5.000% to 5.375%	2028
<b>Business-type Activities</b>			
Nonmajor enterprise fund:			
Illinois Designated Account Purchase Program	137,620	3.480%	2045
<b>Major Component Units</b>			
Illinois Housing Development Authority			
Direct placement	133,505	2.320% to 3.840%	2051
Other debt	<u>1,225,075</u>	0.950% to 5.000%	2059
Total	1,358,580		
Illinois State Toll Highway Authority	6,443,611	1.710% to 6.184%	2042
Illinois State University			
Direct placement	5,555	3.120%	2028
Other debt	<u>112,168</u>	2.000% to 5.000%	2039
Total	117,723		
Northern Illinois University	175,550	3.000% to 8.150%	2041
Southern Illinois University			
Direct placement	18,510	1.650% to 4.350%	2035
Other debt	<u>185,445</u>	1.000% to 6.200%	2035
Total	203,955		
University of Illinois	1,315,978	1.850% to 12.000%	2048

Changes in revenue bonds during the year ended June 30, 2019, are summarized in Note 8. Revenue bond debt service requirements, principal and interest, as of June 30, 2019, are as follows:

Table 11-2 (amounts expressed in thousands)

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Railsplitter Tobacco		Illinois Designated	
	Settlement Authority		Account Purchase Program	
	Principal	Interest	Principal	Interest
2020	\$ 98,565	\$ 44,210	\$ -	\$ 4,978
2021	103,900	39,035	-	4,978
2022	109,655	33,548	-	4,978
2023	112,260	28,065	-	4,978
2024	109,745	22,453	-	4,978
2025-2029	339,305	36,060	-	24,890
2030-2034	-	-	-	24,890
2035-2039	-	-	-	24,890
2040-2044	-	-	-	24,890
2045-2049	-	-	143,046	9,956
	873,430	\$ 203,371	143,046	\$ 134,406
Unamortized premiums	78,439	-	-	-
Unamortized (discounts)	-	-	(5,426)	-
<b>Total</b>	<b>\$ 951,869</b>		<b>\$ 137,620</b>	

Table 11-3 (amounts expressed in thousands)

Year Ending June 30	Illinois Housing Development Authority Direct Placement		Illinois Housing Development Authority Other		Illinois Housing Development Authority Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2020	\$ 2,580	\$ 4,158	\$ 57,574	\$ 37,835	\$ 60,154
2021	2,680	4,075	39,197	36,447	41,877	40,522
2022	2,780	3,988	39,155	35,540	41,935	39,528
2023	2,930	3,898	39,840	34,426	42,770	38,324
2024	3,050	3,803	51,514	33,275	54,564	37,078
2025-2029	17,550	17,436	218,114	147,140	235,664	164,576
2030-2034	20,990	14,362	215,653	112,721	236,643	127,083
2035-2039	24,950	10,729	186,801	80,127	211,751	90,856
2040-2044	48,395	4,451	191,494	49,642	239,889	54,093
2045-2049	4,750	643	147,612	16,507	152,362	17,150
2050-2054	2,850	81	10,243	1,952	13,093	2,033
2055-2059	-	-	6,339	635	6,339	635
	133,505	\$ 67,624	1,203,536	\$ 586,247	1,337,041	\$ 653,871
Unamortized premiums	-	-	22,464	-	22,464	-
Unamortized (discounts)	-	-	(925)	-	(925)	-
<b>Total</b>	<b>\$ 133,505</b>		<b>\$ 1,225,075</b>		<b>\$ 1,358,580</b>	

Table 11-4 (amounts expressed in thousands)

**Major Component Units**

Year Ending June 30	Illinois State Toll Highway Authority	
	Principal	Interest
2020	\$ 118,780	\$ 300,636
2021	134,840	290,742
2022	142,230	283,845
2023	149,090	276,701
2024	49,485	269,162
2025-2029	1,139,090	1,220,084
2030-2034	1,336,760	924,442
2035-2039	1,842,305	506,135
2040-2044	1,082,100	77,953
	5,994,680	\$ 4,149,700
Unamortized premiums	448,931	
<b>Total</b>	<b>\$ 6,443,611</b>	

Table 11-5 (amounts expressed in thousands)

**Major Component Units**

Year Ending June 30	Illinois State University Direct Placement		Illinois State University Other		Illinois State University Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2020	\$ 545	\$ 173	\$ 5,615	\$ 4,902	\$ 6,160
2021	560	156	5,885	4,636	6,445	4,792
2022	580	139	6,160	4,357	6,740	4,496
2023	595	121	6,455	4,060	7,050	4,181
2024	615	102	6,770	3,749	7,385	3,851
2025-2029	2,660	211	36,290	13,646	38,950	13,857
2030-2034	-	-	22,800	6,444	22,800	6,444
2035-2039	-	-	13,815	2,140	13,815	2,140
	5,555	\$ 902	103,790	\$ 43,934	109,345	\$ 44,836
Unamortized premiums	-	-	8,378	-	8,378	-
<b>Total</b>	<b>\$ 5,555</b>		<b>\$ 112,168</b>		<b>\$ 117,723</b>	

Table 11-6 (amounts expressed in thousands)

**Major Component Units**

Year Ending June 30	Northern Illinois University	
	Principal	Interest
2020	\$ 4,480	\$ 12,713
2021	4,705	12,489
2022	4,960	12,230
2023	5,210	11,982
2024	5,470	11,721
2025-2029	32,015	53,945
2030-2034	41,210	41,612
2035-2039	53,090	23,344
2040-2044	24,410	2,970
<b>Total</b>	<b>\$ 175,550</b>	<b>\$ 183,006</b>

Table 11-7 (amounts expressed in thousands)

Major Component Units	Year Ending June 30	Southern Illinois University		Southern Illinois University		Southern Illinois University	
		Direct Placement		Other		Total	
		Principal	Interest	Principal	Interest	Principal	Interest
	2020	\$ 2,690	\$ 512	\$ 17,420	\$ 6,565	\$ 20,110	\$ 7,077
	2021	2,770	455	17,810	5,990	20,580	6,445
	2022	2,875	390	15,860	5,423	18,735	5,813
	2023	2,940	324	16,130	4,927	19,070	5,251
	2024	1,110	255	16,260	4,412	17,370	4,667
	2025-2029	5,555	688	82,770	14,050	88,325	14,738
	2030-2034	570	16	19,070	3,370	19,640	3,386
	2035-2039	-	-	7,075	304	7,075	304
		18,510	\$ 2,640	192,395	\$ 45,041	210,905	\$ 47,681
Less: Unaccreted appreciation		-	-	(14,528)	-	(14,528)	-
		18,510	-	177,867	-	196,377	-
Unamortized premiums		-	-	7,578	-	7,578	-
<b>Total</b>		\$ 18,510	-	\$ 185,445	-	\$ 203,955	-

Table 11-8 (amounts expressed in thousands)

Major Component Units	Year Ending June 30	University of Illinois	
		Principal	Interest
	2020	\$ 61,485	\$ 54,963
	2021	69,045	53,073
	2022	72,030	50,816
	2023	56,430	47,598
	2024	54,010	45,002
	2025-2029	285,995	186,953
	2030-2034	273,200	123,660
	2035-2039	170,820	70,400
	2040-2044	189,910	31,754
	2045-2049	33,335	3,382
		1,266,260	\$ 667,601
Less: Unaccreted appreciation		-	(10,929)
		1,255,331	-
Unamortized premiums		60,647	-
<b>Total</b>		\$ 1,315,978	-

## PRIMARY GOVERNMENT

### RAILSPLITTER TOBACCO SETTLEMENT AUTHORITY (“RTSA”)

The RTSA was created on July 1, 2010, under the Railsplitter Tobacco Settlement Authority Act (30 ILCS 171). The RTSA issued \$1.503 billion of Tobacco Settlement Revenue Bonds, Series 2010 (“the bonds”) on December 8, 2010. Proceeds of the Series 2010 bonds were used to pay issuance costs and to provide an approximate \$1.350 billion payment to the State in exchange for rights to 100 percent of the State’s future Tobacco Settlement Revenues (TSRs) through the original final maturity date of the bonds in 2028. The \$1.350 billion payment was used by the State to pay outstanding obligations of the General Revenue Fund. The bond proceeds have been deferred and will be recognized as an expense ratably over the life of the bonds. As of June 30, 2019, the deferred amount is \$410.641 million.

The RTSA issued \$670.965 million in Tobacco Settlement Revenue Bonds, Series 2017 (refunding bonds) on December 27, 2017. The Series 2017 bonds were issued as fixed rate interest, fixed scheduled amortization, serial and term bonds with maturities ranging from 2022 through 2028. The refunding bonds were issued at a fixed rate of 5.000%. Proceeds from the

bonds were used to advance refund \$682.375 million of the Series 2010 bonds. The remaining Series 2010 bonds are due in annual installments through June 1, 2021, at interest rates ranging from 5.250% to 5.375%.

The total TSRs sold, based on the projected payment schedule in the Master Settlement Agreement, adjusted for historical trends, is estimated to be \$4.125 billion. The RTSA has pledged the future TSRs, net of specified operating expenditures, to repay the bonds. Annual principal and interest on the bonds are expected to require, on average, less than 70% of the net TSRs. The total principal and interest remaining to be paid on the bonds is approximately \$1.077 billion. The total principal and interest paid for the current year and total TSRs received were \$142.545 million and \$274.908 million, respectively. In the event of default, the trustee of the bonds may enforce its rights per the terms of its agreements or pursue legal action for the payments in default.

As part of the consideration for the sale to the RTSA by the State of the pledged settlement payments, the RTSA issued a residual certificate to the State. In accordance with the provisions of the trust indenture, upon payment in full of the deposits required by the trust indenture, the remaining balance of pledged revenues shall be transferred to the State as owner of the residual certificate. Residuals are expected to be approximately \$1.784 billion. During the year ended June 30, 2019, \$134.910 million of residual revenues was paid to the State and \$59.434 million was recorded as a liability to the State at year-end.

#### **ILLINOIS DESIGNATED ACCOUNT PURCHASE PROGRAM (“IDAPP”)**

The majority of IDAPP’s \$143.046 million of outstanding revenue bonds at June 30, 2019, are variable rate bonds that have their interest rates reset quarterly. The actual interest rates for these LIBOR Floating Rate Notes were used in calculating the future interest payments. IDAPP issued bonds and notes to provide funds for student loan originations and purchases. IDAPP pledges the income derived from its assets to pay debt service.

#### **MAJOR COMPONENT UNITS**

##### **ILLINOIS HOUSING DEVELOPMENT AUTHORITY (“IHDA”)**

Included within the IHDA’s outstanding revenue bonds are \$42.055 million of Homeowner Mortgage Revenue Bonds Series 2004C3, 2014A4 and 2014A5, and \$90.025 million of Housing Bonds Series 2008A, 2008B, 2008C, 2015A3, and 2017A2, which are variable rate demand bonds. Interest rates on these bonds are determined weekly at a rate established by the remarketing agent on each rate determination date. In addition, \$3.145 million of Homeowner Mortgage Revenue Bonds Series 2001F and 2002B are also variable rate, but not demand bonds. Interest rates on these bonds are based on a floating rate determined on a monthly basis and paid either monthly or semi-annually. On the variable rate demand bonds, IHDA has agreements with liquidity providers to purchase any bonds tendered for purchase in accordance with the indentures. For additional security, IHDA has entered into risk management agreements to hedge against interest rate risks on one series of bonds and wrapped credit enhancements on three series of bonds (see Note 14—Derivatives).

For bonds payable, certain bonds including specific series of Homeowner Mortgage Revenue Bonds, Multi-Family Initiative Bonds and Multifamily Revenue Bonds are payable from pledged property as defined in their general resolutions. Certain other bonds are payable from pledged mortgage-backed securities. IHDA has pledged future mortgage loan and mortgage backed



security revenues, net of specified operating expenses, to repay outstanding principal. IHDA has also pledged its general obligation bonds to the repayment of the Affordable Housing Program Trust Fund Bond to a limited extent and amount.

#### **ILLINOIS STATE TOLL HIGHWAY AUTHORITY (“THA”)**

As of December 31, 2018, the THA had outstanding variable rate demand bonds in the amount of \$700.000 million of Series 2007 A-1 and A-2 bonds and \$476.525 million of Series 2008 A-1 and A-2 bonds. These bonds have final maturities in 2030 and 2031, respectively, and bear interest rates that are reset weekly by remarketing agents at rates not to exceed 15% and 12%, respectively. These bonds are subject to tender for purchase by bondholders at a price equal to the principal plus accrued interest, upon a minimum seven days’ notice from the bondholder to the remarketing agent. The THA has agreements with liquidity providers to purchase any bonds so tendered for purchase that fail to be remarketed and to hold such bonds until either remarketed or paid by the THA per the terms of the liquidity agreements. For the Series 2008 A-1 and A-2 bonds, financial guarantee insurance policies obtained by the THA guarantee the payment of principal and interest on the scheduled bond interest payment and maturity dates and on certain payment dates specified in the liquidity agreements. The THA has an obligation to reimburse the insurer for any such payments made.

#### **NORTHERN ILLINOIS UNIVERSITY (“NIU”)**

For NIU, the Series 2010 and 2011 bonds contain a provision in the event of default in the payment of principal or interest on the bonds, and to the extent there are no other available funds held to make payments, any funds remaining in the Series 2010 Project Construction Fund can be used to make such payment.

#### **UNIVERSITY OF ILLINOIS (“U OF I”)**

The U of I had outstanding variable rate demand bonds in the amount of \$10.300 million for the Series 1997B bonds, \$40.580 million for the two Series 2008 bonds, and \$31.000 million for the Series 2014C bonds. These bonds have final maturities in 2026, 2026, 2022, and 2044, respectively, and bear interest rates as determined by the remarketing agents on each rate determination date not to exceed 12% on all of the bond series. These bonds are subject to redemption if tendered by the holder at a price equal to the principal plus accrued interest upon notice and delivery to the remarketing agent. The U of I has several letters of credit agreements with liquidity facilities to purchase any bonds so tendered for purchase in accordance with the indentures with respect to which the trustee does not, on the date any such tendered bonds are required to be purchased, have sufficient funds to make such purchase. The fees on the letters of credit are based on outstanding bonds plus pro forma interest. The U of I, in the event a liquidity facility is utilized, has reimbursement agreements with associated financial entities. Generally, the reimbursement provisions require repayment in eight equal quarterly installments, at an interest rate initially set at slightly above prime or the federal funds rate. The due date of the initial payment per the reimbursement agreements varies depending upon the variable rate bond issue. The reimbursement agreements require an initial payment due date of at least 366 days after a liquidity advance. The letters of credit agreements contain provisions that the U of I may terminate and replace the letter of credit agreements so long as it has paid all of the obligations owed to the liquidity facility. The U of I has obtained a letter of credit or relies on its own credit to guarantee the payment of principal and interest on the scheduled maturity dates.

In the event of default, the bond owners may sue to command performance of the U of I. The liquidity facilities may cause the bonds to be subject to a mandatory tender or appropriate the pledged revenues by invoking the “set off” provisions in the bond documents.

## DERIVATIVES

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

## BUILD AMERICA BONDS

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

## 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, 2019, recorded amounts of revenue bonds, net of defeased bonds, and notes outstanding as reported by authority officials are as follows:

Authority	Amount Outstanding	Annual Maturity To
Illinois Finance Authority	\$ 23,223,359	2058
Illinois Housing Development Authority	1,187,634	2068
Southwestern Illinois Development Authority	839,596	2048
Upper Illinois River Valley Development Authority	236,897	2054
Total	\$ 25,487,486	

## 12 NOTES PAYABLE/SHORT-TERM BORROWINGS

### A. Notes Payable

#### Major Component Units

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

IHDA has obtained notes payable, normally secured by specific revenue sources, to provide financing. Under provisions of the agreements, the lenders under each of the agreements have rights of principal acceleration in the event of default based on nonpayment of monies owed, ceasing to be considered an eligible housing associate under the Housing Authority Act and other defined provisions. Outstanding notes payable at June 30, 2019, were as follows:

Fund Type/Agency	Amount Outstanding	Interest Rates	Maturity Date
<b>Major Component Units</b>			
Illinois Housing Development Authority			
Direct borrowing	\$ 28,141	0.70% to 2.70%	2028

A portion of the notes payable relate to advances from the Federal Home Loan Bank. At June 30, 2019, IHDA has an unused line of credit relating to available cash advances from the Federal Home Loan Bank totaling \$83.700 million.

Changes in notes payable during the year ended June 30, 2019, are summarized in Note 8. Future notes payable debt service requirements as of June 30, 2019, are as follows:

Year Ending	Illinois Housing Development Authority	
	Direct Borrowing	
	Principal	Interest
June 30		
2020	\$ 13,658	\$ 638
2021	1,829	357
2022	1,651	320
2023	350	286
2024	1,767	276
2025-2029	8,886	776
	\$ 28,141	\$ 2,653

### B. Short-Term Borrowings

#### Primary Government – Business-type Activities

The Illinois Designated Account Purchase Program (“IDAPP”) has a short-term revolving credit line agreement. The revolving credit line was used to purchase eligible student loans (guaranteed or insured or an eligible loan under the Higher Education Act). The credit line expired on

September 8, 2008, resulting, by terms of the Indenture, in the commencement of the Liquidation Period. On July 27, 2010, the credit line agreement became payable and due. Due in part to conditions currently existing in the credit markets, IDAPP has been unable to refinance this debt and is currently in payment default under the credit line agreement. In addition, IDAPP is in breach of the coverage condition ratio defined in the indenture. The breaches qualify as an Event of Termination under which the lender would be eligible for remedies under the indenture. The lender has not exercised its remedies to date. Conversations are ongoing with the lender to resolve the issues discussed. The \$93.357 million outstanding under this line is shown as current at June 30, 2019.

Under terms of the agreement, all revenues generated by the underlying student loan portfolio are transferred to a trust. The trust then pays all expenses related to the debt service and student loan servicing costs (capped at 65 basis points of the outstanding average balance of the portfolio). During fiscal year 2019, \$18.817 million of principal and \$5.110 million of interest was collected, all of which was transferred to the trust. During the same period, the trust paid \$3.139 million for interest expense and other professional fees and \$1.026 million for servicing fees.

### Major Component Units

#### *Illinois State University (“ISU”)*

INTO ISU, a component unit of ISU, has an agreement with one of its partners, INTO North America, Inc., which allows INTO ISU to borrow up to \$6 million in operating capital from INTO North America, Inc. at an interest rate of 6%. The \$4.700 million outstanding under this line is shown as current at June 30, 2019.

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

The U of I Foundation has a \$10 million unsecured line of credit to a bank, due February 2020, with a negotiated interest rate in irregular intervals (3.10% at June 30, 2019). The line of credit is to be used to purchase property that is to be held for the U of I. The \$6.877 million outstanding under this line is shown as current at June 30, 2019.

Changes in short-term borrowing during the year ended June 30, 2019, are as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<b>Primary Government</b>				
<b>Business-type Activities</b>				
Nonmajor enterprise funds	\$ 113,657	\$ -	\$ (20,300)	\$ 93,357
<b>Major Component Units</b>				
Illinois State University	\$ -	\$ 4,700	\$ -	4,700
University of Illinois	3,118	4,820	(1,061)	6,877
	<u>\$ 3,118</u>	<u>\$ 9,520</u>	<u>\$ (1,061)</u>	<u>\$ 11,577</u>

## 13 OTHER LONG-TERM OBLIGATIONS

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

Table 13-1 (amounts expressed in thousands)

Description	Reference	Business-type Activities			
		Governmental Activities	Prepaid	Nonmajor	Fiduciary Funds
			Tuition Fund	Enterprise Funds	
Capital lease obligations	(A)	\$ 10,356	\$ -	\$ 37	\$ 45
Certificates of participation	(B)	2,745	-	-	-
Installment purchase obligations	(C)	1,572	-	-	-
Pollution remediation obligations	(D)	33,675	-	-	-
Obligations to Lottery Prize Winners	(F)	-	-	264,251	-
Prepaid Tuition Fund obligations	(G)	-	1,018,997	-	-
Other obligations	(H)	-	-	9,176	-
<b>Total Other Long-Term Obligations</b>		<b>\$ 48,348</b>	<b>\$ 1,018,997</b>	<b>\$ 273,464</b>	<b>\$ 45</b>

Table 13-2 (amounts expressed in thousands)

Description	Reference	Illinois	Illinois	Northern	Southern	University
		State Toll Highway Authority	State University	Illinois University	Illinois University	of Illinois
Capital lease obligations	(A)	\$ -	\$ -	\$ 128,177	\$ 883	\$ 3,800
Certificates of participation - direct placement	(B)	-	-	-	7,510	-
Certificates of participation - other	(B)	-	42,528	8,511	25,199	157,667
Installment purchase obligations	(C)	-	2,448	-	-	-
Other obligations	(G)	18	844	28,194	1,167	108,769
<b>Total Other Long-Term Obligations</b>		<b>\$ 18</b>	<b>\$ 45,820</b>	<b>\$ 164,882</b>	<b>\$ 34,759</b>	<b>\$ 270,236</b>

### A. Lease Commitments

The State has entered into various capital leases for land, office facilities, office and computer equipment, and other assets. Although lease terms vary, certain leases are renewable subject to appropriation by the General Assembly. If renewal is reasonably assured, leases requiring appropriation by the General Assembly are considered noncancelable leases for financial reporting purposes. Information regarding operating leases is included in Note 21.

At June 30, 2019, assets capitalized under capitalized leases are as follows:

Table 13-3 (amounts expressed in thousands)

	Governmental	Business-	Fiduciary
	Activities	type Activities	Funds
Buildings and building improvements	\$ 61	\$ -	\$ -
Equipment	14,994	63	93
	15,055	63	93
Less: Accumulated depreciation	5,354	30	21
	<b>\$ 9,701</b>	<b>\$ 33</b>	<b>\$ 72</b>

Table 13-4 (amounts expressed in thousands)

Major Component Units	Northern	Southern	University
	Illinois	Illinois	of
	University	University	Illinois
Land and land improvements	\$ -	\$ 56	\$ -
Buildings and building improvements	133,655	1,672	5,261
Equipment	795	1,825	5,322
	<u>134,450</u>	<u>3,553</u>	<u>10,583</u>
Less: Accumulated depreciation	26,148	783	2,763
	<u>\$ 108,302</u>	<u>\$ 2,770</u>	<u>\$ 7,820</u>

Future minimum commitments for non-cancelable capital leases as of June 30, 2019, are as follows:

Table 13-5 (amounts expressed in thousands)

Year Ending June 30	Primary Government					
	Governmental Activities		Capitalized Leases			
	Principal	Interest	Business-type Activities		Fiduciary Funds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 3,510	\$ 1,369	\$ 23	\$ 1	\$ 21	\$ 13
2021	3,094	538	14	-	18	8
2022	1,336	213	-	-	6	1
2023	540	145	-	-	-	-
2024	158	129	-	-	-	-
2025-2029	823	490	-	-	-	-
2030-2034	895	161	-	-	-	-
Total minimum lease payments	<u>\$ 10,356</u>	<u>\$ 3,045</u>	<u>\$ 37</u>	<u>\$ 1</u>	<u>\$ 45</u>	<u>\$ 22</u>

Table 13-6 (amounts expressed in thousands)

Year Ending June 30	Major Component Units					
	Northern Illinois		Southern Illinois		University of	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 2,701	\$ 8,600	\$ 191	\$ 39	\$ 1,035	\$ 105
2021	2,838	8,462	140	31	1,050	85
2022	2,986	8,318	142	24	655	51
2023	2,595	8,150	143	17	641	26
2024	2,752	7,989	143	10	211	10
2025-2029	16,285	37,083	124	4	207	15
2030-2034	22,605	30,771	-	-	1	-
2035-2039	31,500	21,880	-	-	-	-
2040-2044	43,915	9,459	-	-	-	-
Total minimum lease payments	<u>\$ 128,177</u>	<u>\$ 140,712</u>	<u>\$ 883</u>	<u>\$ 125</u>	<u>\$ 3,800</u>	<u>\$ 292</u>

### B. Certificates of Participation (“Certificates”)

The State finances the purchase of certain State-owned real and personal property through third party non-State-issued Certificates. These non-State-issued Certificates are sold by private

concerns and are repaid by State agency appropriations pursuant to installment purchase agreements. The outstanding balance of non-State-issued Certificates included in the governmental activities financial statements as of June 30, 2019 was \$2.745 million.

Certain major component units have also issued Certificates representing the right to receive a proportionate share of lease-purchase or installment payments. All of these Certificates issued by major component units are considered State-issued. The outstanding balance of these Certificates as of June 30, 2019 was \$241.415 million, which includes unamortized premiums of \$12.374 million and unamortized discounts of \$184 thousand and is included in the component unit financial statements. For Northern Illinois University, in the event of default, the outstanding principal balance and any accrued interest may become immediately due and payable. For the University of Illinois, in the event of default, the trustee may pursue legal action for payments or require the University to turn over possession of the financed assets to the trustee bank. If the University of Illinois exercises the option to terminate the agreement, the future installment payments are subject to mandatory prepayment.

Future commitments by the State to make installment payments to pay for the assets acquired and related financing costs for Certificates at June 30, 2019, are as follows:

Primary Government Governmental Activities		
Year Ending June 30	Certificates of Participation	
	Non-State-Issued	
	Principal	Interest
2020	\$ 2,745	\$ 80
	\$ 2,745	\$ 80

Major Component Units										
Year Ending June 30	Certificates of Participation									
	Illinois State University		Northern Illinois University		Southern Illinois University		Southern Illinois University		University of Illinois	
	Other		Other		Direct Placement		Other		Other	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 2,985	\$ 1,766	\$ 1,150	\$ 357	\$ 1,195	\$ 225	\$ 1,255	\$ 1,127	\$ 34,670	\$ 6,380
2021	3,100	1,662	1,200	304	1,230	189	1,320	1,064	35,975	4,761
2022	3,220	1,550	1,260	243	1,270	153	1,385	998	25,735	3,244
2023	3,350	1,432	1,325	178	1,305	115	1,440	942	9,765	2,377
2024	3,495	1,305	1,390	110	2,510	75	345	871	9,990	1,894
2025-2029	16,430	4,173	1,520	40	-	-	8,290	3,624	30,605	2,896
2030-2034	10,095	1,244	-	-	-	-	10,420	1,494	-	-
	42,675	\$ 13,132	7,845	\$ 1,232	7,510	\$ 757	24,455	\$ 10,120	146,740	\$ 21,552
Unamortized premiums	37		666		-		744		10,927	
Unamortized (discounts)	(184)		-		-		-		-	
	\$42,528		\$ 8,511		\$ 7,510		\$25,199		\$157,667	

### C. Installment Purchase Obligations

The State has acquired certain land, office facilities, office and computer equipment, and other assets through installment purchase arrangements. Future commitments under installment purchase contracts as of June 30, 2019, are as follows:

Table 13-9 (amounts expressed in thousands)

**Primary Government**

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2020	\$ 393	\$ 53	\$ 446
2021	393	41	434
2022	393	27	420
2023	393	14	407
	<u>\$ 1,572</u>	<u>\$ 135</u>	<u>\$ 1,707</u>

Table 13-10 (amounts expressed in thousands)

**Major Component Unit**

Year Ending June 30	Illinois State University		
	Principal	Interest	Total
2020	\$ 112	\$ 82	\$ 194
2021	117	77	194
2022	121	73	194
2023	125	69	194
2024	128	65	193
2025-2029	1,845	89	1,934
	<u>\$2,448</u>	<u>\$ 455</u>	<u>\$2,903</u>

**D. Pollution Remediation Obligations**

Pollution remediation obligations are reported at the current value of expected outlays to fund remediation costs using the expected cash flows technique. This technique measures the sum of probability-weighted amounts in a range of possible estimated amounts and uses all expectations about possible cash flows on a site-specific basis. Such ranges are weighted within “most likely,” “worst case,” and/or “best case” scenarios and are based on actual remediation cost experience, remediation cost estimates, and/or discrete cost remediation treatment possibilities. All reported obligation amounts are estimates and are subject to change resulting from price increases or reductions, technology, or changes in applicable laws or regulations.

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

Although the State was not culpable for the creation of the hazard, federal law makes it, as the owner, a potentially responsible party along with the corporations that did the dumping. These corporations are defunct and in recognition of the State’s lack of culpability, the USEPA has estimated the remaining cost for clean-up to the site and adjacent property to be approximately \$61.35 million. The State has estimated its portion of the liability for the clean-up to be \$30.675 million.

The Illinois Department of Transportation has recorded pollution remediation obligations for investigations and remediation of contaminated soils generally consisting of soil sampling,



disposal of impact soil, and installation of groundwater monitoring wells with a balance at June 30, 2019, of \$3.000 million.

***E. Disproportionate Share Hospital Payment Obligations***

In October 2004, the U.S. Department of Health and Human Services Office of Inspector General (“OIG”) issued two reports, “Review of Illinois Medicaid Disproportionate Share Hospital Payments to the University of Illinois at Chicago Hospital” and “Review of Illinois Medicaid Disproportionate Share Hospital Payments to Mount Sinai Hospital of Chicago.” The reports recommended that the State refund \$140.282 million and \$4.516 million, respectively, in Federal Financial Participation (“FFP”) to the federal government because of alleged overpayment to the hospitals of \$280.6 million and \$9.032 million above the hospital-specific limitation on Disproportionate Share Hospital payments to the hospitals during State FY 1997-2000. The state completed repayment during the fiscal year ending June 30, 2019, to reduce potential interest costs. However, the State continues to strongly disagree with the OIG’s findings.

The Centers for Medicare and Medicaid Services (“CMMS”) concurred with the audit finding but stated “we interpret this recommendation as a prospective resolution and not a requirement to recoup any Federal payments associated with these findings.” After approximately 12 years of no official action, in July 2016, the State received a formal disallowance from CMMS for these two audits. It is the State’s position that it has followed CMMS published guidelines, and its methodology for calculating the hospital-specific limitation has consistently been approved by CMMS. The State subsequently sought reconsideration, which was denied, and appealed the disallowances to the U.S. Department of Health and Human Services’ Departmental Appeals Board (“DAB”). On April 2, 2018, the DAB sustained both disallowances. The State sought reconsideration of the decision on June 1, 2018. Subsequent to June 30, 2018, the DAB denied the State’s motions for reconsideration and the State exercised its right to further appeal the disallowances in the United States District Court for the Northern District of Illinois, which remains pending at this time.

***F. Obligations to Lottery Prize Winners***

The State has obligations to certain lottery prize winners for awards payable in annual installments ranging from nineteen years to the life of the prize winner, with the first payment being made after the claim is presented for payment. For certain prize winners, annuities were purchased in the name of the State for which the State has retained the rights of ownership. Effective July 30, 1985, State law provides that the State Treasurer, with the consent of the Director of the Department of Lottery, may contract to invest in securities, which provide payments corresponding to its obligation to these winners. The present value of these liabilities owed to prize winners, approximating \$165 thousand, have been reported in the financial statements of the State Lottery Fund, a nonmajor enterprise fund.

In addition to the prize obligations discussed above, the State has provided for other payments corresponding to its obligation to prize winners through the purchase of direct obligations of the federal government, primarily in the form of United States Treasury zero coupon bonds. As established by State law, such securities shall be maintained separate and apart from all public money of funds of the State. These investments are purchased in amounts to provide for annual annuity payments to the prize winner(s) of each qualifying individual drawing. The fair value of the investments held totaled \$288.975 million at June 30, 2019, with interest rates ranging from 1.6% to 7.7%. The present value of these liabilities owed to prize winners, approximating

\$264.086 million, have been reported in the financial statements of the State Lottery Fund, a nonmajor enterprise fund.

Future commitments of prizes payable as of June 30, 2019, are as follows:

Primary Government Business-type Activities		State Lottery Fund
Year Ending June 30		Amount
2020		\$ 24,836
2021		26,587
2022		23,934
2023		25,022
2024		23,649
2025-2044		215,299
		339,327
	Less: Present value adjustments	(75,076)
	Present value of future prizes	<u>\$ 264,251</u>

### ***G. Prepaid Tuition Fund Obligations***

Tuition payable in the Illinois Prepaid Tuition Fund, a major enterprise fund, as of June 30, 2019, represents net principal payments received for contracts held by the fund in the amount of \$1,018.997 million, of which \$145.130 million is considered current. Included in the tuition payable is an amount for accretion, which is the present value of payments to be made in excess of the principal payments received from investments of the tuition contracts. The accretion expense is an estimate based on the average increase in tuition for Illinois colleges. It is calculated on an annual basis on the balance in the tuition payable account.

### ***H. Other Obligations***

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

Other nonmajor enterprise funds presented other obligations in the amount of \$9.176 million. These obligations, consisting mostly of future workers' compensation benefit payments for self-insured companies, are expected to be paid with current resources of the reporting fund.

#### **Major Component Units**

Major component units presented other miscellaneous obligations in the amount of \$138.992 million. These obligations will be liquidated from resources of the reporting major component unit.

## ***14 DERIVATIVES***

### **HEDGING DERIVATIVES - PRIMARY GOVERNMENT - GOVERNMENTAL ACTIVITIES**

On October 30, 2003, the State of Illinois issued a total of \$963 million of tax exempt general obligation new money and refunding bonds in two series: \$363 million fixed rate bonds maturing

through 2020 (“2003A bonds”) and \$600 million variable rate demand bonds maturing in years 2020 through 2033 (“2003B bonds”). The State secured a liquidity facility from Depfa Bank, PLC (the “Liquidity Provider”) for the principal amount.

Pursuant to Public Act 93-9, the State simultaneously entered into Interest Rate Exchange Agreements (“Agreements”) with five counterparties (each a “Counterparty,” and collectively, the “Counterparties”) under substantially identical terms, to create a net fixed rate debt service obligation on the 2003B bonds. The Agreements together with the issuance of the 2003B bonds as variable rate debt produced a synthetic fixed rate on the bonds that was expected to provide a lower fixed rate than what was available in the primary market at the time, if the State issued traditional fixed rate bonds.

The Agreements were entered into pursuant to the Interest Rate Risk Management Policy (“Policy”), as required by the General Obligation Bond Act, 30 ILCS 330/9, *et seq.* Pursuant to the Policy, the Agreements and the 2003B bonds in combination are not counted against the variable rate debt limit of the State, since variable interest paid on the 2003B bonds and variable interest received under the Agreements were designed to be substantially the same, thus resulting in a net synthetic fixed rate obligation.

In November 2013, the State replaced Depfa Bank, PLC with a syndicate of six banks. Under the new Letter of Credit agreement, the State initially paid the syndicate 2.35% of the outstanding par amount of the outstanding 2003B bonds as a fee for the banks to issue their respective letters of credit on the 2003 bonds. On October 22, 2015, Moody’s downgraded the State to Baa1, which increased the Letter of Credit fee from 2.35% of the outstanding par to 2.60%. A subsequent downgrade by Moody’s to Baa2 on June 8, 2016, further increased the fee from 2.60% to 2.85%.

In November 2016, the Letter of Credit expired, and the State converted from bonds secured by the Letter of Credit to variable rate index bonds not requiring letters of credit. The converted Series 2003B Bonds, then outstanding in the aggregate par amount of \$600 million, were remarketed and purchased in four separate sub-series on November 7, 2016, by four purchasers. The interest rate-setting mechanism on the bonds was a SIFMA or LIBOR-based interest rate plus an initial applicable spread of 2.95%. The applicable spread increased upon rating declines in the State’s ratings. When the State was downgraded on June 1, 2017 (Moody’s and Standard and Poor’s downgraded the State to Baa3 and BBB-, respectively, on that day), the applicable spread increased to 3.45%. The State entered into continuing covenant agreements with each of the four purchasers, with a mandatory tender date at the end of the rate period, on November 7, 2018. The purchasers were DNT Asset Trust (affiliated with JP Morgan Chase Bank), PNC Bank, National Association, State Street Public Lending Corporation, and RBC Municipal Products, LLC.

As of August 23, 2016, Barclays Bank PLC assumed the Agreement from AIG Financial Products Corp. via a novation and the ratings trigger applicable to the State was lowered from below BBB by Standard & Poor’s or Baa2 by Moody’s to below BBB- by Standard & Poor’s or Baa3 by Moody’s. As of September 12, 2016, Barclays Bank PLC assumed the Agreement from Merrill Lynch Capital Services, Inc. via a novation and the ratings trigger applicable to the State was lowered from below BBB by Standard & Poor’s or Baa2 by Moody’s to below BBB- by Standard & Poor’s or Baa3 by Moody’s. The ratings trigger was lowered again during fiscal year 2017 to below BB+ by Standard & Poor’s or Ba1 by Moody’s.

The original agreement with each counterparty was such that the variable rate received from each counterparty was either 67% of one-month LIBOR when one-month LIBOR was greater than or equal to 2.5%, or SIFMA when one-month LIBOR was less than 2.5%. The original agreements

for AIG Financial Products Corp. and Merrill Lynch Capital Services, Inc., were each amended and restated in the novated Barclays Agreements to eliminate these terms and restructure the floating rate so that such rate was solely 82.7% and 80.82% of one-month LIBOR, respectively.

On September 6, 2018, the Series 2003 variable rate bonds were refunded with fixed rate bonds for interest rate savings. In conjunction with the refunding of the Series 2003B Bonds, all five interest rate swaps were terminated on September 5, 2018. The total termination payment on the swaps was \$74.589 million, which reflected a total negotiated “discount” to the mid-market values of \$3.820 million. Following the terminations, the State executed a termination agreement with each of the respective counterparties.

## **INVESTMENT DERIVATIVES - PENSIONS**

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

Foreign currency forward contracts are used to hedge against the currency risk in agencies’ foreign equity and fixed income security portfolios. Foreign currency forward contracts are agreements to purchase or sell a specific amount of a foreign currency at a specified delivery or maturity date for an agreed upon price. Fluctuations in the market value of foreign currency forward contracts are recognized as incurred rather than at the maturity or settlement date of the contract. Investment managers use these contracts primarily to hedge the currency exposure of the agencies’ investments.

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

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

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

- a) Credit default swaps are financial instruments used to replicate the effect of investing in debt obligations of corporate bond issuers as a means to manage bond exposure, effectively buying or selling insurance protection in case of default. Credit default swaps may be specific to an individual security or to a specific market sector (index swaps).
- b) Interest rate swaps are agreements between parties to exchange a set of cash flow streams over a period of time. In the most common type of interest rate swap arrangement, one party agrees to pay fixed interest payments on designated dates to a counterparty who, in turn, agrees to make return interest payments that float with some reference rate.
- c) Inflation-linked swaps are agreements where a fixed payment is exchanged for a variable payment linked to an inflation index. These swaps can protect against unfavorable changes in inflation expectations and are used to transfer inflation risk from one counterparty to another. Inflation-linked swaps initially have no net value; the value of the swap's outstanding payments will change as interest and inflation rates change. The value may be either positive or negative.
- d) Volatility swap agreements involve two parties taking opposite sides of the future volatility of an underlying instrument (e.g., an index, individual security, or exchange rate) without the influence of its price. Payoff is determined by the future realized volatility. Volatility swaps are often utilized to trade the spread between realized and implied volatility or to hedge the volatility exposure of other positions in a portfolio.

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

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

At June 30, 2019, investment derivatives are reported as investments in the Statement of Fiduciary Net Position. The change in fair value of derivative investments is included in investment income on the Statement of Changes in Fiduciary Net Position. Following are summaries of investment derivatives held at each agency at June 30, 2019:

#### ISBI

Investment Derivatives	Fair Value at June 30, 2019	Change in Fair Value	Notional*
Currency Forwards	\$ -	\$ 7,847	\$ -
Rights/Warrants	2	(180)	125
Swap Liabilities	(1,625)	(1,625)	-
<b>Grand Totals</b>	<b>\$ (1,623)</b>	<b>\$ 6,042</b>	<b>\$ 125</b>

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

TRS

Investment Derivatives	Fair Value at June 30, 2019	Change in Fair Value	Notional*
Rights	\$ 841	\$ 152	\$ 8,040
Warrants	33,180	1,823	7,827
Currency Forwards			
Purchases	5,347,572		
Sales	(5,362,031)		
	(14,459)	77,360	-
Futures**			
Equity Futures Long	-	935	76,578
Equity Futures Short	-	800	(36,914)
Fixed Income Futures Long	-	71,701	1,347,701
Fixed Income Futures Short	-	(36,492)	(865,736)
Commodity Futures Long	-	(2,817)	7,431
Commodity Futures Short	-	(218)	(11,695)
	-	33,909	517,365
Options**			
Currency Forward Options Purchased	310	(685)	83,288
Currency Forward Options Written	-	177	-
Inflation Options Written	(30)	212	104,074
Options on Futures Purchased	-	(33)	-
Options on Futures Written	(167)	1,341	35,406
	113	1,012	222,768
Swaptions			
Swaptions Purchased	1,015	(1,773)	14,030
Swaptions Written	(1,059)	5,649	41,225
	(44)	3,876	55,255
Credit Default Swaps			
Credit Default Swaps Buying Protection	546	(880)	51,330
Credit Default Swaps Selling Protection	(382)	1,315	154,389
	164	435	205,719
Index Swaps	1,162	(5,805)	64,892
Interest Rate Swaps			
Pay Fixed Interest Rate Swaps	(62,276)	(105,367)	1,446,600
Receive Fixed Interest Rate Swaps	7,068	18,849	266,164
	(55,208)	(86,518)	1,712,764
Inflation-linked Swaps			
Pay Fixed Inflation Swaps	(2,797)	(1,790)	74,193
Receive Fixed Inflation Swaps	722	1,718	47,618
	(2,075)	(72)	121,811
<b>Grand Totals</b>	<b>\$ (36,326)</b>	<b>\$ 26,172</b>	<b>\$ 2,916,441</b>

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

Interest rate risk for derivative securities is disclosed in Note 3. Both interest rate and inflation rate swaps have fair values that are sensitive to interest rate changes. TRS had the following interest rate and inflation swaps at June 30, 2019:

Interest Rate and Inflation Swaps							Fair Value
Asset Description	Par	Gross Notional*	TRS Receives	TRS Pays	Maturity Date		June 30, 2019
<b>Pay Fixed Interest</b>							
Rate Swaps							
United States Dollar	195,241	\$ 196,591	12 month LIBOR (1)	1.82% to 2.80%	9/27/2021-12/20/2047	\$	(7,321)
United States Dollar	940,512	942,091	3 month LIBOR (1)	1.25% to 3.49%	9/14/2020-12/19/2048		(46,329)
British Pound Sterling	615	776	12 month SONIA (2)	1.00% to 1.20%	5/8/2026-5/8/2034		(23)
British Pound Sterling	127,180	161,864	6 month LIBOR (1)	1.00% to 2.34%	9/23/2019-9/18/2029		(3,006)
Chilean Peso	748,315	1,102	3 month Chile Interbank Rate	1.00%	7/1/2029		-
Euro	19,565	22,293	12 month EONIA (3)	0.50% to 1.10%	3/30/2020-5/11/2039		(387)
Euro	12,320	14,030	6 month EURIBOR (4)	1.25% to 2.11%	10/25/2037-9/18/2049		(1,635)
Euro	7,225	8,228	EONIA (3)	0.05% to 0.25%	5/11/2022-5/11/2025		(145)
Israeli Shekel	64,150	17,984	3 month TELBOR (5)	0.27% to 0.42%	2/16/2020-6/20/2020		(6)
Japanese Yen	8,341,690	77,425	6 month JPY (6) LIBOR (1)	0.30% to 0.75%	3/18/2026-3/20/2038		(3,303)
New Zealand Dollar	1,200	807	3 month NZD (7) Bank Bill	3.25%	3/21/2028		(101)
South African Rand	47,840	3,409	3 month JIBAR (8)	7.15% to 7.18%	6/6/2024		(20)
		<u>\$ 1,446,600</u>					<u>\$ (62,276)</u>
<b>Receive Fixed Interest</b>							
Rate Swaps							
Brazilian Real	4,293	\$ 1,120	7.33%	3 mo. Brazilian CDI (9)	1/4/2027	\$	-
British Pound Sterling	7,590	9,550	3.47% to 3.50%	UK (10) Retail Price Index	9/15/2032-9/15/2033		(110)
Chinese Yuan	175,165	25,632	2.88% to 3.23%	7 day CNRR (11)	4/10/2024-6/28/2024		63
Colombian Peso	8,577,950	2,807	5.88%	COOVIBR (12)	5/14/2029		132
Czech Koruna	60,850	2,759	1.91%	6 month PRIBOR (13)	5/17/2024		29
Euro	5,520	6,787	1.65% to 2.09%	3 month EURIBOR (4)	10/25/2037-3/19/2048		501
Euro	37,200	43,357	0.25%	6 month EURIBOR (4)	9/18/2024		993
Euro	12,490	1	0.37%	EONIA (3)	5/11/2022-5/11/2039		-
Israeli Shekel	13,580	4,025	1.88% to 2.08%	3 mo. TELBOR (5)	2/16/2028-6/20/2028		203
Mexican Peso	343,790	18,385	7.35% to 8.37%	28 day Mexican TIIE (14)	9/30/2027-5/22/2029		419
United States Dollar	146,430	151,741	1.75% to 3.13%	3 mo. LIBOR (1)	12/19/2020-6/20/2048		4,838
		<u>\$ 266,164</u>					<u>\$ 7,068</u>
<b>Pay Fixed Inflation</b>							
Linked Swaps							
Euro	17,200	\$ 19,587	EMU HICP (15)	1.23% to 1.71%	12/15/2023-3/15/2033	\$	(529)
Euro	6,280	7,152	France CPI (16) ex-Tobacco Index	1.35%	6/15/2021		(97)
United States Dollar	49,390	47,454	U.S. CPI (16) URNSA (17)	1.82% to 2.50%	5/13/2021-7/25/2024		(2,171)
		<u>\$ 74,193</u>					<u>\$ (2,797)</u>
<b>Receive Fixed Inflation</b>							
Linked Swaps							
British Pound Sterling	9,710	\$ 12,342	3.36% to 3.59%	UK (10) Retail Price Index	10/15/2033-10/15/2046	\$	(15)
Euro	2,000	2,341	1.54%	EMU HICP (15)	6/15/2023		63
United States Dollar	32,260	32,935	1.79% to 2.38%	U.S. CPI (16) URNSA (17)	7/18/2026-7/9/2028		674
		<u>\$ 47,618</u>					<u>\$ 722</u>

\* Includes income/accrued payable amounts

(1) LIBOR - London Interbank Offered Rate  
(2) SONIA - Sterling Over Night Index Average  
(3) EONIA - Euro Over Night Index Average  
(4) EURIBOR - Euro Interbank Offered Rate  
(5) TELBOR - Tel Aviv Interbank Offered Rate  
(6) JPY - Japanese Yen  
(7) NZD - New Zealand Dollar  
(8) JIBAR - Johannesburg Interbank Agreed Rate  
(9) Brazilian CDI - Brazilian Certificado de Deposito Interbancario  
(10) UK - United Kingdom  
(11) CNRR - China Fixing Repo Rates  
(12) COOVIBR - Colombia Overnight Interbank Rate  
(13) PRIBOR - Czech Interbank Offered Rate  
(14) Mexican TIIE - Mexico Interbank Equilibrium Interest Rate  
(15) EMU HICP - European Monetary Union Harmonized Index of Consumer Prices  
(16) CPI - Consumer Price Index  
(17) URNSA - Urban Consumers NSA Index Rate

## SURS

Table 14-4 (amounts expressed in thousands)

Investment Derivatives	Fair Value at June 30, 2019	Changes in Fair Value	Notional*
Rights and Warrants	\$ 213	\$ (142)	\$ 2,556
Currency Forwards			
Purchases	848	(653)	-
Sales	(1,933)	(952)	-
	(1,085)	(1,605)	-
Futures			
Equity Derivatives Long	98	(67)	17,638
Equity Derivatives Short	(552)	739	(290,538)
Fixed Income Long	435	1,009	839,963
Fixed Income Short	(147)	(18)	(354,205)
Commodity Long	(200)	(380)	28,800
Foreign Exchange Long	-	45	141
Foreign Exchange Short	(10)	185	(12,717)
	(376)	1,513	229,082
Options			
Equity Call	(1,297)	110	(167)
Equity Put	(1,682)	732	(182)
Fixed Income Call	-	55	(143,400)
Fixed Income Put	-	16	-
	(2,979)	913	(143,749)
Swaptions			
Call	213	459	(19,571)
Put	96	2,305	(126,300)
	309	2,764	(145,871)
Swaps			
Credit Default			
Buying Protection	(485)	105	14,352
Selling Protection	272	753	47,895
Receive Fixed Inflation-linked Swaps	49	49	4,072
Pay Fixed Interest Rate	(10,801)	(10,801)	517,942
Receive Fixed Interest Rate	(1,248)	(16,177)	5,553
	(12,213)	(26,071)	589,814
<b>Grand Totals</b>	<b>\$ (16,131)</b>	<b>\$ (22,628)</b>	<b>\$ 531,832</b>

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

Interest rate risk for derivative securities is disclosed in Note 3. Both interest rate and inflation rate swaps have fair values that are sensitive to interest rate changes. SURS had the following interest rate and inflation swaps at June 30, 2019:



Table 14-5 (amounts expressed in thousands)

**SURS Interest Rate Swaps**

Pay Fixed / Receive Fixed	Notional Amount	SURS Rate	Counterparty Rate	Fair Value June 30, 2019
pay fixed	\$405,600	1.45% to 3.00%	3 mo. USD-LIBOR (1)	\$ (7,838)
pay fixed	79,671	1.25% to 1.50%	6 mo. GBP-LIBOR (2)	(1,501)
pay fixed	32,671	0.30% to 0.75%	6 mo. JPY-LIBOR (3)	(1,462)
	<u>\$517,942</u>			<u>\$ (10,801)</u>
receive fixed	\$ 4,072	UK (4) Retail Price Index	3.58%	\$ 49
receive fixed	24,260	3 mo. USD-LIBOR (1)	2.00% to 2.80%	(621)
receive fixed	(5,727)	6 mo. GBP-LIBOR (2)	1.65% to 2.00%	(126)
receive fixed	(10,767)	6 mo. JPY-LIBOR (3)	0.30%	(283)
receive fixed	(5,586)	3 mo. CAD CDOR (5)	2.30%	(193)
receive fixed	3,373	28 day Mexico Interbank TIIE (6)	7.35%	(25)
	<u>\$ 9,625</u>			<u>\$ (1,199)</u>

(1) US Dollar London Interbank Offered Rate  
(2) Pound London Interbank Offered Rate  
(3) Japanese Yen London Interbank Offered Rate  
(4) United Kingdom  
(5) Canadian Dollar Offered Rate  
(6) Mexico Interbank Equilibrium Interest Rate

### Credit risk

Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to the established terms. In order to eliminate credit risk, derivative securities of ISBI and TRS are done through a clearinghouse which guarantees delivery and accepts the risk of default by either party. In addition to using a clearinghouse, SURS also purchases some derivative securities over the counter, with robust collateral requirements to mitigate counterparty risk. Derivatives which are exchange traded are not subject to credit risks. None of the agencies have a policy regarding master netting arrangements.

ISBI: ISBI did not hold any forward currency contracts as of June 30, 2019.

TRS: Non-exchange traded derivative instruments may expose TRS to credit/counterparty risk. Credit risk is reduced by evaluating the credit quality and operational capabilities of the counterparties. Because the counterparty risk of a security will fluctuate with market movements, all TRS managers using non-exchange traded derivatives operate a collateral call process ensuring full collateralization of these derivatives.

The aggregate fair value of non-exchange traded derivative instruments in asset positions at June 30, 2019, was \$42.227 million, as shown in the table below. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted.

Table 14-6 (amounts expressed in thousands)

<b>Moody's Quality Rating</b>	
Aa2	\$ 7,119
Aa3	16,978
A1	4,236
A2	7,167
A3	6,727
<b>Total subject to credit risk</b>	<b>\$ 42,227</b>

Although the derivative instruments held within the TRS investment portfolio are executed with various counterparties, approximately 90 percent of the net market value exposure to credit risk is for non-exchange traded derivative contracts held with nine counterparties.

SURS: The maximum loss that would be recognized at June 30, 2019, if all counterparties fail to perform as contracted, is \$12.5 million. This maximum exposure is reduced by \$2.2 million in collateral held, resulting in approximately \$10.3 million net exposure to credit risk. At June 30, 2019, the counterparties' credit ratings for currency forwards, swaptions, and swaps subject to credit risk are as follows:

Table 14-7 (amounts expressed in thousands)

<b>Standard &amp; Poor's Quality Rating</b>	<b>Forwards</b>	<b>Swaptions</b>	<b>Swaps</b>	<b>Total</b>
AA	\$ -	\$ -	\$ (5)	\$ (5)
A	-	208	75	283
BBB	-	101	(341)	(240)
Not Rated	(1,085)	-	(11,942)	(13,027)
<b>Total Subject to Credit Risk</b>	<b>\$ (1,085)</b>	<b>\$ 309</b>	<b>\$ (12,213)</b>	<b>\$ (12,989)</b>

**HEDGING DERIVATIVES - MAJOR COMPONENT UNITS**

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

IHDA: The IHDA has four swap contracts and two interest rate caps. All are considered cash flow hedges. The objective of the three pay-fixed, receive variable, interest rate swap agreements is to achieve a synthetic fixed interest rate on the underlying bonds at a cost anticipated to be less than the amounts paid had the IHDA issued fixed-rate debt. The objective of the fourth interest rate swap agreement is to protect the IHDA’s exposure to interest rates relative to a forward commitment for a permanent mortgage loan financing an affordable multifamily development. The fair value of the interest rate swaps was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the

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

The objective of the two interest rate cap agreements is to establish a maximum debt service which may be paid over the life of the underlying bonds. The notional amount of the swap and rate caps match the principal amount of the associated debt, except in the case of Series 2001F where early redemption of bonds have reduced the outstanding bond amount leaving the notional amount of the interest rate cap at its original scheduled value. The IHDA's swap and cap agreements in most cases contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or an anticipated reduction in the associated bonds payable category. The fair value of the interest rate swaps and rate caps were estimated using data provided by the IHDA's swap advisor.

THA: The THA has entered into seven separate variable-to-fixed interest rate exchange agreements (swaps) in connection with its variable rate bond issues. The objective of the agreements is to obtain a synthetic fixed interest rate on the underlying bonds at a cost anticipated to be less than the amounts paid had the THA issued fixed rate debt. The mark-to-market values and expected swap cash flows were calculated using the zero coupon method.

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

The objective of these swaps was to effectively change the U of I's variable interest rate on the bonds to a synthetic fixed rate. The notional amount of the interest rate swaps is equal to the par amount of the related bonds, except for Health Services Facilities System Revenue Bonds Series 2008, of which \$195 thousand is not covered by the swap agreement. All of the swap agreements were entered at the same time as the original bonds were issued and terminate with maturity of the existing bonds. No cash was paid or received when the original swap agreements were entered into. The U of I engaged a third-party consultant to determine the fair value of the swap agreements.

The following table displays the terms of the various hedging derivative instruments of the major component units outstanding at June 30, 2019 (except for the THA, for which the fiscal year-end is December 31, 2018), along with the credit rating of the associated counterparty:

Table 14-8 (amounts expressed in thousands)

Associated Bond Issue (1)	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values (2)	Change in Fair Value	Swap Termination Date	Counterparty Credit Rating (3)
<b>Major Component Units</b>								
<b>IHDA</b>								
<b>Interest Rate Swap Contracts</b>								
<b>FFB*</b>								
Marshall Hotel - FFB	\$ 7,422	9/17	2.660%	%LIBOR (a) - BBA	\$ (495)		2/48	A/A2
<b>HMRB**</b>								
Series 2001F	3,000	1/02	6.615%	1 mo. LIBOR (a)+40bp (b)	(150)		8/20	A-/A2
Series 2018 A-2	30,000	8/18	2.394%	USD (d) - LIBOR (a) BBA (e) *70%	(2,219)		2/38	AA-/Aa2
Series 2019B	30,000	3/19	2.431%	Weekly Reset - SIFMA (c)	(2,070)		4/42	A+/Aa2
	70,422				(4,934)	\$ (4,679)		
<b>Interest Rate Cap</b>								
<b>HB***</b>								
Series 2008A	10,930	1/18	6.00%	N/A	14		1/27	A/A2
Series 2008C	4,590	6/06	4.75%	N/A	-		6/21	A+/Aa2
	15,520				14	(11)		
	\$ 85,942				\$ (4,920)	\$ (4,690)		
<b>THA-</b>								
<b>Interest Rate Exchange Agreements</b>								
Series 2007 A-1	\$ 175,000	11/07	3.972%	SIFMA (c) 7 day Municipal Swap Index	\$ (27,203)		7/30	A/A1
Series 2007 A-1	175,000	11/07	3.972%	SIFMA (c) 7 day Municipal Swap Index	(27,203)		7/30	A-/A1
Series 2007 A-2	262,500	11/07	3.993%	SIFMA (c) 7 day Municipal Swap Index	(161)		7/30	A/A1
Series 2007 A-2	87,500	11/07	3.993%	SIFMA (c) 7 day Municipal Swap Index	(13,742)		7/30	AA-/Aa2
Series 2008 A-1	190,600	2/08	3.774%	SIFMA (c) 7 day Municipal Swap Index	(26,173)		1/31	AA-/Aa2
Series 2008 A-2	95,300	2/08	3.764%	SIFMA (c) 7 day Municipal Swap Index	(13,014)		1/31	A/A1
	\$ 985,900				\$ (107,496)	\$ (100,891)		
<b>U of I</b>								
<b>Interest Rate Swap Contracts</b>								
<b>Revenue Bonds</b>								
Series 2008 (South Campus)	\$ 10,395	2/06****	4.086%	68% of 1 mo. LIBOR (a)	\$ (492)		1/22	BBB+/A3
Series 2008 (South Campus)	10,130	2/06****	4.092%	68% of 1 mo. LIBOR (a)	(478)		1/22	A+/Aa2
Series 2008 (Health Services Facility System)	23,860	11/08****	3.534%	68% of 1 mo. LIBOR (a)	(2,180)		10/26	BBB+/A3
	\$ 44,385				\$ (3,150)	\$ 26		
~ As of 12/31/2018 (THA's fiscal year-end).								
* Federal Financing Bank			(a) London Interbank Offered Rate					
** Homeowner Mortgage Revenue Bonds			(b) Basis points					
*** Housing Bonds			(c) Securities Industry and Financial Market Association					
**** Swap agreement was transferred from original issue to the refunded bond issue.			(d) United States dollar					
			(e) British Bankers' Association					
(1) All bond issues are taxable debt instruments.								
(2) Includes accrued interest.								
(3) Credit rating companies: Standard and Poor's (S&P)/Moody's Investors Services								

Additionally, the U of I's discretely presented component unit, Prairieland Energy, Inc., entered into noncancelable, exchange-traded futures contracts for natural gas to be delivered during fiscal years 2020 through 2028. These futures contracts are used to reduce exposure to the risk of volatile natural gas prices and are considered to be effective hedging instruments. The contracts have a net notional value and fair value of \$11.225 million and (\$686) thousand, respectively.

## Risks

### Credit risk

IHDA: As interest rates change and the fair value becomes positive, IHDA is exposed to credit risk in the amount of the swap's or cap's fair value. As of June 30, 2019, IHDA was not exposed to credit risk for the swaps that had negative fair value. IHDA is exposed to credit risk on the caps with positive fair value. The aggregate fair value of hedging derivative instruments with positive fair value at June 30, 2019, was \$14 thousand. This represents the maximum loss that would be recognized at June 30, 2019, if all counterparties failed to perform as contracted as no collateral is in place. Fair value is a factor only upon termination. The counterparty with the

largest notional amount holds 40% of the total notional amount of the outstanding swaps. IHDA does not have a policy regarding master netting arrangements.

THA: At December 31, 2018 (THA's fiscal year-end), THA was not exposed to credit risk because of the negative fair values of the swaps. If changes in interest rates were to create positive fair values for the swaps in the future, the THA would be exposed to counterparty credit risk in the amount of those positive fair values. The swaps require full collateralization from the counterparty of any positive fair value of the swaps if (1) the counterparty's credit rating falls below a Standard & Poor's rating of AA- or a Moody's Investor Services' rating of Aa3, and (2) the fair value were to exceed certain thresholds as specified in the swap agreements. If the counterparty's credit rating were to fall below A- or A3 by S & P or Moody's, respectively, then the threshold is zero, requiring full collateralization regardless of the amount of fair value. The swaps require such collateral to be held by a third party custodian in the form of cash, debt obligations issued by the U.S. Treasury, or debt issued by federally sponsored agencies. The six swaps outstanding at December 31, 2018, are with five different counterparties. The highest percentage of the total notional amount of swaps with a single counterparty is 36%. THA does not have a policy regarding master netting arrangements.

U of I: As of June 30, 2019, the U of I was not exposed to credit risk because its swaps had a negative fair value. If interest rates change and the fair value of the swaps become positive, the U of I would be exposed to credit risk in the amount of the derivatives' fair value. Since they are negative numbers, they represent an approximation of the amount of money the U of I may have to pay a swap provider to terminate the swap. The counterparty may have to post collateral in the U of I's favor in certain conditions, and the U of I would never be required to post collateral in the counterparty's favor. At June 30, 2019, one counterparty held 54%, another held 23%, and a third held 23% of the total notional amount of the outstanding swaps. U of I does not have a policy regarding master netting arrangements.

### ***Interest rate risk***

IHDA: Because interest rates have declined since the execution of the swap agreements, they have negative fair values as of June 30, 2019. The negative fair value may be countered by reductions in total interest payments required under the variable-rate bonds, creating lower synthetic interest rates. Because the coupons on the IHDA's variable rate bonds adjust to changing interest rates, the bonds do not have corresponding fair value changes.

THA: Low interest rates contributed to the negative market valuations at December 31, 2018. At the time of the swaps, the synthetic fixed rates achieved by the swaps were less than the fixed rates that could have been achieved by issuing fixed rate bonds.

U of I: During fiscal year 2019, declining interest rates exposed the U of I to interest rate risk, which adversely affected the fair values of the swap agreements.

### ***Basis risk***

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

THA: The THA has implemented a strategy on the swaps associated with the Series 2007 A-1, Series 2007 A-2, Series 2008 A-1, and Series 2008 A-2 bonds, which was designed to provide a

synthetic fixed rate below the traditional fixed interest rate available at the time of the financings, producing interest rate savings to the THA. The swaps expose the THA to basis risk should the variable interest rate on the bonds and the SIFMA Index diverge. If an unfavorable divergence occurs, the expected cost savings may not be realized. As of December 31, 2018 (THA's fiscal year-end), the SIFMA rate in effect for the swaps was 1.41%.

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

### ***Termination risk***

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

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

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

### ***Rollover risk***

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

THA: The THA is not exposed to rollover risk, as all swap agreements have final maturities and amortizations that approximately match the final maturities and amortizations of the related bonds.

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

As of June 30, 2019, (except for the THA which is as of December 31, 2018), debt service requirements of outstanding variable rate debt and net swap payments, assuming current interest rates remain the same, for their terms are as follows:

Table 14-9 (amounts expressed in thousands)

**Swap Payments and Associated Debt  
Variable Rate Debt****Major Component Units**

Year Ending June 30	Illinois Housing Development Authority				Illinois State Toll Highway Authority			
	Principal	Interest	Interest Rate Swaps, Net	Total	Principal	Interest	Interest Rate Swaps, Net	Total
2020	\$ 1,980	\$ 1,503	\$ 395	\$ 3,878	\$ 1,500	\$ 13,807	\$ 20,860	\$ 36,167
2021	1,480	1,443	329	3,252	1,575	13,373	15,769	30,717
2022	490	1,420	310	2,220	1,650	13,334	15,688	30,672
2023	495	1,409	311	2,215	1,688	13,303	15,676	30,667
2024	500	1,400	311	2,211	1,762	13,268	15,640	30,670
2025-2029	9,585	6,551	1,552	17,688	444,712	48,198	61,712	554,622
2030-2034	15,275	5,725	1,483	22,483	270,513	5,595	9,120	285,228
2035-2039	36,110	2,892	717	39,719	-	-	-	-
2040-2044	11,745	400	93	12,238	-	-	-	-
<b>Total</b>	<b>\$ 77,660</b>	<b>\$ 22,743</b>	<b>\$ 5,501</b>	<b>\$ 105,904</b>	<b>\$ 723,400</b>	<b>\$ 120,878</b>	<b>\$ 154,465</b>	<b>\$ 998,743</b>

Year Ending June 30	University of Illinois-Revenue Bonds			
	Principal	Interest	Interest Rate Swaps, Net	Total
2020	\$ 9,175	\$ 845	\$ 677	\$ 10,697
2021	9,545	669	488	10,702
2022	10,005	486	287	10,778
2023	2,900	293	197	3,390
2024	3,060	240	145	3,445
2025-2029	9,895	369	101	10,365
<b>Total</b>	<b>\$ 44,580</b>	<b>\$ 2,902</b>	<b>\$ 1,895</b>	<b>\$ 49,377</b>

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

## **15 REFUNDINGS OF LONG-TERM OBLIGATIONS**

### **A. Current Year Refundings**

During the year ended June 30, 2019, two major component units of the State issued current refunding debt to defease bonds which were currently outstanding. Proceeds from the sales, together with other funds, were used to currently refund earlier issues maturing on dates ranging from February 1, 2019 through August 1, 2038, at redemption prices of 100%. Current refunding debt issued during fiscal year 2019, was as follows:

Table 15-1 (amounts expressed in thousands)

	Par Value of Refunding Issue	Refunding Issue Interest Rates	Par Value of Bonds Refunded	Interest Rates of Bonds Refunded	Debt Service (Increased)/ Reduce by Refunding	Refunding Economic Gain/(Loss)	Accounting Gain/(Loss)
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General Obligation Bonds: September 2018-A	\$ 641,160	5.00%	\$ 600,000	8.083% (variable rate in effect at date of redemption)	\$ 93,594	\$ 77,686	\$ -
General Obligation Bonds: September 2018-B	\$ 324,610	5.00%	\$ 336,860	4.75% to 5.25%	\$ 33,643	\$ 19,105	\$ 3,225
General Obligation Bonds: April 2019-B	\$ 140,280	5.000% to 5.125%	\$ 151,070	4.00% to 5.25%	\$ 15,453	\$ 10,672	\$ 2,556
<b>Major Component Units</b>							
<b>Revenue Bonds</b>							
Illinois Housing Development Authority Homeowner Mortgage Revenue Bonds, Series 2018 Series A-3	\$ 23,115	2.00% to 3.35%	\$ 23,115	4.85% to 5.20%	\$ 3,130	\$ 2,689	\$ -
University of Illinois AFS Revenue Bonds Series 2018 A	\$ 15,690	4.0% to 5.0%	\$ 16,570	1.61%	\$ (3,994)	\$ (3,116)	\$ (10)

**B. Prior Year Refundings**

In prior years, the State defeased certain callable maturities of special obligation and revenue bonds and certificates of participation by placing the proceeds of new debt in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the State’s financial statements. At June 30, 2019, the outstanding balances of prior year defeased debt were as follows:

Table 15-2 (amounts expressed in thousands)

	Primary Government	Major Component Units	
	Governmental Activities	Railsplitter Tobacco Settlement Authority	Illinois Housing Development Authority
Special obligation bonds	\$ 6,270	\$ -	\$ -
Revenue bonds	-	577,430	22,040
	\$ 6,270	\$ 577,430	\$ 22,040

**16 RETIREMENT SYSTEMS**

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

The General Assembly Retirement System (“GARS”), Judges’ Retirement System (“JRS”), and State Employees’ Retirement System (“SERS”) are the administrators of single-employer defined benefit pension plans. The GARS, JRS, and SERS are governed by articles 2, 18, and 14, respectively, of the Illinois Pension Code (40 ILCS 5/1, et al.). GARS includes members of the General Assembly of the State and persons elected to the offices of the Governor, Lieutenant Governor, Secretary of State, Treasurer, Comptroller, and Attorney General for the period of service in such offices and the Clerks and Assistant Clerks of the respective houses of the General



Assembly. JRS includes Judges, Associate Judges, and under certain conditions, the Administrative Director of the Illinois Courts. SERS includes employees of State agencies as well as employees of Illinois Toll Highway Authority (“THA”) and Illinois Comprehensive Health Insurance Plan (“ICHIP”), both of which are component units of the State. For the purposes of the plan, the component unit employees are considered employees of the State.

The Teachers’ Retirement System (“TRS”) is the administrator of a cost-sharing multiple-employer public employee defined benefit pension plan with a “special funding situation” as described below. TRS provides coverage to personnel in positions that require a certification under the teacher certification law that are employed by public school districts in Illinois (excluding Chicago), special districts and certain State agencies. There are 851 local school districts, 127 special districts, and 12 other State agencies that contribute to the TRS plan.

The State Universities Retirement System (“SURS”) is the administrator of a cost-sharing multiple-employer public employee defined benefit pension plan with a “special funding situation” as described below. In addition to the existing traditional benefit option, SURS established an alternative defined benefit program known as the Portable Benefit Option Plan which was effective January 1, 1998. All members who are eligible for the traditional benefit option are eligible for the portable option. New and existing members are provided a window period in which to make an irrevocable election. The portable option provides an enhanced refund at termination for those who leave SURS with at least five years of service. Offsetting this additional cost is the elimination of the survivor benefit package. This program is designed to be cost-neutral in relation to the traditional option. Approximately 18 thousand of the approximately 75 thousand active members have chosen this option, as of the measurement date, June 30, 2018.

SURS also became an administrator of a defined contribution plan, effective January 1, 1998, known as the Self-Managed Plan. This plan is offered to employees of all SURS employers who elect to participate. All but three SURS employers participate in the Self-Managed Plan. The Self-Managed Plan is a qualified money purchase plan under Section 401(a) of the Internal Revenue Code. The assets are maintained under a trust administered by the SURS Board of Trustees in accordance with the Illinois Pension Code. Approximately 13 thousand of the approximately 75 thousand active members have chosen this option. \$2.730 billion of the \$22.447 billion total plan net position at June 30, 2019 relate to the Self-Managed Plan. Plan member contributions were \$88.571 million and the State contributions, along with employer contributions consisting of grant reimbursements, were \$71.233 million for the year ended June 30, 2019. The State, as a nonemployer contributing entity, makes the required employer contribution to SURS on behalf of the Self-Managed Plan employers at a rate of 7.6% of the members’ gross earnings. The State’s contribution represents 100% of the required contributions to the plan. The State’s required contribution is reduced by forfeitures, which for the year ended June 30, 2019, were \$8.080 million.

The SURS provides coverage to faculty and staff of State universities, community colleges, and related agencies, of which some covered employees are not State employees. There are 9 universities, 39 community college districts, and several other State agencies and organizations that contribute towards the normal actuarially-determined cost of the SURS plan.

The State of Illinois, as a nonemployer contributing entity, is legally mandated to make contributions to TRS and SURS, thus creating a special funding relationship with both plans. TRS and SURS are governed by articles 16 and 15, respectively, of the Illinois Pension Code.

All five of the retirement systems consist of two tiers of contribution requirements and benefit levels based on when an employee was hired. Members who first become an employee and participate under any of the plans on or after January 1, 2011, are members of Tier 2, while Tier 1 consists of employees hired before January 1, 2011, or those who have service credit prior to January 1, 2011. The provisions below apply to both Tier 1 and Tier 2 members, except where noted.

**Benefits provided.** GARS provides retirement benefits based on the applicable final salary. Members under Tier 1 have vested rights to full retirement benefits beginning at age 55 with at least 8 years of credited service or at age 62 with at least 4 years of credited service. The retirement benefit formula to calculate the retirement annuity is 3.0% for each of the first 4 years of service, 3.5% for each of the next 2 years of service, 4.0% for each of the next 2 years of service, 4.5% for each of the next 4 years of service, and 5.0% for each year of service in excess of 12 years. The maximum retirement annuity is 85% of the applicable final salary. Annual automatic increases of 3% of the current amount of retirement annuity are provided. Members under Tier 2 have vested rights to full retirement benefits at age 67 with at least 8 years of credited service or reduced retirement benefits at age 62 with at least 8 years of credited service. The retirement benefit formula to calculate the retirement annuity is 3% for each year of service. The maximum retirement annuity is 60% of the applicable final average salary. Annual automatic increases equal to the lesser of 3% or the annual change in the Consumer Price Index are provided.

GARS also provides survivors' annuity benefits, reversionary annuity benefits, and under certain specified conditions, lump-sum death benefits.

JRS provides retirement benefits based on the applicable final average salary. Members under Tier 1 have vested rights to full retirement benefits at age 60 with at least 10 years of credited service or reduced retirement benefits beginning at age 55. Members also have vested rights to full retirement benefits at age 62 upon completing 6 years of credited service or at age 55 upon completing 26 years of credited service. The retirement benefit formula to calculate the retirement annuity is 3.5% for each of the first 10 years of service, plus 5% for each year of service in excess of 10. The maximum retirement annuity is 85% of the applicable final average salary. Annual automatic increases of 3% of the current amount of retirement annuity are provided. Members under Tier 2 have vested rights to full retirement benefits at age 67 with at least 8 years of credited service or reduced retirement benefits at age 62 with at least 8 years of credited service. The retirement benefit formula to calculate the retirement annuity is 3% for each year of service based upon the applicable final average salary. The maximum retirement annuity is 60% of the applicable final average salary. Annual automatic increases equal to the lesser of 3% or the annual change in the Consumer Price Index are provided.

JRS also provides survivors' annuity benefits, temporary and/or total disability benefits and, under certain specified conditions, lump-sum death benefits.

SERS provides retirement benefits based on the member's final average compensation and the number of years of service credit that have been established. The retirement benefit formula available to general State employees that are covered under the Federal Social Security Act is 1.67% for each year of service and for noncovered employees it is 2.2% for each year of service. Alternative formula employees have a formula of 2.5% for covered service and 3.0% for noncovered service. The maximum retirement annuity payable is 75% of final average compensation for regular employees and 80% for alternative formula employees. The minimum

monthly retirement annuity payable is \$15 for each year of covered service and \$25 for each year of noncovered service.

Members in SERS under Tier 1 and Tier 2 receive the following levels of benefits based on the respective age and years of service credits.

Tier 1	Tier 2
Regular Formula	Regular Formula
<p>A member must have a minimum of eight years of service credit and may retire at:</p> <ul style="list-style-type: none"> <li>• Age 60, with 8 years of service credit.</li> <li>• Any age, when the member’s age (years &amp; whole months) plus years of service credit (years &amp; whole months) equal 85 years (1,020 months) (Rule of 85) with 8 years of credited service.</li> <li>• Between ages 55-60 with 25-30 years of service credit (reduced 1/2 of 1% for each month under age 60).</li> </ul> <p>The retirement benefit is based on final average compensation and credited service. Final average compensation is the 48 highest consecutive months of service within the last 120 months of service.</p> <p>Under the Rule of 85, a member is eligible for the first 3% increase on January 1 following the first full year of retirement, even if the member is not age 60. If the member retires at age 60 or older, he/she will receive a 3% pension increase every year on January 1, following the first full year of retirement.</p> <p>If the member retires before age 60 with a reduced retirement benefit, he/she will receive a 3% pension increase every January 1 after the member turns age 60 and has been retired at least one full year. These pension increases are not limited by the 75% maximum.</p>	<p>A member must have a minimum of 10 years of credited service and may retire at:</p> <ul style="list-style-type: none"> <li>• Age 67, with 10 years of credited service.</li> <li>• Between ages 62-67 with 10 years of credited service (reduced 1/2 of 1% for each month under age 67).</li> </ul> <p>The retirement benefit is based on final average compensation and credited service. For regular formula employees, final average compensation is the average of the 96 highest consecutive months of service within the last 120 months of service. The retirement benefit is calculated on a maximum salary of \$106,800. This amount increases annually by 3% or one-half of the Consumer Price Index, whichever is less.</p> <p>If the member retires at age 67 or older, he/she will receive a pension increase of 3% or one-half of the Consumer Price Index for the preceding calendar year, whichever is less, every year on January 1, following the first full year of retirement. The calendar year 2018 rate is \$113,645.</p> <p>If the member retires before age 67 with a reduced retirement benefit, he/she will receive a pension increase of 3% or one-half of the Consumer Price Index for the preceding calendar year, whichever is less, every January 1 after the member turns age 67 and has been retired at least one full year. These pension increases are not limited by the 75% maximum.</p>
Alternative Formula	Alternative Formula
<p>Members eligible for the alternative formula may retire at age 50 with 25 years of service credit, or at age 55 with 20 years of service credit.</p> <p>Final average compensation is figured one of three ways:</p> <ul style="list-style-type: none"> <li>• The average of the highest 48 consecutive months over the last 120 months of service (for members in service prior to January 1, 1998).</li> <li>• Average of last 48 months of service.</li> <li>• Final rate of pay: cannot exceed the average of the last 24 months of pay by 115%.</li> </ul> <p>Alternative formula retirees receive their first 3% pension increase on January 1 following the first full year of retirement after age 55. These increases are not limited by the 80% maximum.</p>	<p>Members eligible for the alternative formula may retire at age 60 with 20 years of service.</p> <p>Final average compensation is the average monthly salary during the 96 highest consecutive months of service within the last 120 months. The retirement benefit is calculated on a maximum salary of \$106,800. This amount increases annually by 3% or one-half of the Consumer Price Index, whichever is less. The calendar year 2018 rate is \$113,645.</p> <p>Alternative formula retirees receive their first pension increase of 3% or one-half of the Consumer Price Index for the preceding calendar year, whichever is less, following the first full year of retirement after age 60. These increases are not limited by the 80% maximum.</p>

SERS also provides occupational and nonoccupational (including temporary) disability benefits. To be eligible for nonoccupational (including temporary) disability benefits, an employee must have at least 18 months of credited service with the System. The nonoccupational (including

temporary) disability benefit is equal to 50% of the monthly rate of compensation of the employee on the date of removal from the payroll. Occupational disability benefits are provided when the member becomes disabled as a direct result of injuries or diseases arising out of and in the course of State employment. The monthly benefit is equal to 75% of the monthly rate of compensation on the date of removal from the payroll. This benefit amount is reduced by Workers' Compensation or payments under the Occupational Diseases Act.

Occupational and nonoccupational death benefits are also available through SERS. Certain nonoccupational death benefits vest after 18 months of credited service. Occupational death benefits are provided from the date of employment.

TRS provides retirement benefits, whereby, most members retire under a formula that provides 2.2% of final average salary up to a maximum of 75% with 34 years of service. Under Tier 1, a member qualifies for an age retirement annuity after reaching age 62 with 5 years of credited service, age 60 with 10 years of credited service, or age 55 with 20 years of credited service. If a member retires between the ages of 55 and 60 with fewer than 35 years of service, the annuity will be reduced one-half percent for each month the member is under age 60. The retirement benefit is based on the final average salary, which is the average salary for the highest 4 consecutive years within the last 10 years of creditable service. Annual automatic increases equal to 3% are provided to essentially all retirees. Under Tier 2, a member qualifies for an age retirement annuity after reaching age 62 with 10 years of credited service, at a discounted rate, or age 67 with 10 years of credited service. The retirement benefit is based on the final average salary, which for Tier 2 is the average salary for the highest 8 consecutive years within the last 10 years of creditable service. Annual automatic increases equal to the lesser of 3% or one-half of the Consumer Price Index with the adjustment applied to the original benefit are provided to Tier 2 retirees. Disability and death benefits are also provided by TRS.

SURS provides retirement benefits based on the applicable final salary under the defined benefit plan. Members under Tier 1 have vested rights to full retirement benefits at age 62 with at least 5 years of credited service, age 60 with at least 8 years of credited service, or at any age with at least 30 years of credited service. The retirement benefit is based on the final average salary, which for Tier 1 is the average salary for the highest 4 consecutive years of creditable service or the average salary for the last 48 months prior to termination. The retirement benefit formula to calculate the retirement annuity for general employees is 2.2% of the Tier 1 final average salary up to a maximum of 80%. Annual automatic increases of 3% of the current amount of retirement annuity are provided. Members under Tier 2 have vested rights to full retirement benefits at age 67 with 10 years of credited service. The retirement benefit is based on the final average salary, which for Tier 2 is the average salary for the highest 8 consecutive years within the last 10 years of credited service. The retirement benefit formula to calculate the retirement annuity for general employees is 2.2% of the Tier 2 final average salary up to a maximum of 80%. Annual automatic increases equal to the lesser of 3% or one-half of the Consumer Price Index are provided to Tier 2 retirees.

SURS offers retirement benefits under the Self-Managed Plan payable when members meet the minimum vesting requirements of 5 years of service credit at age 62, 8 years of service credit at age 55, or 30 years of service credit regardless of age. The distribution options available upon reaching retirement eligibility are a lump sum distribution consisting of all employee and employer contributions and related investment earnings; a single life annuity; a 50% or 100% joint and survivor annuity; a single life annuity with a guaranteed period of 10, 15, or 20 years as elected by the member; and a 50% or 100% joint and survivor annuity with a guaranteed period of 10, 15, or 20 years as elected by the member.

SURS also provides disability and death benefits under all plans. Disability benefits are payable to all members with at least two years of credited service and are payable at a rate of 50% of the monthly rate of compensation on the date the disability began. Disability benefits are reduced by any payments under the Workers’ Compensation or the Occupational Diseases Act. Death benefits are payable upon the death of any member of the plan. If the member has less than 1.5 years of credited service, the death benefit payable is the employee contributions and related investment earnings. If the member has 1.5 or more years of credited service, the death benefit payable is the employee and employer contributions and related investment earnings.

As of the measurement date June 30, 2018, the following employees were covered by the defined benefit terms of each system, respectively:

	GARS	JRS	SERS	TRS	SURS
Retirees and beneficiaries receiving benefits	417	1,193	73,179	122,423	66,169
Inactive members entitled to but not yet receiving benefits	52	9	3,925	134,010	82,115
Active employees	132	936	61,397	160,859	62,844
Total	601	2,138	138,501	417,292	211,128

Each plan also issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports are available on the respective plan websites or may be obtained by writing or calling the plan as follows:

- General Assembly Retirement System and Judges’ Retirement System, 2101 South Veterans Parkway, PO Box 19255, Springfield, Illinois, 62794-9255, (217) 782-8500 or [www.srs.illinois.gov](http://www.srs.illinois.gov).
- State Employees’ Retirement System, 2101 South Veterans Parkway, PO Box 19255, Springfield, Illinois, 62794-9255, (217) 785-7444 or [www.srs.illinois.gov](http://www.srs.illinois.gov).
- Teachers’ Retirement System, 2815 West Washington Street, PO Box 19253, Springfield, Illinois, 62794-9253, (877) 927-5877 or [www.trsil.org](http://www.trsil.org).
- State Universities Retirement System, 1901 Fox Drive, Champaign, Illinois, 61820-7333, (217) 378-8800 or [www.surs.com](http://www.surs.com).

**Funding policy and contributions.** Member contributions are based on fixed percentages set by statute. The State’s funding requirements have been established by statute (Public Act 88-593) effective July 1, 1995 and provide for a systematic 50-year funding plan with an ultimate goal to achieve “90% funding” of the systems’ liabilities. In addition, the funding plan provided for a 15-year phase-in period to allow the State to adapt to the increased financial commitment. Since the 15-year phase-in period ended June 30, 2010, the State’s contribution will remain at a level percentage of payroll for the next 35 years until the 90% funded level is achieved. However, Public Act 94-0004 decreased the required funding levels for fiscal years 2006 and 2007 to \$938.400 million and \$1.375 billion, respectively, and required the State’s contribution to increase in equal annual increments from fiscal years 2008 to 2010, so that by fiscal year 2011, the State would be contributing at the rate otherwise required by State law. Pursuant to Public Act 93-0002, the State issued general obligation bonds, the proceeds of which were used to fund \$300 million of the State’s fiscal year 2003 required annual statutory contribution and \$1.860 billion of the State’s fiscal year 2004 required annual statutory contribution, as well as to contribute \$7.317 billion to the retirement systems in fiscal year 2004 to fund a portion of the State’s unfunded liability. In fiscal year 2010, pursuant to Public Act 96-0043, the State made contributions from general obligation bond proceeds of \$3.452 billion to the retirement systems to fund a portion of the State’s required annual statutory contribution. In fiscal year 2011, pursuant

to Public Act 96-1497, the State made contributions from general obligation bond proceeds of \$3.684 billion to the retirement systems to fund a portion of the State’s required annual statutory contribution. In fiscal year 2018, pursuant to Public Act 100-0023, the State’s funding policy was modified to include smoothing State contribution rate increases or decreases due to changes in actuarial assumptions, including investment return assumptions, over a five-year period in equal annual amounts beginning in fiscal year 2018. In addition, changes in actuarial or investment assumptions that increased or decreased the State contribution rate in fiscal years 2014 through 2017 are to be smoothed over a five-year period in equal annual amounts, applying only to the portion of the five-year phase-in that is applicable to fiscal years on and after 2018. The State met its funding requirement established by *statutory law* for the fiscal year ended June 30, 2019. Actual contributions varied slightly from contributions required by statute mainly because of differences between estimated and actual federal contributions.

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

The contribution rates/amounts established by statute for both plan members and the State of Illinois for the fiscal year ended June 30, 2019, are shown in Table 16-2.

<b>Contribution Rates/Amounts</b>		
<b>Plan</b>	<b>Member (% of Covered Payroll)</b>	<b>State (Statutorily Required)</b>
GARS	11.50%	\$ 23,221
JRS	11.00%	\$ 140,469
SERS	4.00% - 12.50%	\$ 2,273,000
TRS	9.00%	\$ 4,466,021
SURS	8.00% - 9.50%	\$ 1,592,639

For GARS, JRS, and SERS, employee contributions are fully refundable, without interest, upon withdrawal from State employment. Tier 1 members contribute based on total annual compensation. Tier 2 members under GARS and JRS contribute based on an annual compensation rate not to exceed \$106,800 with limitations for future years increased by the lesser of 3% or the annual percentage increase in the Consumer Price Index. For 2019, this amount was \$122,547. Tier 2 members under SERS contribute based on an annual compensation rate not to exceed \$106,800 with limitations for future years increased by the lesser of 3% or one-half of the annual percentage increase in the Consumer Price Index. For 2019, this amount was \$114,952.

For TRS, employee contributions are fully refundable, without interest, upon withdrawal from applicable employment. For Tier 1 members, there is no annual compensation limit on contributions. For Tier 2 members, annual compensation on which contributions are taken cannot exceed \$106,800. This amount increases annually by the lesser of 3% or one-half of the annual percentage increase in the Consumer Price Index. For 2019, this amount was \$114,952.

For SURS, a lump sum refund is available to all members upon withdrawal from applicable employment. Under the traditional Tier 1 and Tier 2 benefit package, this refund consists of all member contributions and interest at 4.5%. For Tier 1 members, there is no annual compensation limit on contributions. For Tier 2 members, annual compensation on which contributions are taken cannot exceed \$106,800. This amount increases annually by the lesser of 3% or one-half of the annual percentage increase in the Consumer Price Index. For 2019, this amount was \$114,952.

Under the SURS Self-Managed Plan, upon termination of service with less than five years of credited service, a lump sum distribution is available consisting of employee contributions and related investment earnings. The employer contributions and related investment earnings are forfeited. Upon termination of service with greater than five years of credited service but where the member is not yet eligible for retirement, a lump sum distribution is available consisting of employee and employer contributions and related investment earnings.

***Pension liability, deferred outflows of resources, deferred inflows of resources and expense related to pensions.*** The net pension liability for each plan, as reported at June 30, 2019, was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the dates presented in Table 16-8.

GARS, JRS, and SERS are administrators of single-employer defined benefit pension plans for which schedules of changes in the net pension liability, as of the measurement date, are presented below:

Table 16-3 (amounts expressed in thousands)			
	GARS	JRS	SERS <sup>^</sup>
<b>Total pension liability</b>			
Service cost	\$ 3,536	\$ 53,222	\$ 828,486
Interest on total pension liability	24,542	175,399	3,295,855
Differences between expected and actual experience	1,197	6,191	(185,489)
Assumption changes	(1,213)	(14,446)	(348,811)
Benefit payments	(23,283)	(148,147)	(2,464,832)
Refunds	(45)	(482)	(27,469)
Administrative expenses	(348)	(897)	(15,258)
<b>Net change in total pension liability</b>	<b>4,386</b>	<b>70,840</b>	<b>1,082,482</b>
<b>Total pension liability - June 30, 2017 (a)</b>	<b>378,405</b>	<b>2,713,028</b>	<b>49,437,204</b>
<b>Total pension liability - June 30, 2018 (a)</b>	<b>\$ 382,791</b>	<b>\$ 2,783,868</b>	<b>\$ 50,519,686</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 21,155	\$ 135,962	\$ 1,929,175
Contributions - participant	1,255	14,295	254,442
Net investment income	3,734	69,950	1,257,040
Benefit payments	(23,283)	(148,147)	(2,464,832)
Refunds	(45)	(482)	(27,469)
Administrative expense	(348)	(897)	(15,258)
<b>Net change in plan fiduciary net position</b>	<b>2,468</b>	<b>70,681</b>	<b>933,098</b>
<b>Plan fiduciary net position - June 30, 2017</b>	<b>54,348</b>	<b>941,804</b>	<b>16,530,179</b>
<b>Plan fiduciary net position - June 30, 2018 (b)</b>	<b>\$ 56,816</b>	<b>\$ 1,012,485</b>	<b>\$ 17,463,277</b>
<b>State's net pension liability - ending (a) - (b)</b>	<b>\$ 325,975</b>	<b>\$ 1,771,383</b>	<b>\$ 33,056,409</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>14.84%</b>	<b>36.37%</b>	<b>34.57%</b>
Covered-employee payroll	\$ 10,711	\$ 132,065	\$ 4,240,109
<b>State's net pension liability as a percentage of covered payroll</b>	<b>3043.37%</b>	<b>1341.30%</b>	<b>779.61%</b>
<sup>^</sup> The amounts represent the collective changes in the net pension liability for the State, including THA and ICHIP.			

The primary government of the State reported a net pension liability at June 30, 2019, related to GARS and JRS totaling \$325.975 million and \$1.771 billion, respectively.

Related to SERS, the State reported a collective net pension liability of \$33.056 billion. Of this amount, \$32.172 billion is reported by the primary government, while \$882.540 million and \$1.653 million represent liabilities of the THA and ICHIP, respectively.

TRS is an administrator of a cost-sharing multiple-employer defined benefit pension plan. As a nonemployer contributing entity, at June 30, 2019, the primary government reported a liability of \$76.823 billion for its proportionate share of the collective net pension liability for the TRS plan. The State's proportionate share of the collective net pension liability was based on the actual contributions relative to actual contributions of all participating employers made to the TRS plan during the fiscal year. At June 30, 2018, the measurement date, the State's proportionate share was 98.561% for the TRS plan, which was an increase of 1.8645% from its proportion measured as of the prior year measurement date of June 30, 2017.

Additionally, as the TRS plan includes certain employees of State agencies who are not members in one of the other State public employee retirement systems, the primary government reported an



additional liability of \$4.245 million for its proportionate share of the collective net pension liability associated with State employees participating in the plan. The State’s proportionate share of the collective net pension liability was based on the actual employer contributions made to the TRS plan during fiscal year 2018. At June 30, 2018, the measurement date, the State’s proportionate share related to employer contributions was 0.005%, which was a decrease of 92.911% from its proportion measured as of the prior year measurement date of June 30, 2017.

SURS is an administrator of a cost-sharing multiple-employer defined benefit pension plan. For employees paid from trust, grant or federal funds, the employer must make pension contributions from those funds sufficient to cover the accruing normal costs of the plan. The State’s contributions fund the normal actuarially-determined cost of the plan plus the amortization of the historical unfunded liability. The State has been allocated 100% of the net pension liability and reports the amount as a long-term obligation within the Statement of Net Position. At June 30, 2019, as a nonemployer contributing entity, the primary government reported a net pension liability of \$27.495 billion.

As a result of the State’s contribution requirements for all of the plans, the State recognized pension expense for the year ended June 30, 2019, as follows:

Table 16-4 (amounts expensed in thousands)

Plan	Pension Expense
GARS	\$ 29,371
JRS	\$ 200,991
SERS <sup>^</sup>	\$ 3,506,699
TRS <sup>^^</sup>	\$ 7,203,138
SURS	\$ 2,685,323

<sup>^</sup> The amount represents the collective pension expense for the State, including THA and ICHIP.

<sup>^^</sup> The amount represents the State's nonemployer and employer pension expense.

At June 30, 2019, the State reported deferred outflows and deferred inflows of resources related to each plan, as of the measurement date of June 30, 2018, from the following sources:

Table 16-5 (amounts expressed in thousands)

	GARS		JRS		SERS <sup>^</sup>		TRS <sup>^^</sup>		SURS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 463	\$ -	\$ 17,226	\$ 851	\$ -	\$ 792,117	\$ 1,544,087	\$ 16,749	\$ 65,521	\$ 181,032
Changes of assumptions	-	469	53,795	26,264	1,821,409	758,481	3,369,625	2,177,458	1,286,257	123,218
Net difference between projected and actual investment earnings on pension plan investments	802	-	273	-	14,861	-	-	235,236	26,811	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-	-	-	-	-	1,203,866	47,717	-	-
State contributions subsequent to the measurement date	23,221	-	140,469	-	2,274,925	-	4,466,812	-	1,592,639	-
<b>Total</b>	<b>\$ 24,486</b>	<b>\$ 469</b>	<b>\$ 211,763</b>	<b>\$ 27,115</b>	<b>\$ 4,111,195</b>	<b>\$ 1,550,598</b>	<b>\$ 10,584,390</b>	<b>\$ 2,477,160</b>	<b>\$ 2,971,228</b>	<b>\$ 304,250</b>

<sup>^</sup> The amounts represent the collective deferred outflows and inflows of resources for the State, including THA and ICHIP.

<sup>^^</sup> The amounts represent the State's employer and nonemployer proportionate share of the deferred outflows and deferred inflows of resources.

The deferred outflows and deferred inflows of resources for SERS presented above are further allocated between the primary government and its component units in the table below:

Table 16-6 (amounts expressed in thousands)

	Primary Government		THA		ICHIP		Total SERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 770,930	\$ -	\$ 21,148	\$ -	\$ 39	\$ -	\$ 792,117
Changes of assumptions	1,772,690	738,193	48,628	20,250	91	38	1,821,409	758,481
Net difference between projected and actual investment earnings on pension plan investments	14,464	-	396	-	1	-	14,861	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	(10,978)	(12,752)	10,978	9,143	-	3,609	-	-
State contributions subsequent to the measurement date	2,215,486	-	59,365	-	74	-	2,274,925	-
<b>Total</b>	<b>\$ 3,991,662</b>	<b>\$ 1,496,371</b>	<b>\$ 119,367</b>	<b>\$ 50,541</b>	<b>\$ 166</b>	<b>\$ 3,686</b>	<b>\$ 4,111,195</b>	<b>\$ 1,550,598</b>

<sup>^</sup> THA reported \$29,802 of contributions subsequent to the measurement date as of December 31, 2018, its fiscal year end.

In addition to the above amounts, the State's university component units make contributions to the SURS retirement system. The contributions made subsequent to the measurement date of June 30, 2018, have been recorded as a deferred outflow of resources. Illinois State University, Northern Illinois University, Southern Illinois University, and the University of Illinois have recorded \$765 thousand, \$1.194 million, \$2.716 million, and \$36.359 million, respectively, on the Statement of Net Position.

The amounts reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Table 16-7 (amounts expressed in thousands)

Year ended June 30,	GARS	JRS	SERS <sup>^</sup>	TRS <sup>^^</sup>	SURS
2020	\$ 752	\$ 54,443	\$ 611,218	\$ 2,116,361	\$ 763,171
2021	451	3,006	201,513	1,589,055	540,443
2022	(386)	(11,678)	(447,172)	(355,080)	(192,612)
2023	(21)	(1,592)	(79,887)	140,417	(36,663)
2024	-	-	-	149,665	-
Total	<u>\$ 796</u>	<u>\$ 44,179</u>	<u>\$ 285,672</u>	<u>\$ 3,640,418</u>	<u>\$ 1,074,339</u>

<sup>^</sup> The amounts represent the collective deferred outflows and inflows of resources for the State, including THA and ICHIP, to be recognized as expense in future years.

<sup>^^</sup> The amounts represent the State's employer and nonemployer proportionate share of deferred outflows and deferred inflows of resources to be recognized as expense in future years.

**Actuarial methods and assumptions.** Actuarial valuations of an ongoing retirement system involve estimates and calculations of the value of reported amounts and assumptions about the probability of occurrence of events on a long-term perspective. Examples include assumptions about future employment and mortality. Amounts determined regarding the net pension liability of the retirement systems are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the types of benefits provided and the cost sharing between the employer and plan members at the time of each valuation and do not include the potential effects of legal or contractual funding. Information about actuarial methods and assumptions used in the actuarial valuation of the plan is presented in Table 16-8.

	<u>GARS</u>	<u>JRS</u>	<u>SERS</u>	<u>TRS</u>	<u>SURS</u>
Valuation date	6/30/2018	6/30/2018	6/30/2018	6/30/2017*	6/30/2017*
Measurement date	6/30/2018	6/30/2018	6/30/2018	6/30/2018	6/30/2018
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Actuarial assumptions:					
Investment rate of return	6.75%	6.75%	7.00%	7.00%	6.75%
Projected salary increases**	2.75%	2.75%	3.00% - 7.42%	4.00% - 9.50%	3.25% - 12.25%
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.25%
Postretirement benefit increases					
Tier 1	3%, compounded	3%, compounded	3%, compounded	3%, compounded	3%
Tier 2	Lesser of 3% or annual increase in CPI <sup>^</sup> , compounded	Lesser of 3% or annual increase in CPI <sup>^</sup> , compounded	Lesser of 3% or 1/2 of CPI <sup>^</sup> , on original benefit	1.25% not compounded	Lesser of 3% or 1/2 of CPI <sup>^</sup>
Retirement age experience study <sup>^^</sup>	July 2012 - June 2015	July 2012 - June 2015	July 2012 - June 2015	July 2014 - June 2017	July 2014 - June 2017
Mortality <sup>^^^</sup>					
GARS	RP-2014 White Collar Total Healthy Annuitant mortality table, sex distinct, set forward 1 year for males and set back 1 year for females and generational mortality improvements using MP-2014 two-dimensional mortality improvement scales				
JRS	RP-2014 White Collar Total Healthy Annuitant mortality table, sex distinct, set forward 1 year for males and set back 1 year for females and generational mortality improvements using MP-2014 two-dimensional mortality improvement scales				
SERS	105 percent of the RP 2014 Healthy Annuitant mortality table, sex distinct, with rates projected to 2015; generational mortality improvement factors were added				
TRS	RP-2014 with future mortality improvements on a fully generational basis using projection table MP-2017				
SURS	RP-2014 White Collar, gender distinct, projected using MP-2014 two dimensional mortality improvement scale, set forward one year for male and female annuitants				
Note: the above actuarial assumptions were used to calculate the total pension liability as of the current year measurement date and are consistent with the actuarial assumptions used to calculate the total pension liability as of the prior year measurement date except for the following:					
	<u>GARS</u>	<u>JRS</u>	<u>SERS</u>	<u>TRS</u>	<u>SURS</u>
Investment rate of return					7.25%
Projected salary increases**	3.00%	3.00%	3.25% - 7.67%	3.25% - 9.25%	3.75% - 15.0%
Inflation rate	2.75%	2.75%	2.75%		2.75%
Retirement age experience study <sup>^^</sup>			July 2009 - June 2013	July 2011 - June 2014	July 2010 - June 2014
Mortality				RP-2014 with future mortality improvements on a fully generational basis using projection table MP-2014	
* The total pension liability is based on an actuarial valuation date of June 30, 2017, rolled-forward to the measurement date using generally accepted actuarial procedures.					
** Includes inflation rate listed.					
<sup>^</sup> Consumer Price Index					
<sup>^^</sup> The actuarial assumptions used in the respective actuarial valuations are based on the results of actuarial experience studies for the periods defined. The TRS Board of Trustees adopted minor increases to assume rates of salary growth; corrected the severance pay assumption; and adjusted rates of turnover, disability and retirement based on plan experience. However, the investment return assumption of 7.0 percent did not change.					
<sup>^^^</sup> Mortality rates are based on mortality tables published by the Society of Actuaries' Retirement Plans Experience Committee.					

**Long-term expected return on plan assets.** The investments of GARS, JRS, and SERS are managed by the Illinois State Board of Investment (“ISBI”), thus the long-term expected rate of return on pension plan investments is determined for the pool of investments. The long-term expected rate of return on pension plan investments is determined using the best estimates of geometric real rates of return for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plans’ target asset allocation, calculated as of the measurement date of June 30, 2018, the best estimates of geometric real rates of return are summarized in the following table:

Table 16-9

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	23%	5.50%
Developed Foreign Equity	13%	5.30%
Emerging Market Equity	8%	7.80%
Private Equity	7%	7.60%
Intermediate Investment Grade Bonds	14%	1.50%
Long-term Government Bonds	4%	1.80%
TIPS	4%	1.50%
High Yield and Bank Loans	5%	3.80%
Opportunistic Debt	8%	5.00%
Emerging Market Debt	2%	3.70%
Core Real Estate	5.5%	3.70%
Non-core Real Estate	4.5%	5.90%
Infrastructure	2%	5.80%
<b>Total</b>	<b>100%</b>	

The long-term expected rate of return assumption on pension plan investments under the TRS plan was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018, that were used by the actuary are summarized in the following table:

Table 16-10

Asset Class	TRS	
	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equities Large Cap	15%	6.70%
U.S. Equities Small/Mid Cap	2%	7.90%
International Equities Developed	14%	7.00%
Emerging Market Equities	3%	9.40%
U.S. Bonds Core	8%	2.20%
U.S. Bonds High Yield	4%	4.40%
International Debt Developed	2%	1.30%
Emerging International Debt	3%	4.50%
Real Estate	16%	5.40%
Real Return	4%	1.80%
Absolute Return	14%	3.90%
Private Equity	15%	10.20%
<b>Total</b>	<b>100%</b>	

The long-term expected rate of return on pension plan investments under the SURS plan is determined using a building-block method, which includes best estimate ranges of expected future real rates of return, developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2018, the measurement date, the best estimate of the expected arithmetic real rate of return is summarized in the following table:

Table 16-11

Asset Class	SURS	
	Strategic Policy Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	23%	5.00%
Private Equity	6%	8.50%
Non U.S. Equity	19%	6.45%
Global Equity	8%	6.00%
Fixed Income	19%	1.50%
Treasury Inflation-Protected Securities	4%	0.75%
Emerging Market Debt	3%	3.65%
Real Estate	10%	10.20%
Commodities	2%	2.00%
Hedged Strategies	5%	2.85%
Opportunity Fund	1%	7.00%
<b>Total</b>	<b>100%</b>	<b>4.55%</b>
<b>Inflation</b>		<b>2.75%</b>
<b>Expected Arithmetic Normal Return</b>		<b>7.30%</b>

**Discount rate.** The discount rate used to measure the total pension liability for each system as calculated using the June 30, 2018 and June 30, 2017 measurement dates, respectively, is shown in Table 16-12. These single discount rates were based on the expected rate of returns on pension plan investments as noted in Table 16-8 and a municipal bond rate of 3.62% based on an index of 20 year general obligation bonds with an average AA credit rating as published by the Federal Reserve. The projection of cash flows used to determine the discount rates assumed that contributions will be made based on the statutorily required rates under Illinois law for each of the plans. Based on these assumptions, it has been determined that the fiduciary net position and future contributions will be sufficient to finance the benefit payments through the year 2071, 2063, 2075, and 2075 for GARS, JRS, SERS, and SURS, respectively. As a result, the long-term expected rate of return on pension plan investments has been applied through the respective year for each plan, at which time the municipal bond rate has been applied to all remaining benefit payments. For TRS, the plan's fiduciary net position and future contributions will be sufficient to finance the benefit payments through the year 2120.

Table 16-12

Plan	Current Discount	Prior Discount	Change
	Rate (%)	Rate (%)	
GARS	6.68%	6.66%	0.02%
JRS	6.60%	6.58%	0.02%
SERS	6.81%	6.78%	0.03%
TRS	7.00%	7.00%	0.00%
SURS	6.65%	7.09%	-0.44%

**Sensitivity of the net pension liability to changes in the discount rate.** The net pension liability for each system was calculated using the stated discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate are shown in Table 16-13 below:

Table 16-13 (amounts expressed in thousands)

Plan	Current Discount Rate (%)	1% Decrease	Current Discount Rate	1% Increase
GARS	6.68%	\$ 370,134	\$ 325,975	\$ 289,173
JRS	6.60%	\$ 2,095,210	\$ 1,771,383	\$ 1,498,870
SERS <sup>^</sup>	6.81%	\$ 40,018,351	\$ 33,056,409	\$ 27,352,678
TRS <sup>^^</sup>	7.00%	\$ 94,221,840	\$ 76,827,641	\$ 62,820,074
SURS	6.65%	\$ 33,352,189	\$ 27,494,557	\$ 22,650,652

<sup>^</sup> The amounts represent the collective net pension liability for the State, including THA and ICHIP.

<sup>^^</sup> The amounts represent the State's employer and nonemployer proportionate share of the net pension liability.

**Payables to the pension plan.** At June 30, 2019, the State reported the following payable amounts to the retirement systems for the outstanding amount of contributions to the pension plans required for the year ended June 30, 2019.

Table 16-14 (amounts expressed in thousands)

Plan	Payable to pension plan
GARS	\$ 968
JRS	\$ 5,853
SERS <sup>^</sup>	\$ 242,635
TRS <sup>^^</sup>	\$ 558,757
SURS	\$ 150,635

<sup>^</sup> Amount represents the collective payable for the State, including THA and ICHIP.

<sup>^^</sup> Amount represents the State's nonemployer payable to the plan.

**17 POSTEMPLOYMENT BENEFITS**

**Plan description.** The State Employees Group Insurance Act of 1971 (“Act”), as amended, authorizes the Illinois State Employees Group Insurance Program (“SEGIP”) to provide health, dental, vision, and life insurance benefits for certain retirees and their dependents. Substantially all State and university component unit employees become eligible for these other postemployment benefits (“OPEB”) if they eventually become annuitants of one of the State sponsored pension plans. This includes employees of State agencies as well as employees of Illinois Toll Highway Authority (“THA”), Illinois Comprehensive Health Insurance Plan (“ICHIP”), and the State’s nine university component units. The State sponsored pension plans include the General Assembly Retirement System (“GARS”), Judges Retirement System (“JRS”), State Employees’ Retirement System of Illinois (“SERS”), Teachers’ Retirement System (“TRS”), and State Universities Retirement System of Illinois (“SURS”). The eligibility provisions for each of the retirement systems are defined within Note 16. Additionally, certain members covered under TRS for pension purposes are eligible for retiree healthcare benefits under the Teachers’ Retirement Insurance Program (“TRIP”). Other TRS members eligible for coverage under SEGIP include: certified teachers employed by certain State agencies, executives employed by the Board of Education, regional superintendents, regional assistant superintendents, TRS employees and members with certain reciprocal service.

The Department of Central Management Services administers these benefits for annuitants with the assistance of the public retirement systems sponsored by the State (GARS, JRS, SERS, TRS and SURS). The State recognizes SEGIP OPEB benefits as a single-employer defined benefit plan. The plan does not issue a stand-alone financial report.

**Benefits provided.** The health, dental, and vision benefits provided to and contribution amounts required from annuitants are the result of collective bargaining between the State and the various unions representing the State’s and the university component units’ employees in accordance with limitations established in the Act. Therefore, the benefits provided and contribution amounts are subject to periodic change. Coverage through SEGIP becomes secondary to Medicare after Medicare eligibility has been reached. Members must enroll in Medicare Parts A and B to receive the subsidized SEGIP premium available to Medicare eligible participants. The Act requires the State to provide life insurance benefits for annuitants equal to their annual salary as of the last day of employment until age 60, at which time, the benefit amount becomes \$5,000.

**Employees covered by benefit terms.** As of the measurement date June 30, 2018, the following employees were covered by the defined benefit terms of the plan.

Inactive employees or beneficiaries currently receiving benefit payments	93,562
Inactive employees entitled to but not yet receiving benefit payments	23,236
Active employees	106,352
Total	223,150

**Funding policy and annual other postemployment benefit cost.** OPEB offered through SEGIP are financed through a combination of retiree premiums, State contributions and Federal government subsidies from the Medicare Part D program. Contributions are deposited in the Health Insurance Reserve Fund, which covers both active State employees and retirement members. Annuitants may be required to contribute towards health and vision benefits with the

amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested do not contribute toward health and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant’s contribution amount is reduced five percent for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health and vision benefits. All annuitants are required to pay for dental benefits regardless of retirement date. The Director of Central Management Services shall, on an annual basis, determine the amount the State shall contribute toward the basic program of group health benefits. State contributions are made primarily from the General Revenue Fund on a pay-as-you-go basis. No assets are accumulated or dedicated to funding the retiree health insurance benefit and a separate trust has not been established for the funding of OPEB.

For fiscal year 2019, the annual cost of the basic program of group health, dental, and vision benefits before the State’s contribution was \$11,269.44 (\$6,698.64 if Medicare eligible) if the annuitant chose benefits provided by a health maintenance organization and \$13,823.52 (\$4,983.60 if Medicare eligible) if the annuitant chose other benefits. The State is not required to fund the plan other than the pay-as-you-go amount necessary to provide the current benefits to retirees.

**Total OPEB liability, deferred outflows of resources, deferred inflows of resources and expense related to OPEB.** The total OPEB liability, as reported at June 30, 2019, was measured as of June 30, 2018, with an actuarial valuation as of June 30, 2017. The schedule of changes in the State’s total OPEB liability, as of the measurement date, are presented below:

Table 17-2 (amounts expressed in thousands)	
<b>Total OPEB liability<sup>^</sup></b>	
Service cost	\$ 1,372,139
Interest on the total OPEB liability	1,435,703
Difference between expected and actual experience	(1,096,157)
Changes of assumptions	(898,313)
Benefit payments	(2,043,983)
<b>Net change in total OPEB liability</b>	<b>(1,230,611)</b>
<b>Total OPEB liability at June 30, 2017</b>	<b>41,323,859</b>
<b>Total OPEB liability at June 30, 2018</b>	<b>\$ 40,093,248</b>
Covered-employee payroll	\$ 7,516,763
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>533.38%</b>
<sup>^</sup> Amounts represent the collective total OPEB liability for the State, including THA, ICHIP, and the nine university component units.	

The following table presents the total OPEB liability allocated between the primary government and the component units of the State.



Table 17-3 (amounts expressed in thousands)

Primary Government		\$ 38,478,973
Component Units:		
Toll Highway Authority	\$ 140,126	
Other Authorities - Illinois		
Comprehensive Health		
Insurance Plan	722	
Illinois State University	24,297	
Northern Illinois University	42,419	
Southern Illinois University	137,600	
University of Illinois	1,191,892	
Other Universities	77,219	
Total Component Units		1,614,275
<b>Total OPEB liability</b>		<b>\$40,093,248</b>

The State recognized a collective total OPEB expense, including the primary government, THA, ICHIP and the nine university component units, for the year ended June 30, 2019, of \$1.551 billion.

At June 30, 2019, the primary government and its component units reported deferred outflows and deferred inflows of resources, as of the measurement date of June 30, 2018, from the following sources:

Table 17-4 (amounts expressed in thousands)

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total SEGIP</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 9,856	\$ 413	\$ 10,269
Changes in proportion and differences between employer contributions and proportionate share of contributions	(69,047)	69,047	-
State contributions subsequent to the measurement date	934,891	42,494	977,385
<b>Total deferred outflows of resources</b>	<u>\$ 875,700</u>	<u>\$ 111,954</u>	<u>\$ 987,654</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 847,295	\$ 35,546	\$ 882,841
Changes of assumptions	3,613,560	151,597	3,765,157
Changes in proportion and differences between employer contributions and proportionate share of contributions	(394,269)	394,269	-
<b>Total deferred inflows of resources</b>	<u>\$ 4,066,586</u>	<u>\$ 581,412</u>	<u>\$ 4,647,998</u>

The component unit deferred outflows and deferred inflows of resources presented above are further allocated to THA, ICHIP and the State’s nine university component units in the table below:

Table 17-5 (amounts expressed in thousands)

	Toll Highway Authority	Other Authorities ICHIP	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois	Other Universities	Total Component Units
<b>Deferred outflows of resources</b>								
Differences between expected and actual experience	\$ 36	\$ -	\$ 6	\$ 11	\$ 35	\$ 305	\$ 20	\$ 413
Changes in proportion and differences between employer contributions and proportionate share of contributions	35,521	-	-	4,322	-	28,489	715	69,047
Contributions subsequent to the measurement date	8,497 <sup>^</sup>	13	621	931	3,220	27,549	1,663	42,494
<b>Total deferred outflows of resources</b>	<b>\$ 44,054</b>	<b>\$ 13</b>	<b>\$ 627</b>	<b>\$ 5,264</b>	<b>\$ 3,255</b>	<b>\$ 56,343</b>	<b>\$ 2,398</b>	<b>\$ 111,954</b>
<b>Deferred inflows of resources</b>								
Differences between expected and actual experience	\$ 3,086	\$ 16	\$ 535	\$ 934	\$ 3,030	\$ 26,245	\$ 1,700	\$ 35,546
Changes of assumptions	13,159	68	2,282	3,983	12,922	111,931	7,252	151,597
Changes in proportion and differences between employer contributions and proportionate share of contributions	24,448	3,563	5,757	5,392	57,422	261,793	35,894	394,269
<b>Total deferred inflows of resources</b>	<b>\$ 40,693</b>	<b>\$ 3,647</b>	<b>\$ 8,574</b>	<b>\$ 10,309</b>	<b>\$ 73,374</b>	<b>\$ 399,969</b>	<b>\$ 44,846</b>	<b>\$ 581,412</b>

<sup>^</sup> THA reported \$1.161 million of contributions subsequent to the measurement date as of December 31, 2018, its fiscal year end.

The amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction to the OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Table 17-6 (amounts expressed in thousands)

<b>Year ended June 30,</b>	
2020	\$ (1,267,181)
2021	(1,267,181)
2022	(1,267,180)
2023	(782,368)
2024	(53,819)
<b>Total</b>	<b>\$ (4,637,729)</b>

The amounts represent the collective deferred outflows and inflows of resources for the State, including THA, ICHIP, and the nine university component units, to be recognized as expense in future years.

**Actuarial methods and assumptions.** The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified. The actuarial valuation for the SEGIP was based on GARS, JRS, SERS, TRS, and SURS active, inactive, and retiree data as of June 30, 2017, for eligible SEGIP employees, and SEGIP retiree data as of June 30, 2017.

Table 17-7	
<b>Valuation Date</b>	June 30, 2017
<b>Measurement Date</b>	June 30, 2018
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Inflation Rate</b>	2.75%
<b>Projected Salary Increases*</b>	3.00% - 15.00%
<b>Discount Rate</b>	3.62%
<b>Healthcare Cost Trend Rate:</b>	
Medical (Pre-Medicare)	8.0 % grading down 0.5% in the first year to 7.5%, then grading down 0.08% in the second year to 7.42%, followed by grading down of 0.5% per year over 5 years to 4.92% in year 7
Medical (Post-Medicare)	9.0% grading down 0.5% per year over 9 years to 4.5%
Dental and Vision	6.0% grading down 0.5% per year over 3 years to 4.5%
<b>Retirees' share of benefit-related costs</b>	Healthcare premium rates for members depend on the date of retirement and the years of service earned at retirement. Members who retired before January 1, 1998, are eligible for single coverage at no cost to the member. Members who retire after January 1, 1998, are eligible for single coverage provided they pay a portion of the premium equal to 5 percent for each year of service under 20 years. Eligible dependents receive coverage provided they pay 100 percent of the required dependent premium. Premiums for plan year 2018 and 2019 are based on actual premiums. Premiums after 2019 were projected based on the same healthcare cost trend rates applied to per capita claim costs but excluding the additional trend rate that estimates the impact of the Excise Tax.
* Dependent upon service and participation in the respective retirement systems. Includes inflation rate listed.	

Additionally, the demographic assumptions used in the this OPEB valuation are identical to those used in the June 30, 2017 valuations for GARS, JRS, SERS, TRS, and SURS as follows:

Table 17-8

	Retirement age experience study <sup>^</sup>	Mortality <sup>^^</sup>
<b>GARS</b>	July 2012 - June 2015	RP-2014 White Collar Total Healthy Annuitant mortality table, sex distinct, set forward 1 year for males and set back 1 year for females and generational mortality improvements using MP-2014 two-dimensional mortality improvement scales
<b>JRS</b>	July 2012 - June 2015	RP-2014 White Collar Total Healthy Annuitant mortality table, sex distinct, set forward 1 year for males and set back 1 year for females and generational mortality improvements using MP-2014 two-dimensional mortality improvement scales
<b>SERS</b>	July 2009 - June 2013	105 percent of the RP 2014 Healthy Annuitant mortality table, sex distinct, with rates projected to 2015; generational mortality improvement factors were added
<b>TRS</b>	July 2014 - June 2017	RP-2014 with future mortality improvements on a fully generational basis using projection table MP-2017
<b>SURS</b>	July 2014 - June 2017	RP-2014 White Collar, gender distinct, projected using MP-2014 two dimensional mortality improvement scale, set forward one year for male and female annuitants

<sup>^</sup> The actuarial assumptions used in the respective actuarial valuations are based on the results of actuarial experience studies for the periods defined. A modified experience review was completed for SERS for the 3-year period ending June 30, 2015. Changes were made to the assumptions regarding investment rate of return, projected salary increases, inflation rate, and mortality based on this review. All other assumptions remained unchanged.

<sup>^^</sup> Mortality rates are based on mortality tables published by the Society of Actuaries' Retirement Plans Experience Committee.

**Discount rate.** Retirees contribute a percentage of the premium rate based on service at retirement. The State contributes additional amounts to cover claims and expenses in excess of retiree contributions. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 3.56% at June 30, 2017, and 3.62% at June 30, 2018, was used to measure the total OPEB liability.

**Sensitivity of total OPEB liability to changes in the single discount rate.** The following presents the plan's total OPEB liability, calculated using a single discount rate of 3.62%, as well as what the plan's total OPEB liability would be if it were calculated using a single discount rate that is one percentage point higher (4.62%) or lower (2.62%) than the current rate:

Table 17-9 (amounts expressed in thousands)

	1% Decrease (2.62%)	Current Single Discount Rate Assumption (3.62%)	1% Increase (4.62%)
Total OPEB liability <sup>^</sup>	\$ 47,004,444	\$ 40,093,248	\$ 34,606,899

<sup>^</sup> The amounts represent the collective total OPEB liability for the State including THA, ICHIP, and the nine university component units.

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate.** The following presents the plans total OPEB liability, calculated using the healthcare cost trend rates as well as what the plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend

rates. The key trend rates are 8.00% in 2019 decreasing to an ultimate trend rate of 4.92% in 2026, for non-Medicare coverage, and 9.00% decreasing to an ultimate trend rate of 4.50% in 2028 for Medicare coverage.

Table 17-10 (amounts expressed in thousands)

	1% Decrease*	Current Healthcare Cost Trend Rates Assumption	1% Increase**
Total OPEB liability^	\$ 33,863,128	\$ 40,093,248	\$ 48,187,091

^ The amounts represent the collective total OPEB liability for the State including THA, ICHIP, and the nine university component units.

\* One percentage point decrease in healthcare trend rates are 7.00% in 2019 decreasing to an ultimate trend rate of 3.92% in 2026, for non-Medicare coverage, and 8.00% in 2019 decreasing to an ultimate trend rate of 3.50% in 2028 for Medicare coverage.

\*\* One percentage point increase in healthcare trend rates are 9.00% in 2019 decreasing to an ultimate trend rate of 5.92% in 2026, for non-Medicare coverage, and 10.00% in 2019 decreasing to an ultimate trend rate of 5.50% in 2028 for Medicare coverage.

**Plans administered for other governments.** The State also administers cost-sharing OPEB plans for teachers at school districts in Illinois (excluding Chicago) and for teachers at community colleges in Illinois. Financial statements for these plans may be obtained from the Department of Central Management Services (“Department”), 704 Stratton Office Building, Springfield, Illinois 62706. Eligibility to participate in both OPEB plans is defined in the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5 and 5 ILCS 375/6.9, respectively.) The Act, as amended, establishes the benefits provided to retirees; the rates of contribution for active employees, employers, and the State; and the process, if any, to amend rates of contribution for both plans.

**Plan description.** The Teacher Health Insurance Security Fund (“THISF”) (also known as the Teacher Retirement Insurance Program (“TRIP”)) is a non-appropriated trust fund held outside of the State Treasury, with the State Treasurer as custodian. Amounts deposited into the trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. TRIP is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating school districts throughout the State of Illinois, excluding the Chicago Public School System. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. The Department administers the plan with the cooperation of TRS.

To be eligible, retirees of public schools must have been certified educators or administrators during their time of employment. Eligibility to participate in the plan is currently limited to former full-time employees, or if not a full-time employee, an individual that is in a permanent and continuous basis in a position in which services are expected to be rendered for at least one school term, and their dependents. As of the measurement date of June 30, 2018, there were 978 school districts participating.

The Community College Health Insurance Security Fund (“CCHISF”) (also known as The College Insurance Program, “CIP”) is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Amounts deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. CIP is a cost-sharing multiple-employer defined benefit post-employment

healthcare plan that covers retired employees and their dependents of Illinois community college districts throughout the State of Illinois, excluding the City Colleges of Chicago. The Department administers the plan with the cooperation of SURS and the boards of trustees of the various community college districts.

All members receiving benefits from SURS who have been full-time employees of a community college district or an association of a community college who have paid the required active member contributions prior to retirement age are eligible to participate in CIP. Survivors of an annuitant or benefit recipient eligible for CIP coverage are also eligible for coverage under CIP. As of the measurement date of June 30, 2018, there were 39 community college districts participating.

**Benefits provided.** TRIP health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. CIP health coverage includes provisions for medical, prescription drugs, vision, dental and behavioral health benefits.

**Employees covered by benefit terms.** As of the measurement date of June 30, 2018, the following employees were covered by the defined benefit terms of each program, respectively:

	TRIP	CIP
Inactive employees or beneficiaries currently receiving benefit payments	64,899	6,324
Inactive employees entitled to but not yet receiving benefit payments	38,319	5,682
Active employees	154,796	20,407
Total	<u>258,014</u>	<u>32,413</u>

**Funding policy and contributions.** For TRIP retiree healthcare benefits are funded on a pay-as-you-go basis. The cost of TRIP is shared among active members, retirees, the individual school districts and the State. For fiscal year 2019, active members contributed 1.24% of pay, and school districts contributed an amount equal to 0.92% of each teacher’s salary. The Department of Central Management Services determines, by rule, the percentage required, which each year, shall not exceed 105% of the percentage of salary required to be paid in the previous fiscal year. In addition, the State Employees Group Insurance Act of 1971 requires the State contribute 1.24% of salaries. The State contribution amount is annually adjusted to true-up the contribution that was certified two years prior using actual covered payroll. The State contributed \$120.809 million for fiscal year 2019.

The Act requires that the Department’s Director determine the rates and premiums of annuitants and dependent beneficiaries and establish the cost-sharing parameters, as well as funding. Member premiums are set by this statute, which provides for a subsidy of either 50% or 75%, depending upon member benefit choices. Dependents are eligible for coverage, at a rate of 100% of the cost of coverage.

For CIP retiree healthcare benefits are funded on a pay-as-you-go basis. The cost of CIP is shared among active members, retirees, community college districts and the State. For fiscal year 2019, the Act required every active contributor of SURS, who is a full-time employee of a community college district or an association of community college boards, to make contributions to the plan at the rate of 0.5% of salary and every community college district or association of community college boards to contribute to the plan an amount equal to 0.5% of the salary paid to its full-time employees who are required to contribute to the plan. The State is also required to

contribute 0.5% of salaries. The State contribution amount is annually adjusted to true-up the contribution that was certified two years prior using actual covered payroll. In addition, the State contributed \$5 million to the plan through an appropriation in fiscal year 2019. The State contributed \$9.208 million for fiscal year 2019.

The Act requires the Department’s Director to determine the rates and premiums for annuitants and dependent beneficiaries and establish the cost-sharing parameter, as well as funding. At the option of the board of trustees, the college districts may pay all or part of the balance of the cost of coverage for retirees from their district. Administrative costs are paid by CIP.

***OPEB liabilities, deferred outflows and inflows of resources related to OPEB and OPEB expense.*** TRIP is a cost-sharing multiple-employer defined benefit plan with a special funding situation. As a nonemployer contributing entity, at June 30, 2019, the State reported a liability of \$15.100 billion for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. At June 30, 2018, the State’s proportion was 57.316%, based on its contribution requirement. This is an increase of 0.960% from its proportionate share measured as of the prior year measurement date of June 30, 2017.

CIP is also a cost-sharing multiple-employer defined benefit plan with a special funding situation. At June 30, 2019, the State reported a liability of \$942.626 million for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. At June 30, 2018, the State’s proportionate share of the liability was 50.000% based on its contribution requirement. This is an increase of 0.667% from its proportionate share measured as of the prior year measurement date of June 30, 2017.

As a result of the State’s contribution requirements for the plans, the State recognized OPEB expense for the year ended June 30, 2019, as follows:

<b>Plan</b>	<b>OPEB Expense</b>
TRIP	\$ 783,925
CIP	\$ 59,625

At June 30, 2019, the State reported deferred outflows and deferred inflows of resources related to each plan, as of the measurement date from the following sources:

	TRIP		CIP	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 54,180	\$ 13,854	\$ 2,064
Changes of assumptions	-	2,198,862	-	117,989
Net difference between projected and actual investment earnings on OPEB plan investments	-	463	-	31
Changes in proportion and differences between employer contributions and share of contributions.	137,212	273,661	5,467	16,515
State contributions subsequent to the measurement date	120,809	-	9,208	-
<b>Total</b>	<b>\$ 258,021</b>	<b>\$ 2,527,166</b>	<b>\$ 28,529</b>	<b>\$ 136,599</b>

The amounts reported as deferred outflows of resources resulting from State contributions to TRIP and CIP, respectively, subsequent to the measurement date will be recognized as a reduction of the respective net OPEB liability for each of the plans in the year ended June 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources for TRIP and CIP as a result of the State's requirement to contribute to the plans will be recognized in expense as follows:

Year ended June 30,	TRIP	CIP
2020	\$ (417,513)	\$ (27,469)
2021	(417,513)	(27,469)
2022	(417,514)	(27,468)
2023	(417,473)	(27,466)
2024	(417,387)	(7,406)
Thereafter	(302,554)	-
<b>Total</b>	<b>\$ (2,389,954)</b>	<b>\$ (117,278)</b>

**Actuarial methods and assumptions.** The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified. The actuarial valuation of TRIP was based on TRS active, inactive and retiree data as of June 30, 2017, and TRIP retiree data as of June 30, 2017, while the actuarial valuation of CIP was based on SURS active, inactive and retiree data as of June 30, 2017, for eligible community college members, and CIP retiree data as of June 30, 2017.



Table 17-15	TRIP	CIP
Valuation Date	June 30, 2017	June 30, 2017
Measurement Date	June 30, 2018	June 30, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Inflation Rate	2.75%	2.75%
Projected Salary Increases*	3.25% - 9.25%	3.75% - 10.0%
Investment Rate of Return	0.00%	0.00%
Retirement age experience study ^	July 2011 - June 2014	July 2010 - June 2014
Mortality	RP-2014 with future mortality improvements on a fully generational basis using projection table MP-2014	RP-2014 White Collar, gender distinct, projected using MP-2014 two dimensional mortality improvement scale, set forward one year for male and female annuitants.
Healthcare Cost Trend Rate:		
Medical and Rx (Pre-Medicare)	8.0% grading down 0.5% in the first year to 7.5%, then grading down 0.14% in the second year to 7.36%, followed by grading down of 0.5% per year over 5 years to 4.86% in year 7.	8.0% grading down 0.5% per year over 3 years to 6.5%, then grading down 0.9% in year 4 to 6.41%, followed by grading down of 0.5% per year over 3 years to 4.91% in year 7.
Medical and Rx (Post-Medicare)	9.0% grading down 0.5% per year over 9 years to 4.5%.	9.0% grading down 0.5% per year over 9 years to 4.5%.
Retiree Premium	5.0% grading down 0.5% in the final year 9.	5.0% grading down 0.5% in year 7.
Dental and Vision	n/a	6.00% grading down 0.5% per year over 3 years to 4.5%.
* Dependent upon service and participation in the respective retirement systems. Includes inflation rate listed.		
^ The actuarial assumptions used in the respective actuarial valuations are based on the results of actuarial experience studies for the periods defined.		

As of the measurement date of June 30, 2018, the THSIF and CCHISF earned \$743 thousand and \$59 thousand in interest, respectively. Due to a significant benefit payable in each plan, the market value of assets for TRIP and CIP was negative. The significant benefit payable, the negative asset value, and the pay-as-you-go funding policy resulted in a long-term expected rate of return assumption of zero for both plans.

**Discount rate.** Retirees contribute a percentage of the premium rate based on service at retirement. The State contributes additional amounts to cover claims and expenses in excess of retiree contributions. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 3.56% at June 30, 2017, and 3.62% at June 30, 2018, was used to measure the net OPEB liability for both TRIP and CIP.

**Sensitivity of net OPEB liability to changes in the single discount rate.** The net OPEB liability for each plan calculated using the single discount rate of 3.62%, as well as what the net OPEB liability would be if it were calculated using a single discount rate that is one percentage point lower (2.62%) or higher (4.62%) than the current rate is shown below:

Table 17-16 (amounts expressed in thousands)

Plan	1% Decrease (2.62%)	Current Single Discount Rate Assumption (3.62%)	1% Increase (4.62%)
TRIP	\$ 18,156,424	\$ 15,100,333	\$ 12,687,809
CIP	\$ 1,092,479	\$ 942,626	\$ 817,904

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate.** The net OPEB liability for each plan calculated using the healthcare cost trend rates as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or higher than the current healthcare cost trend rates is shown below. The key trend rates are 8.00% in 2019 decreasing to an ultimate trend rate of 4.86% for TRIP and 4.91% for CIP in 2026, for non-Medicare coverage, and 9.00% in 2019 decreasing to an ultimate trend rate of 4.50% for both plans in 2028, for Medicare coverage.

Table 17-17 (amounts expressed in thousands)

Plan	1% Decrease*	Current Healthcare Cost Trend Rates Assumption	1% Increase**
TRIP	\$ 12,243,925	\$ 15,100,333	\$ 18,948,601
CIP	\$ 781,431	\$ 942,626	\$ 1,154,783

\* One percentage point decrease in healthcare trend rates are 7.00% in 2019 for both plans decreasing to an ultimate trend rate of 3.86% for TRIP and 3.91% for CIP in 2026, for non-Medicare coverage, and 8.00% in 2019, decreasing to an ultimate trend rate of 3.50% in 2028 for Medicare coverage for both plans.

\*\* One percentage point increase in healthcare trend rates are 9.00% in 2019, for both plans, decreasing to an ultimate trend rate of 5.86% for TRIP and 5.91% for CIP in 2026, for non-Medicare coverage, and 10.00% in 2019 decreasing to an ultimate trend rate of 5.50% in 2028 for Medicare coverage.

## 18 FAIR VALUE MEASUREMENTS

The State categorizes the fair value measurement of its investments held within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement of that investment. The following describes the hierarchy of inputs used to measure fair value and primary valuation methodologies used for financial instruments measured at fair value on a recurring basis. Level 1 investments include those whose values are based on quoted prices (unadjusted) for identical assets in active markets that a government can access at the measurement date. Level 2 includes investments with inputs—other than quoted prices included within Level 1—that are observable for an asset, either directly or indirectly. Investments classified as Level 3 have unobservable inputs for an asset and may require a degree of professional judgment.

Investments held by the State Treasurer are recorded at fair market value, with the exception of U.S. Treasury bills, U.S. Agency discount notes, commercial paper, money market mutual funds, repurchase agreements, and Illinois Public Treasurers' Investment Pool, which are valued at amortized cost. Certain short-term investments have a maturity date of less than one year from

the acquisition date and are valued at amortized cost as permitted by GASB Statement No. 72. The Treasurer's investments in U.S. Treasury bills and U.S. Agency discount notes are short-term investments with no coupon payments. The investments in repurchase agreements have maturities less than one year from date of acquisition. The Illinois Public Treasurers' Investment Pool is considered an external investment pool under GASB Statement No. 79; thus, the State has made the election to report all investments within the pool at amortized cost.

The following table summarizes the investments held by the State Treasurer in the State Treasury as of June 30, 2019. The amounts are segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value.

Table 18-1 (amounts expressed in thousands)

Investment Type	Fair Value	Significant Other Observable Inputs (Level 2)
Investments by fair value level		
U.S. Treasury obligations	\$ 1,693,625	\$ 1,693,625
U.S. Agency obligations	2,349,045	2,349,045
Supranational bonds	119,349	119,349
Municipal debt	81,252	81,252
Corporate debt securities	517,530	517,530
Equity in other investment pools	13	13
Total investments by fair value level	4,760,814	\$ 4,760,814
Investments measured at the net asset value (NAV)		
Private equity (1)	109,005	
Total investments measured at the NAV	109,005	
Investments measured at amortized cost		
U.S. Treasury bills	994,802	
U.S. Agency discount notes	522,639	
Commercial paper	4,214,659	
Money market mutual funds	1,089,025	
Repurchase agreements	1,251,255	
Securities lending collateral invested in repurchase agreements	3,103,274	
Illinois Public Treasurers' Investment Pool	1,408,702	
Total investments measured at amortized cost	12,584,356	
Total investments	\$ 17,454,175	

- (1) **Private equity:** The Illinois Technology Development I and II (ITD I and ITD II) investments cannot be redeemed with the funds. Instead, the nature of these investments is that distributions are received through various means including, but not limited to, the cash distributed by the fund from portfolio companies, dividend payments paid by a company to a fund, or liquidation of the underlying assets of the fund over the contractual term lives of the investments. The contractual terms of these investments generally range between 10-15 years from the original investment date depending upon whether optional extensions are exercised by the general partners of the partnerships. Based on the terms of the limited partnership investments, it is anticipated that the last of the proceeds of these investments will be returned no later than February 10, 2024 for ITD I and June 28, 2029 for ITD II, with the bulk of the proceeds being received sooner. The fair values of the ownership interests in the various limited partnership investments have been

determined based on the most recent capital account balances provided by the respective general partners of each limited partnership. Due to the uniqueness and illiquid nature of the underlying privately-held investments, general partners use valuation techniques that rely on unobservable inputs such as estimates and appraisals derived from comparable market transactions to determine the net asset value per share (or its equivalent) for limited partner investors. As of June 30, 2019, there are unfunded commitments of \$112.926 million.

Primary government investments held outside of the State Treasury at June 30, 2019, except for investments held by the Illinois State Board of Investments (“ISBI”), Teachers’ Retirement System (“TRS”), and State Universities Retirement System (“SURS”) are measured at fair value. Short-term investments consisting of negotiable certificates of deposit are reported at fair value. These investments are measured at quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, and inputs other than quoted prices. These investments are categorized as Level 2 of the fair value hierarchy.

Debt and equity investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets, to the extent these securities are actively traded.

Investments classified in Level 2 of the fair value hierarchy are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors. Valuation estimates from service providers’ internal models use observable inputs such as interest rates, yield curves, credit/risk spreads, and default rates. Matrix pricing techniques value securities based on their relationship to benchmark quoted prices.

The annuities measured at Level 3 of the fair value hierarchy were purchased under group contracts with insurance companies to provide prize payments directly to lottery winners. Investments were purchased with maturities scheduled to coincide with cash requirements, and, therefore, the annuities are held to maturity to satisfy the annual installment obligations to prize winners. The fair value at maturity is the face value of the annuity, regardless of the fluctuations in value during the time period that the investments are outstanding. Investments may not be redeemed as these are obligation payments to prize winners.

The following table summarizes investments and derivative instruments held outside of the State Treasury at June 30, 2019, except for investments held by ISBI, TRS and SURS. The amounts are segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value.

Table 18-2 (amounts expressed in thousands)

Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Negotiable certificates of deposit	\$ 5,540	\$ -	\$ 5,540	\$ -
U.S. Treasury obligations	1,088,514	1,030,182	58,332	-
U.S. Agency obligations	38,729	40	38,689	-
Municipal debt	147,588	2,246	145,342	-
Corporate debt securities	75,777	-	75,777	-
Debt mutual funds	4,440,949	4,440,949	-	-
Government notes - non U.S.	4,408	1,505	2,903	-
Money market mutual funds	1,208,612	1,208,586	26	-
Equity securities	184,003	184,003	-	-
Equity mutual funds	6,780,852	6,780,852	-	-
Blended mutual funds	1,961	1,961	-	-
Guaranteed investment contracts	600,268	600,268	-	-
Bond trust funds	79,483	-	79,483	-
Equity trust funds	1,224,584	1,224,584	-	-
Mixed trust funds	2,631,986	2,631,986	-	-
Annuities	165	-	-	165
Other	44,361	-	44,361	-
Total investments by fair value level	18,557,780	\$ 18,107,162	\$ 450,453	\$ 165
Investments measured at the net asset value (NAV)				
High yield fund (1)	36,351			
Absolute return fund (2)	55,248			
Real estate investment trust (3)	38,106			
Infrastructure funds (4)	41,560			
Real estate funds (5)	40,645			
Private equity (6)	9,319			
International equity (7)	65,498			
U.S. equity mutual fund (8)	4,539			
U.S. debt mutual fund (8)	1,294			
Total investments measured at the NAV	292,560			
Investments measured at amortized cost				
Cash and pending trades	176			
Money market mutual funds	4,462			
Equity in Public Treasurers' Investment Pool	3,798,949			
Total investments measured at amortized cost	3,803,587			
Equity in Illinois State Board of Investments*	39,488			
Total investments	\$ 22,693,415			

\* Total investments of Illinois State Board of Investments are \$19,100,996. The fair value measurement for these investments is displayed in Table 18-3.

- (1) **High yield fund:** The fund seeks income and gains through trading and investing in securities. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the Program's ownership investment in partners' capital. Ninety percent of liquid securities are available within 30 days of quarter end with 60 days' notice prior to quarter end. Up to 25% of the fund may be invested in illiquid securities. Ten percent of any withdrawal may be held until 30 days following the annual audit. As of June 30, 2019, \$163 thousand was held in a liquidating account related to prior redemptions.
- (2) **Absolute return fund:** The fund includes two absolute return funds of funds. One targets consistent, positive absolute returns with minimal beta to major equity and fixed income markets. The other is a multi-manager fund in the global commodity and commodity related markets. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Program's ownership investment in partners' capital. Both have annual liquidity with quarterly liquidity available for a fee. Both have fund level gate thresholds of 20% to 25% of fund assets. Both will withhold a percentage pending the completion of the annual audit. A full redemption was initiated for one fund in July 2019 for distribution January 31, 2020.

- (3) **Real estate investment trust:** The fund opportunistically sources, structures, and executes investments in real estate operating companies. The fair values of the investment in this type have been determined using the NAV per share (or its equivalent) of the investment. This investment can be redeemed quarterly with a 30-day notice. A liquidating account may be used during periods of market stress to provide orderly liquidation.
- (4) **Infrastructure funds:** This fund includes two infrastructure funds which invest in infrastructure and related assets in the U.S., Asia, and Europe. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Program's ownership investment in partners' capital. Private market investments are illiquid in nature. Distributions from each fund will be received as the underlying investments of the funds are liquidated by the general partner. It is expected that the underlying assets of the funds will be liquidated over the next five years with 0% to 20% (varies by investment manager) within fiscal year 2020. There are unfunded commitments of \$8.082 million between these two funds.
- (5) **Real estate funds:** The two real estate funds invest primarily in U.S. commercial and residential real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Program's ownership investment in partners' capital, with the exception of Lyrical Antheus Realty Partners III, LP, where the partners' capital, which is recognized at cost basis on their financial statements, has been adjusted to reflect the investment on a fair value basis. Private market investments are illiquid in nature. Distributions from each fund will be received as the underlying investments of the funds are liquidated by the general partner. It is expected that the underlying assets of the funds will be liquidated over the next six years with 0% and 100% (varies by investment manager) within fiscal year 2020.
- (6) **Private equity:** This type includes three private equity funds. One holds portfolio securities. A second fund acquires, holds, and disposes of investments in secondary opportunities. The third fund invests in a diversified portfolio of private equity limited partnerships purchased in the secondary market. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Program's ownership investment in partners' capital. Private market investments are illiquid in nature. Distributions from each fund will be received as the underlying investments of the funds are liquidated by the general partner. It is expected that the underlying assets of the funds will be liquidated over the next four years with 0%, 20% to 100% (varies by investment manager) within fiscal year 2020. There are unfunded commitments of \$314 thousand in these investments.
- (7) **International equity:** This type includes two international equity funds. DFA World ex U.S. Core Equity Portfolio is a mutual fund. They strike a daily price each evening following a trading day. The other fund, Ativo International Equity Fund, invests in undervalued companies that display above average growth characteristics, domiciled in, or primarily exposed to, developed and emerging countries outside of the U.S. The fund is redeemable monthly with a 15-day notice. If withdrawal is greater than 95% of the account, then the amount greater than 95% will be held until completion of the annual audit.
- (8) **U.S. debt/equity mutual fund:** The funds in this category invest in marketable equities that are exchange traded in the U.S. and in countries outside the U.S. The fair value of the investment has been determined using the NAV per share (or its equivalent) provided by the trust administrator. The funds can be redeemed at any point in time. The redemption is processed the same day if received by the Program Manager before the close of the market, or the next day if received after the close of the market. Settlement may take up to ten business days.

ISBI categorizes investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles. Fair value measurements are determined within a framework that utilizes a three-tier hierarchy, which maximizes the use of observable inputs and minimizes the use of unobservable inputs. ISBI values U.S. Treasury obligations and U.S. Agency obligations by using quoted prices for identical securities in markets that are not active. These investments are categorized in Level 2 of the fair value hierarchy. Foreign government obligations and foreign corporate obligations are valued by using broker-quoted prices in an active market and are categorized in Level 1 of the fair value hierarchy. Corporate bonds are valued by using quoted prices for similar securities in active markets. These are categorized in Level 2 of the fair value hierarchy. The fair value of bank loans is determined by using discounted cash flow, internal assumptions, weighting of the best available pricing inputs, and third-party pricing services. These investments are categorized in Level 3 of the fair value hierarchy. Common stock and equity funds, foreign preferred stocks, foreign equity securities, and commingled funds (domestic and foreign) are valued by using quoted prices for identical securities in an active market or from broker-quoted prices in an active market. These investments are categorized in Level 1 of the fair value hierarchy. Money market funds are measured at amortized cost.

Investments valued using the NAV per share (or its equivalent) are considered “alternative investments” and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships. ISBI values these investments based on the partnerships’ audited financial statements as of June 30. If June 30 financial statements valuations are not available, the investment value is adjusted from the most recently available financial statements, taking into account subsequent calls and distributions, and adjusting for unrealized appreciation or depreciation, other income, and fees.

The following table summarizes the investments held by ISBI as of June 30, 2019. The amounts are segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value.

Table 18-3 (amounts expressed in thousands)

Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
U.S. Treasury obligations	\$ 137,474	\$ -	\$ 137,474	\$ -
U.S. Agency obligations	111,737	-	111,737	-
Municipal debt	2,175	-	2,175	-
Corporate obligations	833,263	-	826,885	6,378
Common stock and equity funds	2,976,005	2,973,250	665	2,090
Foreign equity securities	218,879	218,150	-	729
Foreign preferred stock	50	50	-	-
Bank loans	392,021	-	355,892	36,129
Commingled funds	10,332,807	10,332,807	-	-
Total investments by fair value level	15,004,411	\$ 13,524,257	\$ 1,434,828	\$ 45,326
Investments measured at the net asset value (NAV)				
Commingled funds (1)	458,833			
Real estate (2)	1,737,431			
Private equity (3)	779,475			
Infrastructure (4)	316,264			
Opportunistic debt (5)	506,151			
Hedge funds (6)	141,716			
Total investments measured at the NAV	3,939,870			
Investments measured at amortized cost				
Money market instruments	156,715			
Total investments measured at amortized cost	156,715			
Total investments	\$ 19,100,996			

- (1) **Commingled funds:** ISBI's investments in this category consist of assets that are blended together with other investments in order to provide economies of scale which allows for lower trading costs per dollar of investment and diversification. These investments provide primarily liquid exposure to publicly traded equity and fixed income markets. The equity and fixed income portfolios provide diversification benefits and return enhancement to the overall fund in both domestic and international markets. Commingled funds are also called "pooled funds" and "master trusts." Investment strategies consist of investments in eighteen domestic and international public equity and fixed income funds, seven diversified funds focusing on emerging markets, and five long-only equity funds. The fair value of these investments is based on audited financial statements of the funds adjusted for activity from the audit date to year end. ISBI has no plans to liquidate these investments as of June 30, 2019. It is not probable that any investments sold will be sold at an amount different from the current NAV per share (or its equivalent) of the plan's ownership interest.
- (2) **Real estate funds:** ISBI's assets in this category consist of investments in the Core and Non-Core Real Estate Fund categories. Investment strategies consist of investments in forty funds with the goals of diversifying ISBI's overall portfolio, providing capital appreciation, and supplementing the total return of the portfolio through exposure to private real estate assets in both open-end and closed-end structures. Investments in this category are globally diversified and consist of office, industrial, multi-family, retail, storage, and other types of assets. Core assets are expected to provide strong diversification through primary markets and high-income potential. Non-core assets are typically higher risk assets with stronger capital appreciation. The fair value of these investments is based on audited financial statements of the funds adjusted for activity from the audit date to year end. ISBI has no plans to liquidate these investments as of June 30, 2019. It is not probable that any investments sold will be sold at an amount



- different from the current NAV per share (or its equivalent) of the plan's ownership interest. There are unfunded commitments of \$474.1 million at June 30, 2019.
- (3) **Private equity:** ISBI's assets in this category consist of investments in funds not listed on public exchanges. Investment strategies consist of investments in seventy funds with the goals of generating returns significantly greater than typically available in the public market and diversifying ISBI's overall portfolio which is comprised predominantly of fixed income and equity assets. The strategies of Private Equity funds include, but are not limited to, leveraged buyouts, venture capital, and growth capital. Returns are commensurate with the risks presented by this asset class which includes illiquidity. The fair value of these investments is based on audited financial statements of the funds adjusted for activity from the audit date to year end. ISBI has no plans to liquidate these investments as of June 30, 2019. It is not probable that any investments sold will be sold at an amount different from the current NAV per share (or its equivalent) of the plan's ownership interest. There are unfunded commitments of \$793.6 million at June 30, 2019.
- (4) **Infrastructure:** ISBI's assets in this category consist of investments in funds that identify infrastructure assets which provide essential services or facilities to a community (ports, bridges, toll roads, etc.) and are typically made as a part of a privatization initiative on the part of a government entity. Investment strategies consist of investments in six funds with the goals of diversifying ISBI's overall portfolio which is comprised predominantly of fixed income and equity assets and providing capital appreciation and income generation. The fair value of these investments is based on audited financial statements of the funds adjusted for activity from the audit date to year end. ISBI has no plans to liquidate these investments as of June 30, 2019. It is not probable that any investments sold will be sold at an amount different from the current NAV per share (or its equivalent) of the plan's ownership interest. There are unfunded commitments of \$23.2 million at June 30, 2019.
- (5) **Opportunistic debt:** ISBI's assets in this category consist of investments in private fixed income markets. Investment strategies consist of investments in thirty funds with the goals of diversifying ISBI's overall portfolio, providing downside protection through assets that are capital collateralized, and supplementing the total return of the portfolio which is comprised predominantly of fixed income and equity assets. The fair value of these investments is based on audited financial statements of the funds adjusted for activity from the audit date to year end. ISBI has no plans to liquidate these investments as of June 30, 2019. It is not probable that any investments sold will be sold at an amount different from the current NAV per share (or its equivalent) of the plan's ownership interest. There are unfunded commitments of \$872.6 million as of June 30, 2019.
- (6) **Hedge funds:** ISBI is currently in the process of transitioning investments in hedge fund vehicles to long-only equity vehicles. Assets in this category have historically consisted of investments in funds that seek to generate better than average return and provide a hedge against a downward trend in the overall market. Investment strategies currently consist of investments in six funds including hedge fund and long-only equity assets. Returns are commensurate with the risks presented by this asset class which includes illiquidity. The fair value of these investments is based on audited financial statements of the funds adjusted for activity from the audit date to year end. As of June 30, 2019, for the majority of the hedge fund investments, ISBI has plans to transition out entirely or to long-only equity assets. It is not probable that any investments sold will be sold at an amount different from the current NAV per share (or its equivalent) of the plan's ownership interest.

TRS categorizes investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy prioritizes valuation inputs used to measure the fair value of the asset or liability into three broad categories. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. If the fair value is measured using inputs from different levels in the fair value hierarchy, the measurement should be categorized based on the lowest priority level input that is significant to the valuation. TRS's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement and considers factors specific to the investment. Investments measured at fair value using the NAV per share (or its equivalent) as a practical expedient to fair value are not classified in the fair value hierarchy; however, separate disclosures for these investments are provided.

Short-term investments consisting of money market funds, certificates of deposit, and highly liquid cash equivalents are generally reported at amortized cost which approximates fair market value. These investments are not categorized in the fair value hierarchy.

Debt and equity investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets, to the extent these securities are actively traded.

Debt and investment derivatives classified in Level 2 of the fair value hierarchy are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors. Valuation estimates from service providers' internal models use observable inputs such as interest rates, yield curves, credit/risk spreads, and default rates. Matrix pricing techniques value securities based on their relationship to benchmark quoted prices. Exchange traded and over-the-counter investment derivatives, valued by independent pricing service providers, where the value is derived from underlying asset prices, reference rates, indices, or other observable inputs, are also included in Level 2.

Debt securities classified as Level 3 include valuations using significant unobservable inputs, valuations using proprietary information, inputs that cannot be corroborated by observable market data, and securities valued with last trade date due to limited trading volume. Real assets classified as Level 3 include direct investments in real estate. Valuations for real estate investments are performed quarterly by investment managers. An appraisal by an independent third party member of the Appraisal Institute is obtained once every three years for each property and is used to establish fair market value.

The following table summarizes the valuation of TRS investments by the fair value hierarchy levels as of June 30, 2019:

Table 18-4 (amounts expressed in thousands)

Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
U.S. Treasury obligations	\$ 1,436,033	\$ -	\$ 1,436,033	\$ -
U.S. Agency obligations	718,591	-	718,591	-
Corporate debt securities	5,961,176	-	5,960,204	972
Foreign debt securities	1,551,977	-	1,545,642	6,335
Commingled fixed income funds	827,491	827,491	-	-
International common and preferred stock	9,603,424	9,589,909	13,515	-
U.S. equities	7,918,736	7,914,493	4,243	-
Municipal obligations	93,022	-	93,022	-
Real estate	4,839,257	-	-	4,839,257
Securities lending collateral	2,485,824	325,881	2,159,943	-
Total investments by fair value level	35,435,531	\$ 18,657,774	\$ 11,931,193	\$ 4,846,564
Investment derivative instruments by fair value level				
Credit default swaps	164	\$ -	\$ 164	\$ -
Index and variance swaps	1,162	-	1,162	-
Inflation swaps	(2,075)	-	(2,075)	-
Interest rate swaps	(55,208)	-	(55,208)	-
Options	113	-	113	-
Swaptions	(44)	-	(44)	-
Total investment derivative instruments by fair value level	(55,888)	\$ -	\$ (55,888)	\$ -
Investments measured at the net asset value (NAV)				
Diversifying strategies (1) (2)	5,374,252			
Commingled fixed income funds (3) (4)	3,137,472			
International equity commingled funds (5)	301,522			
Private equity partnerships (6)	6,378,902			
Private real estate partnerships (6)	2,515,552			
Other real assets (7) (8)	527,431			
Total investments measured at the NAV	18,235,131			
Investments measured at amortized cost				
Short-term investments	1,601,846			
Total investments measured at amortized cost	1,601,846			
Total investments subject to disclosure	55,216,620			
Less cash equivalents	(28,293)			
Total investments	\$ 55,188,327			

- (1) **Diversifying funds (liquid strategies):** The diversifying strategies asset class applies various strategies that provide diversification to the total investment portfolio. Investments focus on reducing equity-like risk characteristics encompassed in the overall TRS portfolio by enhancing exposures to strategies that show little to no correlation to growth factors while adding positive skew and active risk management characteristics. Risk parity and alternative risk premia strategies consists of four direct investments focusing on market neutral and long only expressions of cross-asset risk. The systematic and discretionary macro strategies include direct investment in 10 funds diversifying through regional and product expertise, speed of algorithms, and style of trading. Opportunistic alpha funds, including six direct investments and one diversified fund, use idiosyncratic alpha capture through liquidity and security selection. The fair value of these investments has been determined using the NAV per share (or its equivalent) of the investments. The strategies maintain a liquidity profile of less than one year, ranging from daily to quarterly, and require advance notice prior to redemption. TRS submitted redemption request for two direct investments, valued at \$122.7 million, with exit dates of July 31 and September 30, 2019.
- (2) **Diversifying funds (illiquid strategies):** The diversifying strategies asset class also includes three opportunistic alpha funds in which redemptions are restricted over the life of the partnership. The partnership's interest is valued using the NAV per share (or its equivalent). The most significant element of NAV per share (or its equivalent) is the fair value of the underlying investment holdings which are valued on a monthly basis by the

- general partner and are audited annually. The average life of these funds span 5 to 10 years and the funds will distribute any free cash from the master fund in excess of the amount needed to maintain prudent liquidity. TRS has no plans to liquidate as of June 30, 2019.
- (3) **Commingled fixed income funds:** The investment strategies for the 11 fixed income funds include high yield, defensive bond arbitrage, emerging market debt, relative value, and TRS customized accounts investing in opportunistic investments. The fair value of the investments has been determined using the NAV per share (or its equivalent) of the investments. Liquidity ranges from monthly to quarterly upon notice of redemption and TRS has no plans to liquidate as of June 30, 2019.
- (4) **Fixed income private debt funds:** Private debt funds consist of 36 funds investing across strategies such as stressed debt/credit, direct and specialty lending, real estate credit, and bank loans. These funds provide additional exposure to niche and/or specific nontraditional point-in-time opportunities that are not normally targeted by traditional fixed income managers. Funds are valued using the NAV per share (or its equivalent) and are audited annually. Redemption restrictions are in place over the life of the partnership. The average life of these funds spans three to twelve years and distributions are received throughout the life of the fund. TRS has no plans to liquidate as of June 30, 2019; however, three of the funds, with fair value of \$45.9 million, are approaching the end of the partnership term, winding down, and distributing cash as the funds sell underlying investments.
- (5) **International equity commingled funds:** International equity commingled funds include one fund investing in emerging market small cap equities diversified across multiple sectors. The fair value of the investment has been determined using the NAV per share (or its equivalent) of the investments. Daily liquidity is available.
- (6) **Private equity and real estate partnerships:** TRS has 170 private equity partnerships which include investments in privately held equity, such as buyouts, co-investments, venture capital and growth equity, as well as privately held debt. The 51 real estate limited partnerships invest in various property types across multiple geographic regions. Investments in limited partnerships are normally long-term with an approximate life of 10 to 12 years and considered illiquid. Investors are subject to redemption restrictions which limit and restrict the ability of limited partners to exit prior to dissolution. Partnership interests are valued using their respective NAV per share (or its equivalent) calculated by the general partner's fair valuation policy and are generally audited annually. The most significant element of NAV per share (or its equivalent) is the fair value of the investment holdings which are typically valued on a quarterly basis by the general partners. Distributions are received as the funds sell underlying portfolio company investments. TRS has no plans on liquidating the portfolio; however, TRS will opportunistically sell funds in the secondary market to reposition the portfolio and optimize returns. During the fiscal year, TRS sold 33 private equity funds on the secondary market. As of June 30, 2019, it is probable that all investments in this type will be sold at an amount different from the current NAV per share (or its equivalent) of the plan's ownership interest.
- (7) **Real return fund:** TRS holds one multi-strategy real return fund (\$275 million) that targets assets that hedge inflation while mitigating extraneous risks (such as equities and real rates). The fund allows monthly redemptions with notice and the partnership's interest is valued using the NAV per share (or its equivalent). The most significant element of NAV per share (or its equivalent) is the fair value of the underlying securities which are valued on a monthly basis by the general partner. TRS has no plans to liquidate this fund as of June 30, 2019.

- (8) **Real assets partnerships:** Real assets strategies include seven limited partnerships (\$252 million) investing in global infrastructure, direct energy, and non-U.S. agriculture. These partnerships are not eligible for redemption, considered illiquid, and have an approximate life of 6 to 20 years. Distributions are received during the life of the fund as underlying investments are liquidated. Partnership interests are valued by the general partner using their respective NAV per share (or its equivalent), with the most significant element of NAV per share (or its equivalent) being the fair value of the investment holdings. TRS has no plans to liquidate these funds. As of June 30, 2019, it is probable that all investments in this type will be sold at an amount different from the current NAV per share (or its equivalent) of the plan's ownership interest.

SURS categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the NAV per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. SURS's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest, which approximates market or fair value.

Equity (including real estate investment trust securities) and derivative securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt and debt derivative securities classified in Level 2 and Level 3 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Index linked debt securities are valued by multiplying the external market price feed by the applicable day's Index Ratio. Level 2 debt securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market. Level 3 debt securities use proprietary information or single source pricing. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

The following table summarizes the investments held by SURS as of June 30, 2019. The amounts are segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value.

Table 18-5 (amounts expressed in thousands)

Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
U.S. Treasury obligations	\$ 1,685,875	\$ 1,685,875	\$ -	\$ -
U.S. Agency obligations	743,874	-	711,049	32,825
Municipal obligations	24,253	-	22,712	1,541
Corporate debt securities	1,287,196	-	1,257,856	29,340
Fixed income funds	269,377	269,377	-	-
Fixed income mutual funds	570,740	570,740	-	-
Foreign obligations	49,145	-	39,344	9,801
U.S. equities	5,440,705	5,440,420	-	285
Foreign equity securities	2,457,389	2,457,150	-	239
Short-term securities and cash adjustments	10,668	10,668	-	-
Real estate funds	46,826	46,826	-	-
Equity funds	1,622,244	1,622,244	-	-
Securities lending collateral	878,206	-	878,206	-
Total investments by fair value level	15,086,498	\$ 12,103,300	\$ 2,909,167	\$ 74,031
Investment derivative instruments by fair value level				
U.S. fixed income derivatives	(8,078)	\$ -	\$ (8,078)	\$ -
Foreign fixed income derivatives	(3,827)	-	(3,827)	-
U.S. equity derivatives	(2,547)	(2,549)	1	1
Foreign equity derivatives	(218)	(218)	-	-
Total investment derivative instruments by fair value level	(14,670)	\$ (2,767)	\$ (11,904)	\$ 1
Investments measured at the net asset value (NAV)				
Commingled fixed income funds (1)	860,816			
Commingled equity funds (1)	2,076,185			
Commingled foreign equity funds (1)	541,337			
Private real estate funds (2)	1,195,262			
Private equity funds (2)	1,411,912			
Hedge funds (3)	687,292			
Commodity funds (4)	352,460			
Stable value fund (5)	65,240			
Commingled equity pools (6)	287,530			
Total investments measured at the NAV	7,478,034			
Total investments subject to disclosure	22,549,862			
Less cash equivalents	(39,151)			
Total investments	\$ 22,510,711			

- (1) **Commingled funds:** Nine fixed income funds, seven international equity funds, and one real estate investment fund are considered to be commingled in nature. Each are valued at the NAV per share (or its equivalent) of units held at the end of the period based upon the fair value of the underlying investments. The redemption frequency is daily or monthly with a notice period of 1-10 days or 2-5 days.
- (2) **Private real estate and private equity funds:** The real estate investments are 19 core, value-add, and opportunistic real estate funds. The private equity funds are 231 limited partnership interests in equity or debt securities of privately held companies. Real estate closed-end funds and private equity funds are not eligible for redemption. The private real estate funds eligible for redemption are eligible quarterly, with a 45-90 day redemption notice period. Non-core funds do not offer redemptions. The nature of these investments is that distributions from each investment will be received as the underlying investments are liquidated. SURS has no plans to liquidate the total portfolio. As of June 30, 2019, it is probable all of the investments in this type will be sold at an amount different from the NAV per share (or its equivalent) of SURS's ownership interest in partner's capital. There are \$163.200 million and \$775.396 million in unfunded commitments in the private real estate funds and private equity funds, respectively.

- (3) **Hedge funds:** Four funds invest in a select group of underlying managers that implement a number of different alternative investment strategies and invest in a variety of markets through limited partnerships, limited liability companies, and other investment entities. The funds are eligible for redemption daily, monthly, quarterly, semi-annually, or annually, with a 3-90 day redemption notice.
- (4) **Commodity funds:** The two funds are invested with one active long-only manager and one active long/short manager. The funds may be redeemed either daily or monthly, with a notice period of 1-30 days.
- (5) **Stable value fund:** The fund is invested in fixed income securities and shares of money market funds. It is valued at the NAV per share (or its equivalent) of units held at the end of the period based upon the fair value of the underlying investments. The fund may be redeemed daily or annually, with a redemption notice of 1-365 days.
- (6) **Commingled equity pools:** The two pools are commingled in nature. Each is valued at the NAV per share (or its equivalent) of units held at the end of the period based upon the fair value of the underlying investments. The pools may be redeemed daily, if eligible, with a 1 day notice.

## COMPONENT UNITS

The fair value disclosures associated with the State's major component unit's assets and liabilities are as follows:

### ILLINOIS HOUSING DEVELOPMENT AUTHORITY ("IHDA")

IHDA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following is a description of the valuation methods and assumptions used by IHDA to estimate the fair value of its investments. There have been no changes in the methods and assumptions used at June 30, 2019. IHDA management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Agency securities classified in Level 2 of the fair value hierarchy are valued using prices quoted in active markets for similar securities.

Derivative instruments classified in Level 2 of the fair value hierarchy are valued using a market approach that considers benchmark interest rates and foreign exchange rates.

The following table summarizes investments and derivative instruments measured at fair value as of June 30, 2019, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

Table 18-6 (amounts expressed in thousands)

Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value level			
U.S. Treasury obligations	\$ 28,797	\$ 28,797	\$ -
U.S. Agency obligations	1,058,711	-	1,058,711
Municipal debt	251	-	251
Commercial paper	281,593	-	281,593
Negotiable certificates of deposit	6,601	6,601	-
Total investments by fair value level	1,375,953	\$ 35,398	\$ 1,340,555
Investments measured at amortized cost			
Money market mutual funds	301,252		
Total investments measured at amortized cost	301,252		
Total investments	1,677,205		
Less cash equivalents	(301,252)		
Total investments	\$ 1,375,953		
Hedging derivative instruments by fair value level			
Interest rate swaps and caps	\$ (4,920)	\$ -	\$ (4,920)
Total hedging derivative instruments by fair value level	\$ (4,920)	\$ -	\$ (4,920)

### ILLINOIS STATE TOLL HIGHWAY AUTHORITY (“THA”)

THA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 2 inputs are significant other observable inputs that can be accessed at a measurement date.

The following table summarizes assets measured at fair value as of December 31, 2018 (THA’s fiscal year-end), segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

Table 18-7 (amounts expressed in thousands)

Investment Type	Fair Value	Significant Other Observable Inputs (Level 2)
Investments measured at amortized cost		
U.S. Treasury obligations	\$ 385,000	
Money market mutual funds	179,986	
Total investments measured at amortized cost	564,986	
Total investments	564,986	
Less cash equivalents	(179,986)	
Total investments	\$ 385,000	
Hedging derivative instruments by fair value level		
Interest rate swaps	\$ (107,496)	\$ (107,496)
Total hedging derivative instruments by fair value level	\$ (107,496)	\$ (107,496)

### ILLINOIS STATE UNIVERSITY (“ISU”)

ISU categorizes its fair value measurements in accordance with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices from active markets for identical assets that can be accessed at a measurement date. Level 2 inputs are derived from observable market data, either directly or indirectly that are other than Level 1.



The following table summarizes assets measured at fair value as of June 30, 2019, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

Table 18-8 (amounts expressed in thousands)

Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value level			
U.S. Treasury obligations	\$ 85,051	\$ -	\$ 85,051
U.S. Agency obligations	154,385	-	154,385
Money market mutual funds	18,861	18,861	-
Total investments by fair value level	258,297	\$ 18,861	\$ 239,436
Investments measured at amortized cost			
Illinois Public Treasurers' Investment Pool	28,522		
Total investments measured at amortized cost	28,522		
Total investments subject to disclosure	286,819		
Less cash equivalents	(47,384)		
Total investments of the University	\$ 239,435		

### NORTHERN ILLINOIS UNIVERSITY ("NIU")

NIU categorizes its fair value measurements in accordance with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. NIU only has Level 2 investments which are valued primarily through a multidimensional relational model including standard inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers, and reference data. There have been no significant changes in valuation techniques.

The following table summarizes assets measured at fair value as of June 30, 2019, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

Table 18-9 (amounts expressed in thousands)

Investment Type	Fair Value	Significant Other Observable Inputs (Level 2)
Investments by fair value level		
U.S. Treasury obligations	\$ 5,482	\$ 5,482
U.S. Agency obligations	30,517	30,517
Total investments by fair value level	35,999	\$ 35,999
Investments measured at amortized cost		
Money market mutual funds	13,496	
Illinois Public Treasurers' Investment Pool	70,982	
Total investments measured at amortized cost	84,478	
Total investments subject to disclosure	120,477	
Less cash equivalents	(13,496)	
Total investments of the University	\$ 106,981	

### SOUTHERN ILLINOIS UNIVERSITY ("SIU")

SIU categorizes fair values according to the hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices (unadjusted) for identical assets or

liabilities in active markets. Level 2 inputs are inputs other than quoted prices that are observable for an asset or liability, directly or indirectly. The fair values are provided by both SIU's external investment managers as well as the custodian bank.

The following table summarizes assets measured at fair value as of June 30, 2019, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

Table 18-10 (amounts expressed in thousands)

Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value level			
U.S. Treasury obligations	\$ 75,083	\$ -	\$ 75,083
U.S. Agency obligations	96,076	-	96,076
Commercial paper	32,096	-	32,096
Corporate debt securities	13,370	-	13,370
Common stock	44	44	-
Total investments by fair value level	216,669	\$ 44	\$ 216,625
Investments measured at amortized cost			
Illinois Public Treasurers' Investment Pool	86,598		
Total investments measured at amortized cost	86,598		
Total investments subject to disclosure	303,267		
Less cash equivalents	(86,598)		
Total investments of the University	\$ 216,669		

## UNIVERSITY OF ILLINOIS ("U OF I")

U of I categorizes its fair value measurements in accordance with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. A description of the valuation methodologies used for assets and liabilities measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

Investments may be classified as Level 1 when the values are based upon unadjusted quoted prices in active markets for identical assets and generally include active listed equities. Publicly-traded investments that have no or insignificant restrictions are classified in Level 1 of the fair value hierarchy. Level 1 securities would include bond funds, equity funds, and exchange traded equities.

Investments may be classified as Level 2 when the values include inputs that are directly observable for an asset (including quoted prices for similar assets), as well as inputs that are not directly observable for the asset. These inputs are derived principally from or corroborated by observable market data through correlation or by other means (market corroborated inputs). The concept of market-corroborated inputs is intended to incorporate observable market data (such as interest rates and yield curves that are observable at commonly quoted intervals) based upon an assessment of factors relevant to the asset or liability. Level 2 securities include U.S. Treasury bonds and bills, U.S. government agencies, international government bonds and agencies, non-government mortgage-backed securities, asset-backed securities, corporate bonds, commercial paper, and municipal bonds.

Investments may be classified as Level 3 when the values include inputs that are unobservable and Level 1 and Level 2 inputs are not available. The values are based upon the best information available under the circumstances and may include management's own data. Level 3 securities include equities and farm properties.

U of I engaged a third-party consultant to determine the fair value of the swap agreements. The fair values provided by the consultant were derived from proprietary models based upon well-recognized financial principles and reasonable estimates about relevant market conditions.

There have been no changes in valuation techniques used for any assets measured at fair value during the year ended June 30, 2019.

The following table summarizes investments and derivative instruments measured at fair value as of June 30, 2019, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
U.S. Treasury obligations	\$ 459,159	\$ -	\$ 459,159	\$ -
U.S. Agency obligations	178,988	-	178,988	-
Commercial paper	43,858	-	43,858	-
Corporate bonds	1,051,368	-	1,051,368	-
Non government mortgage-backed securities	80,714	-	80,714	-
Other asset-backed securities	366,473	-	366,473	-
Government bonds - non U.S.	4,026	-	4,026	-
Municipal bonds	21,641	-	21,641	-
Bond funds	3,805	3,805	-	-
U.S. equities	27,009	26,910	-	99
Equity funds	8,971	8,971	-	-
Real estate - farm properties	102,173	-	-	102,173
Total investments by fair value level	2,348,185	\$ 39,686	\$ 2,206,227	\$ 102,272
Investments measured at the net asset value (NAV)				
Equity funds (1)	350,987			
Hedge funds (2)	47,685			
Private equity (3)	57,989			
Real estate (4)	40,267			
Total investments measured at the NAV	496,928			
Investments measured at amortized cost				
Money market mutual funds	691,845			
Illinois Public Treasurers' Investment Pool	64,811			
Total investments measured at amortized cost	756,656			
Total investments subject to disclosure	3,601,769			
Less cash equivalents	(767,068)			
Total investments of the University	\$ 2,834,701			
Hedging derivative instruments by fair value level				
Interest rate swaps	\$ (3,150)	\$ -	\$ (3,150)	\$ -
Total hedging derivative instruments by fair value level	\$ (3,150)	\$ -	\$ (3,150)	\$ -

- (1) **Equity funds:** The funds in this category invest in marketable equities that are exchange traded in the U.S. and in countries outside of the U.S. These funds can be redeemed with same business day to two business days' redemption notification requirement determined by the managers. Settlement may take up to seven business days.
- (2) **Hedge funds:** The funds in this category are generally not restricted in the types of securities in which they can invest. They may invest in limited partnership vehicles or directly in equity, fixed income, and derivative instruments to achieve a stated investment objective. These funds can be redeemed monthly (subject to a redemption charge) or quarterly depending on the partnership agreement within redemption notice periods of 30 to 60 days. The fund values of these investments have been estimated using the NAV per share (or its equivalent) provided by the fund manager.

- (3) **Private equity:** The funds in this category invest in the following types of investments in the U.S. and outside of the U.S.: venture capital partnerships, buyout partnerships, mezzanine/subordinated debt partnerships, restructuring/distressed debt partnerships, special situation partnerships, and directly in portfolio companies. These investments cannot be redeemed during the life of the partnership; however, they may be able to be transferred to another eligible investor. Distributions will be received as the underlying investments of the funds are liquidated over time. There are unfunded commitments of \$36.912 million in this category. The fair value of this investment has been estimated using the NAV per share (or its equivalent) provided by the fund manager and an adjustment determined by management for the time period between the dates of the last available NAV per share (or its equivalent) and June 30, 2019.
- (4) **Real estate:** The funds in this category invest in real estate. Subject to general partner approval and available cash, these funds can be redeemed quarterly with up to a 3-month notice period. Distributions of operating cash flow are paid out on a quarterly basis as determined by the general partner. The fair value of this investment has been estimated using the NAV per share (or its equivalent) provided by the fund manager and an adjustment determined by management for the time period between the dates of the last available NAV per share (or its equivalent) and June 30, 2019. There are unfunded commitments of \$9.933 million in this category.

## **19 FUND DEFICITS/CASH FLOW DEFICITS**

### **A. Fund Deficits**

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

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

The State's General Fund, from which a significant portion of day to day operating expenditures are paid, has a GAAP deficit aggregating \$7.517 billion at June 30, 2019. This deficit results from spending in excess of revenues recognized.

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

The Local Government Distributive Fund and the Personal Property Tax Replacement Fund of the Department of Revenue have deficits aggregating \$14.214 million and \$81.412 million, respectively, at June 30, 2019, resulting from spending and transfers to other State funds in excess of revenues recognized.

The Tobacco Settlement Recovery Fund of the Treasurer, the Employment and Training Fund and the DHS Recoveries Trust Fund of the Department of Human Services, the Federal/Local Airport Fund of the Department of Transportation and the SBE Federal Department of Education Fund of the State Board of Education have deficits at June 30, 2019, aggregating \$298.748 million, \$429 thousand, \$46.089 million, \$110.481 million and \$105.256 million, respectively, resulting from the recognition of fund liabilities in excess of accrued revenues on the modified accrual basis.

**Primary Government – Business-Type Activities*****Major Enterprise Funds***

The Prepaid Tuition Fund of the Student Assistance Commission has a deficit at June 30, 2019, aggregating \$294.952 million, resulting from insufficient revenues to cover contractual tuition obligations.

***Nonmajor Enterprise Funds***

The Bank and Trust Company Fund of the Department of Financial and Professional Regulation, the State Lottery Fund of the Lottery, and the Student Loan Operation Fund of the Student Assistance Commission have deficits aggregating \$80.523 million, \$192.685 million, and \$49.742 million, respectively, at June 30, 2019, resulting from the recognition of a proportionate share of the net pension liability and OPEB liability.

**Fiduciary Funds*****Pension (and Other Employee Benefit) Trust Funds***

The Community College Health Insurance Security Fund of the Department of Central Management Services has a deficit at June 30, 2019, aggregating \$74.856 million, resulting from insufficient contributions due to funding based on a pay-as-you-go basis.

***B. Cash Flow Deficits***

As of June 30, 2019, transactions totaling \$10.078 billion that had been approved for payment by the State remained unpaid at year end due to the State's cash flow difficulties. Of this total, \$1.565 billion related to intra-governmental transactions and \$3.413 billion related to statutorily mandated transfers, the latter of which would represent noncompliance with State law. The majority of these unpaid transactions were payable from the General Revenue Fund.

**20 RISK MANAGEMENT****Primary Government**

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

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

The State's risk financing of auto liability has been determined using an estimate of claims outstanding. Matured claims have been recorded as liabilities in the General Fund and Road Fund in the amount of \$300 thousand and \$231 thousand, respectively. The remaining portion of the liability is included in the government-wide financial statements and is expected to be paid from future resources of the General Fund and Road Fund in the amount of \$7.110 million and \$12.357 million, respectively.

The workers' compensation liability has been determined using claims outstanding and a projection of claims to be submitted, based upon prior years' experience of the State. Claims incurred have been recorded as a liability in the Workers' Compensation Revolving Fund, an internal service fund, in the amount of \$596.102 million. Payments to the Workers' Compensation Revolving Fund are based on estimates of amounts needed to pay current year claims and are made from the applicable fund that would have paid the salaries and wages of the related employees.

The State uses the Health Insurance Reserve Fund to account for employee health and dental insurance benefit programs, which are partially self-funded. Employees may obtain health care services through participation in the State's group health insurance plan or through membership in one of six health maintenance organization plans under contract with the State. The State maintains the risk of insurance for employees who participate in the State's group health insurance plan. Expenses and liabilities for claims, which include incurred but not reported or not processed benefit claims, have been recorded as liabilities in the amount of \$599.666 million. Payments to the Health Insurance Reserve Fund are based on estimates of amounts needed to pay prior year unprocessed and current year claims and are made from the applicable fund that paid the salaries and wages of the related employee.

The following is a reconciliation of the State's claims liabilities for the year ended June 30, 2019:

Year Ended June 30	Changes in Claims Liability Balances			
	Beginning Balance	Current Year Claims and Changes in Estimates	Claim Payments	Ending Balance
Primary Government-Governmental Activities:				
2018				
Auto Liability	\$ 17,631	\$ 2,894	\$ (3,511)	\$ 17,014
Workers' Compensation	614,856	101,190	(112,553)	603,493
Health Insurance	1,549,644	1,030,056	(1,930,491)	649,209
Total	<u>\$ 2,182,131</u>	<u>\$ 1,134,140</u>	<u>\$ (2,046,555)</u>	<u>\$ 1,269,716</u>
2019				
Auto Liability	\$ 17,014	\$ 5,285	\$ (2,301)	\$ 19,998
Workers' Compensation	603,493	70,059	(77,450)	596,102
Health Insurance	649,209	838,348	(887,891)	599,666
Total	<u>\$ 1,269,716</u>	<u>\$ 913,692</u>	<u>\$ (967,642)</u>	<u>\$ 1,215,766</u>
Component Units, (Information for the Illinois State Toll Highway Authority is as of December 31):				
2018				
Illinois State Toll Highway Authority	\$ 17,310	\$ 13,878	\$ (15,597)	\$ 15,591
Southern Illinois University	35,094	5,039	(10,928)	29,205
University of Illinois	239,485	53,398	(57,835)	235,048
Total	<u>\$ 291,889</u>	<u>\$ 72,315</u>	<u>\$ (84,360)</u>	<u>\$ 279,844</u>
2019				
Illinois State Toll Highway Authority	\$ 15,591	\$ 17,183	\$ (18,075)	\$ 14,699
Southern Illinois University	29,205	2,447	(1,532)	30,120
University of Illinois	235,048	65,048	(58,048)	242,048
Total	<u>\$ 279,844</u>	<u>\$ 84,678</u>	<u>\$ (77,655)</u>	<u>\$ 286,867</u>

The State administers a public entity risk pool offering health insurance to local governments in the Local Government Health Insurance Reserve Fund, a nonmajor enterprise fund. The financial statements of the fund can be obtained from the Department of Central Management Services, 715 Stratton Office Building, Springfield, Illinois, 62706.

### **Component Units**

The Illinois State Toll Highway Authority, a major component unit, records an accrued self-insurance liability which covers workers' compensation liability. The Authority's accrued self-insurance liability was \$14.699 million at December 31, 2018.

Southern Illinois University, a major component unit, records an accrued self-insurance liability which covers general and professional liability and limited student health care liability in excess of costs not covered by other primary provider plans. The University's accrued self-insurance liability was \$30.120 million at June 30, 2019.

The University of Illinois, a major component unit, records an accrued self-insurance liability which covers hospital patient liability, hospital and medical professional liability, estimated general and contract liability, and workers' compensation liability related to employees paid by the University. The University's accrued self-insurance liability was \$242.048 million at June 30, 2019.

Illinois Housing Development Authority, Illinois State Toll Highway Authority, Illinois State University, Northern Illinois University, Southern Illinois University, and the University of Illinois have contracted with commercial carriers to provide excess insurance coverage. These coverages have been considered in determining the accrued self-insurance liability, where applicable. There were no settlements which exceeded insurance coverage during the last three years.

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

## **21 COMMITMENTS AND CONTINGENCIES**

### **A. Construction Commitments**

The Department of Transportation has outstanding construction commitments for highway improvement programs of \$3.261 billion as of June 30, 2019, which will be financed through State reappropriations. Also, the Capital Development Board has outstanding construction commitments for building and building additions and improvements of \$288.6 million as of June 30, 2019, which will be financed through State reappropriations. The Illinois State Toll Highway Authority, reported on a December 31st year-end, has entered into commitments for road construction of \$1.3 billion as of December 31, 2018. Illinois State University, Southern Illinois University, and the University of Illinois have outstanding construction commitments for various building and building improvement projects of \$25.890 million, \$86.495 million, and \$416.215 million, respectively, as of June 30, 2019.

**B. Investment Commitments**

The Office of the Treasurer has outstanding commitments at June 30, 2019, for Illinois Technology Development of approximately \$113 million. The Illinois State Board of Investments has total unfunded investment commitments of \$2.2 billion outstanding at June 30, 2019. The Teachers' Retirement System has outstanding commitments at June 30, 2019, for the future purchase of investments in the real estate, other real assets, private equity, diversifying strategies, and global fixed income asset classes of \$8.398 billion. The State Universities Retirement System has outstanding commitments at June 30, 2019, to private equity limited partnerships, real estate partnerships and infrastructure partnerships of approximately \$775.4 million, \$131.6 million and \$31.6 million, respectively.

**C. Illinois Housing Development Authority Loans**

The Illinois Housing Development Authority has entered into commitments aggregating \$73.3 million for the purchase of various home loans as of June 30, 2019.

**D. Operating Leases**

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

Future minimum commitments for non-cancelable operating leases as of June 30, 2019, are as follows:

Operating Leases		Major Component Units				
		Illinois Housing Development Authority	Illinois State University	Northern Illinois University	Southern Illinois University	University of Illinois
Year Ending June 30	Primary Government					
2020	\$ 158,098	\$ 2,732	\$ 1,220	\$ 729	\$ 12,299	\$ 11,582
2021	127,460	2,732	256	640	5,740	8,471
2022	74,849	2,122	90	111	5,394	7,078
2023	44,162	1,817	23	37	4,718	5,725
2024	15,713	1,817	-	16	-	4,025
2025-2029	6,421	4,241	-	-	-	7,761
2030-2034	-	-	-	-	-	1
2035-2039	-	-	-	-	-	1
2040-2044	-	-	-	-	-	3
Total minimum lease payments	<u>\$ 426,703</u>	<u>\$ 15,461</u>	<u>\$ 1,589</u>	<u>\$ 1,533</u>	<u>\$ 28,151</u>	<u>\$ 44,647</u>

Rental payments for operating leases charged to operations during the year ended June 30, 2019, aggregated \$263.971 million for the governmental and business-type activities and \$563 thousand for fiduciary funds. Illinois Housing Development Authority, Illinois State University, Northern Illinois University, Southern Illinois University, and the University of Illinois (major component units) had rental payments charged to operations during the year ended June 30, 2019, of \$2.732 million, \$1.747 million, \$732 thousand, \$12.858 million, and \$13.668 million, respectively.



***E. Adoption Assistance and Subsidized Guardian Commitments***

The Department of Children and Family Services enters into agreements with adoptive parents and permanent guardians of youth in care of the State. These agreements generally provide monthly subsidies to the adoptive parents or permanent guardians of these youth until they reach 18 years of age. As of June 30, 2019, approximately 20.6 thousand agreements were in place with total future commitments of approximately \$816 million. These commitments will be partially offset by the federal government through the Title IV-E Adoptive Assistance and Title IV-E Guardianship Assistance Program, at an approximate rate of reimbursement of 45.47% and 37.58%, respectively.

***F. Tax Litigation***

At June 30, 2019, the State of Illinois has \$76.604 million in payments received related to protested tax cases, which have not been adjudicated. In addition, the State defends many lawsuits challenging reasons for denial of tax refunds in relation to tax payments already received. The ultimate disposition of these protested tax payments received and claims for tax refunds is not determinable at this time.

***G. Federal Funding***

The State receives federal grants which are subject to review and audit by federal grantor agencies. Certain costs could be questioned as not being an eligible expenditure under the terms of the grants. At June 30, 2019, other than the amount discussed in Footnote 13, Section E, there were no material questioned costs that have not been resolved with the federal awarding agencies. However, questioned costs could still be identified during audits to be conducted in the future. Management of the State believes there will be no material adjustments to the federal grants and, accordingly, has not recorded a provision for possible repayment.

***H. Asset Retirement Obligations***

The State operates several coal-fired power plants that produce electricity and steam for certain facilities. When these plants are ultimately retired, the State will incur costs associated with legally-required disposal and environmental remediation activities. At this time, the State does not have sufficient information available to provide a reasonable estimate of the related asset retirement obligation.

***I. Legal Proceedings***

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

***J. Forward Fixed-Price Energy Contracts***

The University of Illinois has executed forward fixed-price purchase contracts for natural gas and electricity with commitments of approximately \$39 million as of June 30, 2019.

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

The Authority, not a part of the State of Illinois reporting entity, is authorized by the Metropolitan Pier and Exposition Authority Act to issue \$2.850 billion of bonds, excluding refunding bonds, to finance the McCormick Place expansion and certain other improvements to its facilities and Navy Pier. These bonds are special, limited obligations of the Authority and are payable from and secured by a pledge of revenues derived from Authority taxes and State sales tax deposits. For State fiscal years when these bonds are outstanding, monthly deposits of Authority taxes to the McCormick Place Expansion Project Fund, an agency fund, are required to be made in an amount equal to 1/8 of the annual debt service as specified in the Authority’s Annual Certification plus any prior months’ deficiencies in transfers. Beginning in fiscal year 2011 through fiscal year 2032, the monthly deposit of Authority taxes is reduced by deposits of dedicated State sales taxes. The maximum amount that can be deposited into the McCormick Place Expansion Project Fund shall not exceed \$233 million in fiscal year 2020, \$246 million in fiscal year 2021, \$260 million in fiscal year 2022, \$275 million in fiscal year 2023, \$275 million in fiscal year 2024, and graduating to \$350 million in fiscal year 2032 until fiscal year 2060. To the extent that Authority taxes and the dedicated State sales taxes are not sufficient to satisfy the requirements of the Authority’s Annual Certification, additional State sales taxes are deposited into the McCormick Place Expansion Project Fund. During fiscal year 2019, debt service requirements for these bonds were \$196.695 million. The amount paid to the Authority based on their annual certification was \$196.596 million consisting of \$164.896 million of Authority taxes and \$31.700 million in State sales taxes.

In addition, during fiscal years 2008, 2009 and 2010, deposits were not sufficient to pay for the debt service requirements resulting in transfers of State sales taxes into the McCormick Place Expansion Project Fund. State statute required that beginning in July 2015, the Metropolitan Pier and Exposition Authority would pay the amount of one-half of the prior year-end surplus revenues in the fund until the deficiency has been repaid. The remaining balance of \$39.304 million was repaid during fiscal year 2019.

**L. Regional Transportation Authority (“RTA”)**

The RTA, not a part of the State of Illinois reporting entity, was authorized by the Regional Transportation Authority Act to issue bonds in the principal amount of \$100 million on or after January 1, 1990 with an additional \$100 million per year authorized to be issued on or after January 1<sup>st</sup> of each year until January 1, 1994, for a total authorization of \$500 million used for Strategic Capital Improvement Projects (“SCIP”). Effective July 1, 1999, Public Act 91-0037 authorized the RTA to issue additional bonds in the principal amount of \$260 million on or after January 1, 2000 with an additional \$260 million per year authorized to be issued on or after January 1<sup>st</sup> of each year until January 1, 2004 for an additional authorization of \$1,300 million to be used for SCIP. Public Act 91-0037 also authorized the issuance of refunding SCIP bonds. The proceeds of SCIP bonds were used to acquire, repair, or replace public transportation facilities in the metropolitan region as approved by the Governor.

The bonds are general obligations of the RTA to which the full faith and credit of the RTA is pledged. However, for State fiscal years in which the SCIP bonds are outstanding, the State’s assistance shall be transferred monthly from the General Fund to the Public Transportation Fund, a nonmajor governmental fund, for payment in an amount equal to the lesser of monthly debt service on the SCIP bonds or one-twelfth of the amount of the State’s assistance as provided in the authorization. Effective July 6, 2017, the State’s assistance shall be transferred monthly from the Road Fund to the Public Transportation Fund, pursuant to P. A. 100-0023. The authorization currently provides for \$155 million each fiscal year. During fiscal year 2019, the State provided

\$129.146 million to the RTA, which is below the authorized amount of \$155 million. Although the amount of the State's assistance is measured by the debt service on the SCIP bonds, the assistance is not pledged for payment of, or security for, the SCIP bonds. The State's assistance is paid directly to the Authority and may be spent by the Authority at its discretion.

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

The ISFA, not a part of the State of Illinois reporting entity, was authorized by the Illinois Sports Facilities Act to issue bonds and notes in the principal amount not to exceed (1) \$150 million in connection with facilities owned by the ISFA, (2) \$399 million in connection with facilities owned by a governmental owner other than the ISFA, and (3) to refund, advance refund, or refinance any of its bonds then outstanding.

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

Annually, the ISFA is required to certify to the State Comptroller and the State Treasurer their requirements for the next fiscal year. This certification shall be the lesser of (1) the advance amount plus \$10 million and (2) the amount to pay principal and interest and other payments relating to its obligations issued or to be issued during the fiscal year plus the amount anticipated to pay obligations under provisions of any management agreement with respect to facilities owned by the ISFA or any assistance agreement with respect to any facility for which financial assistance is provided under the Act plus an amount to pay other capital or operating expenses of the ISFA. Pursuant to the certification, the maximum advance amount for fiscal year 2019 was \$56.155 million plus \$10 million for a total of \$66.155 million. The ISFA's annual certification for fiscal year 2019 was in the amount of \$57 million, which is below the maximum amount authorized.

In future years, the advance amount increases by 105.615% of the preceding advance amount through fiscal year 2032. Including the additional \$10 million, the maximum which could be certified each year is \$69.309 million in fiscal year 2020, \$72.640 million in fiscal year 2021, \$76.158 million in fiscal year 2022, \$79.873 million in fiscal year 2023, \$83.797 million in fiscal year 2024, and graduating to \$124.252 million in fiscal year 2032. Of these amounts, only \$5 million per year is the State's share.

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

The SWIDA, a nonmajor component unit of the State, has issued revenue bonds. The proceeds of these bonds were loaned to several companies for the acquisition of land and construction of various types of facilities. These companies are primarily liable for repayment of the bonds, which are secured by SWIDA loan agreements with the companies. These bonds bear an interest rate of 6.050% and mature annually through 2025. The State has accepted a moral obligation to repay the bonds in the event the SWIDA and the companies are unable to meet the bonds' repayment commitments. As of June 30, 2019, the outstanding balance of bonds, which the State is morally obligated to repay, is \$4.980 million.

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

The UIRVDA, a nonmajor component unit of the State, has issued revenue bonds. The proceeds of these bonds were loaned to various companies to provide permanent financing for the acquisition and construction of various types of facilities. These companies are primarily liable for repayment of the bonds, which are secured by an assignment and a pledge of revenues derived from a separate loan agreement between the UIRVDA and these companies. These bonds mature annually through 2030 and bear interest at rates ranging from 8.550% to 8.850%. The State has accepted a moral obligation to repay the bonds in the event the UIRVDA and the companies are unable to meet the bonds’ repayment commitments. At June 30, 2019, the outstanding balance, which the State is morally obligated to repay, is \$8.400 million. Effective January 29, 2016, Public Act 099-0499 eliminated the UIRVDA’s authority to issue bonds on a prospective basis with the State’s moral obligation to repay the bonds in the event the UIRVDA and the borrower are unable to meet a given bond’s repayment commitments.

**22 SEGMENT INFORMATION****Major Component Units**

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

**Illinois State University (“ISU”)**

ISU has issued revenue bonds with the net revenues from Auxiliary Facilities System pledged to pay the bond interest and principal. The Auxiliary Facilities System is comprised of university-owned housing units, student union, recreation and athletic facilities, and parking facilities.

**Southern Illinois University (“SIU”)**

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

**University of Illinois (“U of I”)**

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

The following are the condensed financial statements at June 30, 2019, for the segments described above:

The following are the condensed financial statements at June 30, 2019, for the segments described above:

Major Component Units	Illinois State University	Southern Illinois University		University of Illinois	
	Auxiliary Facilities System	Housing and Auxiliary Facilities System	Medical Facilities System	Auxiliary Facilities System	Health Services Facilities System
<b>Condensed Statement of Net Position:</b>					
<b>Assets</b>					
Current assets	\$ 81,215	\$ 71,899	\$ 7,540	\$ 232,371	\$ 493,607
Noncurrent assets:					
Capital assets, net of accumulated depreciation	306,592	242,232	26,439	1,167,475	221,979
Other noncurrent assets	72,780	2,710	-	93,462	23,056
<b>Total assets</b>	<b>460,587</b>	<b>316,841</b>	<b>33,979</b>	<b>1,493,308</b>	<b>738,642</b>
<b>Deferred outflows of resources</b>	<b>640</b>	<b>2,214</b>	<b>481</b>	<b>16,754</b>	<b>3,430</b>
<b>Liabilities</b>					
Current liabilities	20,413	26,586	3,684	110,658	187,514
Noncurrent liabilities	112,322	188,227	19,524	1,146,324	131,862
<b>Total liabilities</b>	<b>132,735</b>	<b>214,813</b>	<b>23,208</b>	<b>1,256,982</b>	<b>319,376</b>
<b>Deferred inflows of resources</b>	<b>-</b>	<b>4,689</b>	<b>6,720</b>	<b>-</b>	<b>-</b>
<b>Net Position</b>					
Net investment in capital assets	194,976	50,586	19,442	91,328	117,751
Restricted-other expendable purposes	133,516	38,389	1,775	18,884	23,059
Unrestricted	-	10,578	(16,685)	142,868	281,886
<b>Total net position</b>	<b>\$ 328,492</b>	<b>\$ 99,553</b>	<b>\$ 4,532</b>	<b>\$ 253,080</b>	<b>\$ 422,696</b>
<b>Condensed Statement of Revenues, Expenses and Changes in Net Position:</b>					
Operating revenues	\$ 93,049	\$ 82,850	\$ 40,424	\$ 366,822	\$ 828,151
Operating expenses	(64,722)	(71,492)	(47,441)	(302,471)	(997,938)
Depreciation expense	(9,625)	(15,305)	(1,258)	(43,562)	(21,760)
Operating income (loss)	18,702	(3,947)	(8,275)	20,789	(191,547)
Nonoperating revenues (expenses)	6,579	5,900	9,698	1,293	225,206
Other revenues (expenses)	-	187	237	-	-
<b>Increase (decrease) in net position</b>	<b>25,281</b>	<b>2,140</b>	<b>1,660</b>	<b>22,082</b>	<b>33,659</b>
Net position, July 1, 2018	303,211	97,413	2,872	230,998	389,037
<b>Net position, June 30, 2019</b>	<b>\$ 328,492</b>	<b>\$ 99,553</b>	<b>\$ 4,532</b>	<b>\$ 253,080</b>	<b>\$ 422,696</b>

## 23 SUBSEQUENT EVENTS

### A. Debt Issuances

Subsequent to June 30, 2019, the State of Illinois and its major component units have issued the following debt instruments:

Series	Date of Issue	Amount of Issue	Interest Rates	Annual Maturity To
<b>Primary Government</b>				
<b>Governmental Activities:</b>				
General obligation bonds:				
November, Series 2019 A	11/21/2019	\$ 300.0	5.00%	2029
November, Series 2019 B	11/21/2019	\$ 300.0	4.00% - 5.00%	2039
November, Series 2019 C	11/21/2019	\$ 150.0	4.00%	2044
<b>Major Component Units:</b>				
Revenue bonds:				
Illinois Housing Development Authority				
Series 2019 D (Revenue)	12/19/2019	\$ 125.0	1.15% - 3.75%	2050
Series 2020 A (Revenue)	3/26/2020	\$ 125.0	0.75% - 3.75%	2050
Illinois State Toll Highway Authority*				
Series 2018 A (Toll Highway Senior Revenue Refunding)	1/10/2019	\$ 515.3	5.00%	2031
Series 2019 A (Toll Highway Senior Revenue Refunding)	7/11/2019	\$ 300.0	3.00% - 5.00%	2044
Series 2019 B (Toll Highway Senior Revenue Refunding)	11/14/2019	\$ 225.2	5.00%	2031
Series 2019 C (Toll Highway Senior Revenue Refunding)	12/23/2019	\$ 697.9	5.00%	2031
Northern Illinois University				
Series 2020A (Auxiliary Facilities System Refunding)	4/1/2020	\$ 30.0	Variable	2041
Series 2020B (Auxiliary Facilities System Refunding)	4/1/2020	\$ 126.4	4.00% - 5.00%	2041
University of Illinois				
Series 2019A (Auxiliary Facilities System)	10/25/2019	\$ 41.9	3.00% - 5.00%	2049
Certificates of participation:				
Illinois State University				
Series 2019 (Refunding)	10/31/2019	\$ 12.7	1.81%	2028

\*Subsequent events for Illinois State Toll Highway Authority are subsequent to December 31, 2018 (Illinois State Toll Highway Authority's fiscal year-end)

**B. COVID-19**

The COVID-19 outbreak in the United States has resulted in the temporary reduction of government functions and workforce in the State of Illinois, while maintaining core functions and essential operations. The State's university component units have suspended face-to-face instruction for the spring 2020 semester. Additionally, there are temporary mandated closings of businesses throughout the State. The State anticipates there will be a significant financial impact, from market volatility to unemployment compensation claims. The extent of the financial impact is currently being monitored and evaluated but cannot be reasonably estimated at this time.

**24 CONTRACTUAL VIOLATION**

The Illinois Designated Account Purchase Program ("IDAPP") was not in compliance with a debt covenant relating to a revolving credit agreement. As a result of the violation, the bank involved with the agreement has certain remedies available, including the right to call the loan and take possession of the portion of the student loan portfolio provided as collateral for the loan. In addition, IDAPP is in breach of the coverage condition ratio defined in the indenture. Since the coverage condition cannot be satisfied within two business days, this would qualify as an Event of Termination under which Citibank would be eligible for remedies under the indenture. Citibank has reserved its rights to remedies in the indenture. Discussions are ongoing with the lender to determine remedies to the violations, but no resolution has been reached.

## **Required Supplementary Information**

State of Illinois

Budgetary Comparison Schedule  
Major Governmental Funds

For the Year Ended June 30, 2019 (Expressed in Thousands)

	General Funds				Road Fund			
	Original Budget	Final Budget	Actual	Variance Over (Under)	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>								
Income taxes	\$ 20,151,000	\$ 20,151,000	\$ 21,624,881	\$ 1,473,881				
Sales taxes	8,110,000	8,110,000	8,409,328	299,328				
Public utility taxes	868,000	868,000	862,834	(5,166)				
Federal government	3,684,000	3,684,000	3,530,834	(153,166)	\$ 1,669,186	\$ 1,669,186	\$ 1,349,489	\$ (319,697)
Other	2,719,012	2,719,012	2,665,387	(53,625)	1,095,251	1,095,251	1,089,573	(5,678)
Less:								
Refunds		5,816	4,904	(912)		2,575	1,767	(808)
<b>Total revenues</b>	<b>35,532,012</b>	<b>35,526,196</b>	<b>37,088,360</b>	<b>1,562,164</b>	<b>2,764,437</b>	<b>2,761,862</b>	<b>2,437,295</b>	<b>(324,567)</b>
<b>EXPENDITURES:</b>								
Current:								
Health and social services	13,698,073	13,988,479	13,255,387	(733,092)				
Education	16,273,999	16,455,097	16,431,760	(23,337)				
General government	3,779,871	4,091,077	4,040,877	(50,200)	119,450	119,450	118,199	(1,251)
Employment and economic development	80,550	90,609	70,076	(20,533)	4,000	4,000	4,000	-
Transportation	5,303	6,468	5,692	(776)	6,021,788	2,481,255	2,215,225	(266,030)
Public protection and justice	2,347,191	2,485,957	2,458,211	(27,746)				
Environment and business regulation	66,020	83,405	78,566	(4,839)				
Capital outlays	19,862	16,799	15,555	(1,244)	174,589	105,229	104,777	(452)
<b>Total expenditures</b>	<b>36,270,869</b>	<b>37,217,891</b>	<b>36,356,124</b>	<b>(861,767)</b>	<b>6,319,827</b>	<b>2,709,934</b>	<b>2,442,201</b>	<b>(267,733)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(738,857)</b>	<b>(1,691,695)</b>	<b>732,236</b>	<b>2,423,931</b>	<b>(3,555,390)</b>	<b>51,928</b>	<b>(4,906)</b>	<b>(56,834)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>								
Transfers-in	10,088,314	10,088,314	10,088,314	-	406,347	406,347	406,347	-
Transfers-out	(10,835,840)	(10,835,840)	(10,835,840)	-	(694,679)	(694,679)	(694,679)	-
<b>Total other sources (uses) of financial resources</b>	<b>(747,526)</b>	<b>(747,526)</b>	<b>(747,526)</b>	<b>-</b>	<b>(288,332)</b>	<b>(288,332)</b>	<b>(288,332)</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(4)</b>	<b>(4)</b>	<b>(4)</b>	<b>-</b>				
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(1,486,387)</b>	<b>(2,439,225)</b>	<b>(15,294)</b>	<b>2,423,931</b>	<b>(3,843,722)</b>	<b>(236,404)</b>	<b>(293,238)</b>	<b>(56,834)</b>
Budgetary fund balances (deficits), July 1, 2018, as previously reported	(5,697,823)	(5,697,823)	(5,697,823)	-	546,963	546,963	546,963	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ (7,184,210)</b>	<b>\$ (8,137,048)</b>	<b>\$ (5,713,117)</b>	<b>\$ 2,423,931</b>	<b>\$ (3,296,759)</b>	<b>\$ 310,559</b>	<b>\$ 253,725</b>	<b>\$ (56,834)</b>



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

For the Year Ended June 30, 2019

## A. Budgetary Basis of Accounting

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

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

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

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

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

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

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

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

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

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

The Budgetary Comparison Schedule – Major Governmental Funds presents the original legally adopted budget, as well as comparisons of the final legally adopted budget with actual data on a budgetary basis for the General Fund and the Road Fund.

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

B. Budgetary-GAAP Reporting Reconciliation

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of differences between budgetary and GAAP presentations for the year ended June 30, 2019, is presented below for the major governmental funds (amounts expressed in thousands):

	<b>MAJOR GOVERNMENTAL FUNDS</b>	
	<b>General Fund</b>	<b>Road Fund</b>
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources (budgetary basis)	\$ (15,294)	\$ (293,238)
Reclassifications: Budgetary Special State Funds reported as part of the General Fund and Road Fund for GAAP reporting	898,419	-
Adjustments: To adjust revenues, related receivables and unavailable revenue	(776,754)	(40,489)
To adjust expenditures and related liabilities	143,951	6,158
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources (GAAP basis)	<b>\$ 250,322</b>	<b>\$ (327,569)</b>

## Required Supplementary Information

### Defined Benefit Pension Plans

Required supplementary information is provided for the following plans: the General Assembly Retirement System (“GARS”), Judges’ Retirement System (“JRS”), State Employees’ Retirement System (“SERS”), Teachers’ Retirement System (“TRS”), and State Universities Retirement System (“SURS”).

All schedules are intended to present information for 10 years. Additional years will be displayed prospectively as they become available.

### Single-Employer Plans

The following schedule of changes in the net pension liability and related ratios for GARS is presented as of the measurement dates:

<b>Schedule of Changes in Net Pension Liability and Related Ratios</b>					
<b>GARS</b>					
(amounts expressed in thousands)					
	2018	2017	June 30, 2016	2015	2014
<b>Total pension liability</b>					
Service cost	\$ 3,536	\$ 3,880	\$ 3,577	\$ 5,957	\$ 5,383
Interest on total pension liability	24,542	24,046	22,395	19,911	20,111
Differences between expected and actual experience	1,197	2,094	(5,401)	2,366	12,389
Assumption changes	(1,213)	(2,431)	42,123	(70,539)	-
Benefit payments	(23,283)	(22,363)	(21,841)	(21,275)	(20,800)
Refunds	(45)	(131)	(142)	(192)	(245)
Administrative expenses	(348)	(356)	(382)	(394)	(335)
<b>Net change in total pension liability</b>	<b>4,386</b>	<b>4,739</b>	<b>40,329</b>	<b>(64,166)</b>	<b>16,503</b>
<b>Total pension liability - beginning</b>	<b>378,405</b>	<b>373,666</b>	<b>333,337</b>	<b>397,503</b>	<b>381,000</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 382,791</b>	<b>\$ 378,405</b>	<b>\$ 373,666</b>	<b>\$ 333,337</b>	<b>\$ 397,503</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 21,155	\$ 21,721	\$ 16,073	\$ 15,871	\$ 13,957
Contributions - participant	1,255	1,285	1,309	1,487	1,503
Net investment income	3,734	5,140	(539)	2,287	8,363
Benefit payments	(23,283)	(22,363)	(21,841)	(21,275)	(20,800)
Refunds	(45)	(131)	(142)	(192)	(245)
Administrative expense	(348)	(356)	(382)	(394)	(335)
<b>Net change in plan fiduciary net position</b>	<b>2,468</b>	<b>5,296</b>	<b>(5,522)</b>	<b>(2,216)</b>	<b>2,443</b>
<b>Plan fiduciary net position - beginning</b>	<b>54,348</b>	<b>49,052</b>	<b>54,574</b>	<b>56,790</b>	<b>54,347</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>56,816</b>	<b>54,348</b>	<b>49,052</b>	<b>54,574</b>	<b>56,790</b>
<b>State's net pension liability - ending (a) - (b)</b>	<b>\$ 325,975</b>	<b>\$ 324,057</b>	<b>\$ 324,614</b>	<b>\$ 278,763</b>	<b>\$ 340,713</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	14.84%	14.36%	13.13%	16.37%	14.29%
Covered payroll *	\$ 10,711	\$ 10,996	\$ 11,298	\$ 11,587	\$ 12,754
<b>State's net pension liability as a percentage of covered payroll</b>	3043.37%	2947.04%	2873.20%	2405.83%	2671.42%
<b>Notes to Schedule.</b> The calculations of the total pension liability for each fiscal year presented are based on the following assumptions:					
	2018	2017	2016	2015	2014
<b>Total pension liability</b>					
Discount rate	6.68%	6.66%	6.60%	6.91%	5.11%
Investment rate of return	6.75%	6.75%	6.75%	7.00%	7.00%
Long-term municipal bond rate	3.62%	3.56%	2.85%	3.80%	4.29%
The difference between the actual and expected experience for each plan includes the impact of the change in the respective single discount rates based on the plans' respective long-term expected rate of return on pension plan investments at year end. The changes were measured using the actuarial assumption for the period, respectively.					
* Covered payroll was restated to comply with the requirements of GASB Statement No. 82.					

The following schedule of changes in the net pension liability and related ratios for JRS is presented as of the measurement dates:

<b>Schedule of Changes in Net Pension Liability and Related Ratios</b>					
<b>JRS</b>					
(amounts expressed in thousands)					
	<b>2018</b>	<b>2017</b>	<b>June 30, 2016</b>	<b>2015</b>	<b>2014</b>
<b>Total pension liability</b>					
Service cost	\$ 53,222	\$ 56,166	\$ 58,041	\$ 59,620	\$ 57,139
Interest on total pension liability	175,399	168,164	158,611	151,431	145,994
Differences between expected and actual experience	6,191	23,042	(3,260)	28,714	4,490
Assumption changes	(14,446)	(29,511)	205,405	9,482	-
Benefit payments	(148,147)	(140,497)	(132,572)	(125,654)	(118,591)
Refunds	(482)	(975)	(658)	(946)	(688)
Administrative expenses	(897)	(914)	(942)	(983)	(832)
<b>Net change in total pension liability</b>	<b>70,840</b>	<b>75,475</b>	<b>284,625</b>	<b>121,664</b>	<b>87,512</b>
<b>Total pension liability - beginning</b>	<b>2,713,028</b>	<b>2,637,553</b>	<b>2,352,928</b>	<b>2,231,264</b>	<b>2,143,752</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 2,783,868</b>	<b>\$ 2,713,028</b>	<b>\$ 2,637,553</b>	<b>\$ 2,352,928</b>	<b>\$ 2,231,264</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 135,962	\$ 131,334	\$ 132,060	\$ 134,040	\$ 126,816
Contributions - participant	14,295	14,770	14,962	15,431	15,919
Net investment income	69,950	97,797	(6,471)	36,009	110,059
Benefit payments	(148,147)	(140,497)	(132,572)	(125,654)	(118,591)
Refunds	(482)	(975)	(658)	(946)	(688)
Administrative expense	(897)	(914)	(942)	(983)	(832)
<b>Net change in plan fiduciary net position</b>	<b>70,681</b>	<b>101,515</b>	<b>6,379</b>	<b>57,897</b>	<b>132,683</b>
<b>Plan fiduciary net position - beginning</b>	<b>941,804</b>	<b>840,289</b>	<b>833,910</b>	<b>776,013</b>	<b>643,330</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>1,012,485</b>	<b>941,804</b>	<b>840,289</b>	<b>833,910</b>	<b>776,013</b>
<b>State's net pension liability - ending (a) - (b)</b>	<b>\$ 1,771,383</b>	<b>\$ 1,771,224</b>	<b>\$ 1,797,264</b>	<b>\$ 1,519,018</b>	<b>\$ 1,455,251</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>36.37%</b>	<b>34.71%</b>	<b>31.86%</b>	<b>35.44%</b>	<b>34.78%</b>
Covered payroll *	\$ 132,065	\$ 139,738	\$ 139,538	\$ 145,903	\$ 150,280
<b>State's net pension liability as a percentage of covered payroll</b>	<b>1341.30%</b>	<b>1267.53%</b>	<b>1288.01%</b>	<b>1041.11%</b>	<b>968.36%</b>
<b>Notes to Schedule.</b> The calculations of the total pension liability for each fiscal year presented are based on the following assumptions:					
	2018	2017	2016	2015	2014
<b>Total pension liability</b>					
Discount rate	6.60%	6.58%	6.48%	6.85%	6.89%
Investment rate of return	6.75%	6.75%	6.75%	7.00%	7.00%
Long-term municipal bond rate	3.62%	3.56%	2.85%	3.80%	4.29%
The difference between the actual and expected experience for each plan includes the impact of the change in the respective single discount rates based on the plans' respective long-term expected rate of return on pension plan investments at year end. The changes were measured using the actuarial assumptions for the period, respectively.					
* Covered payroll was restated to comply with the requirements of GASB Statement No. 82.					

The following schedule of changes in the net pension liability and related ratios for SERS is presented as of the measurement dates:

<b>Schedule of Changes in Net Pension Liability and Related Ratios</b>					
<b>SERS</b>					
(amounts expressed in thousands)					
	June 30,				
	2018	2017	2016	2015	2014
<b>Total pension liability</b>					
Service cost	\$ 828,486	\$ 893,147	\$ 843,377	\$ 847,997	\$ 776,488
Interest on total pension liability	3,295,855	3,217,532	2,989,387	2,912,736	2,754,122
Differences between expected and actual experience	(185,489)	(601,531)	(730,622)	(464,942)	150,997
Assumption changes	(348,811)	(884,705)	5,048,087	360,713	3,142,466
Benefit payments	(2,464,832)	(2,328,621)	(2,190,501)	(2,034,858)	(1,917,062)
Refunds	(27,469)	(26,609)	(26,709)	(23,129)	(23,083)
Administrative expenses	(15,258)	(15,957)	(16,127)	(16,547)	(16,615)
<b>Net change in total pension liability</b>	<b>1,082,482</b>	<b>253,256</b>	<b>5,916,892</b>	<b>1,581,970</b>	<b>4,867,313</b>
<b>Total pension liability - beginning</b>	<b>49,437,204</b>	<b>49,183,948</b>	<b>43,267,056</b>	<b>41,685,086</b>	<b>36,817,773</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 50,519,686</b>	<b>\$ 49,437,204</b>	<b>\$ 49,183,948</b>	<b>\$ 43,267,056</b>	<b>\$ 41,685,086</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 1,929,175	\$ 1,798,348	\$ 1,882,243	\$ 1,804,319	\$ 1,699,448
Contributions - participant	254,442	251,611	256,198	266,139	269,232
Net investment income	1,257,040	1,812,879	(125,443)	681,377	2,169,346
Benefit payments	(2,464,832)	(2,328,621)	(2,190,501)	(2,034,858)	(1,917,062)
Refunds	(27,469)	(26,609)	(26,709)	(23,129)	(23,083)
Administrative expense	(15,258)	(15,957)	(16,127)	(16,547)	(16,615)
<b>Net change in plan fiduciary net position</b>	<b>933,098</b>	<b>1,491,651</b>	<b>(220,339)</b>	<b>677,301</b>	<b>2,181,266</b>
<b>Plan fiduciary net position - beginning</b>	<b>16,530,179</b>	<b>15,038,528</b>	<b>15,258,867</b>	<b>14,581,566</b>	<b>12,400,300</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>17,463,277</b>	<b>16,530,179</b>	<b>15,038,528</b>	<b>15,258,867</b>	<b>14,581,566</b>
<b>State's net pension liability - ending (a) - (b)</b>	<b>\$ 33,056,409</b>	<b>\$ 32,907,025</b>	<b>\$ 34,145,420</b>	<b>\$ 28,008,189</b>	<b>\$ 27,103,520</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	34.57%	33.44%	30.58%	35.27%	34.98%
Covered payroll *	\$ 4,240,109	\$ 4,192,582	\$ 4,282,020	\$ 4,452,369	\$ 4,414,784
<b>State's net pension liability as a percentage of covered payroll</b>	779.61%	784.89%	797.41%	629.06%	613.93%
<b>Notes to Schedule.</b> The calculations of the total pension liability for each fiscal year presented are based on the following assumptions:					
	2018	2017	2016	2015	2014
<b>Total pension liability</b>					
Discount rate	6.81%	6.78%	6.64%	7.02%	7.09%
Investment rate of return	7.00%	7.00%	7.00%	7.25%	7.25%
Long-term municipal bond rate	3.62%	3.56%	2.85%	3.80%	4.29%
The difference between the actual and expected experience for each plan includes the impact of the change in the respective single discount rates based on the plans' respective long-term expected rate of return on pension plan investments at year end. The changes were measured using the actuarial assumptions for the period, respectively.					
* Covered payroll was restated to comply with the requirements of GASB Statement No. 82.					

The following is a schedule of the State's contribution information to the single-employer plans, as of the end of the fiscal years presented:

<b>Schedule of Contributions</b> (amounts expressed in thousands)							
<b>Plan</b>	<b>Fiscal Year Ended</b>	<b>Actuarial Determined Contribution ^</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll *</b>	<b>Actual Contribution as a % of Covered Payroll</b>	
GARS	2019	\$ 32,650	\$ 23,221	\$ 9,429	\$ 10,159	228.58%	
	2018	32,083	21,155	10,928	10,711	197.51%	
	2017	26,985	21,721	5,264	10,996	197.54%	
	2016	17,141	16,073	1,068	11,298	142.26%	
	2015	16,901	15,871	1,030	11,587	136.97%	
	2014	17,110	13,957	3,153	12,754	109.43%	
	2013	17,065	14,150	2,915	14,876	95.12%	
	2012	13,366	10,502	2,864	15,263	68.81%	
	2011	13,086	11,434	1,652	15,188	75.28%	
	2010	12,064	10,411	1,653	14,775	70.46%	
JRS	2019	\$ 169,632	\$ 140,469	\$ 29,163	\$ 138,415	101.48%	
	2018	168,057	135,962	32,095	132,065	102.95%	
	2017	152,699	131,334	21,365	139,738	93.99%	
	2016	121,363	132,060	(10,697)	139,538	94.64%	
	2015	124,216	134,040	(9,824)	145,903	91.87%	
	2014	125,062	126,816	(1,754)	150,280	84.39%	
	2013	125,577	88,240	37,337	156,142	56.51%	
	2012	110,923	63,644	47,279	153,551	41.45%	
	2011	95,490	62,695	32,795	169,155	37.06%	
	2010	86,916	78,510	8,406	161,164	48.71%	
SERS	2019	\$ 2,995,968	\$ 2,274,925	\$ 721,043	\$ 4,621,647	49.22%	
	2018	2,739,378	1,929,175	810,203	4,240,109	45.50%	
	2017	2,129,483	1,798,348	331,135	4,192,582	42.89%	
	2016	2,019,691	1,882,243	137,448	4,282,020	43.96%	
	2015	2,045,354	1,804,319	241,035	4,452,369	40.52%	
	2014	1,956,841	1,699,447	257,394	4,414,784	38.49%	
	2013	1,741,286	1,531,932	209,354	4,235,366	36.17%	
	2012	1,614,835	1,391,416	223,419	4,328,768	32.14%	
	2011	1,289,002	1,127,887	161,115	4,211,186	26.78%	
	2010	1,177,313	1,095,546	81,767	4,119,361	26.60%	

^ The Statutory Funding Policy for GARS, JRS and SERS does not conform to Actuarial Standards of Practice, therefore, the actuarially determined contribution is equal to the normal cost plus an amount to amortize the unfunded actuarial accrued liability as a level percentage of payroll.

\* Covered payroll for fiscal years on and after June 30, 2012, were restated to comply with the requirements of GASB Statement No. 82.

<b>Notes To Schedule of Contributions</b>			
	<u>GARS</u>	<u>JRS</u>	<u>SERS</u>
<b>Actuarial Valuation Date</b>	6/30/2017	6/30/2017	6/30/2017
<b>Note:</b>	Actuarially determined contribution rates are calculated as of June 30, 12 months prior to the beginning of the fiscal year in which contributions will be made.		
<b>Methods and Assumptions Used to Determine Contribution Rates as of the Valuation Date:</b>			
Actuarial cost method	Proj. Unit Credit	Proj. Unit Credit	Proj. Unit Credit
Amortization method	Level % of pay	Level % of pay	Level % of pay
Remaining amortization period	18 years, closed	23 years, closed	23 years, closed
Asset valuation method	5-Year Smoothed Market	5-Year Smoothed Market	5-Year Smoothed Market
Actuarial assumptions:			
Inflation rate	2.75%	2.75%	2.75%
Salary increases*	Salary increase rates based on age-related productivity and merit rates plus inflation.	Salary increase rates based on age-related productivity and merit rates plus inflation.	Salary increase rates based on age-related productivity and merit rates plus inflation.
Postretirement benefit increases			
Tier 1	3%, compounded	3%, compounded	3%, compounded
Tier 2	Lesser of 3% or 1/2 annual increase in CPI^	Lesser of 3% or 1/2 annual increase in CPI^	Lesser of 3% or 1/2 annual increase in CPI^
Investment rate of return	6.75%	6.75%	7.00%
Retirement age	Experience-based table of rates specific to type of eligibility condition	Experience-based table of rates specific to type of eligibility condition	Experience-based table of rates specific to type of eligibility condition
Mortality:			
GARS	RP-2014 White Collar Healthy Annuitant mortality table, sex distinct, and generational mortality improvements using the MP-2014 two-dimensional mortality improvement scales.		
JRS	RP-2014 White Collar Healthy Annuitant mortality table, sex distinct, and generational mortality improvements using the MP-2014 two-dimensional mortality improvement scales.		
SERS	105% of the RP 2014 Healthy Annuitant mortality table, sex distinct, and generational mortality improvements.		
^ Consumer Price Index * Includes inflation rate listed			



**Cost-Sharing Multiple-Employer Plans**

The following schedule of the State's proportionate share of the net pension liability for TRS is presented as of the measurement dates:

<b>Schedule of the State's Proportionate Share of the Net Pension Liability TRS</b> (amounts expressed in thousands)					
	<u>2018</u>	<u>2017</u>	<u>June 30, 2016</u>	<u>2015</u>	<u>2014</u>
State's proportion of the net pension liability	98.57%	96.83%	96.72%	96.48%	96.47%
State's proportionate share of the net pension liability <sup>^</sup>	\$ 76,827,641	\$ 73,979,435	\$ 76,344,452	\$ 63,203,638	\$ 58,710,342
Plan fiduciary net position as a percentage of the total pension liability	40.00%	39.26%	36.44%	41.47%	42.95%

<sup>^</sup> The amounts represent the State's nonemployer and employer proportionate share of the net pension liability.

The following schedule of the State's proportionate share of the net pension liability for SURS is presented as of the measurement dates:

<b>Schedule of the State's Proportionate Share of the Net Pension Liability SURS</b> (amounts expressed in thousands)					
	<u>2018</u>	<u>2017</u>	<u>June 30, 2016</u>	<u>2015</u>	<u>2014</u>
State's proportion of the net pension liability	100.00%	100.00%	100.00%	100.00%	100.00%
State's proportionate share of the net pension liability	\$ 27,494,557	\$ 25,481,106	\$ 25,965,272	\$ 23,756,361	\$ 21,790,983
Plan fiduciary net position as a percentage of the total pension liability	41.27%	42.04%	39.57%	42.37%	44.39%

The following is a schedule of the State's contributions, as of the end of the fiscal years presented:

<b>Schedule of State Contributions</b> (amounts expressed in thousands)				
<b>Plan</b>	<b>Fiscal Year</b>	<b>Statutorily Required Contribution</b>	<b>State Contribution</b>	<b>Contribution Excess/ (Deficiency)</b>
TRS*	2019	\$ 4,466,021	\$ 4,466,021	-
	2018	4,095,125	4,095,125	-
	2017	3,986,364	3,986,364	-
	2016	3,742,469	3,742,469	-
	2015	3,377,665	3,377,665	-
	2014	3,438,383	3,438,383	-
SURS**	2019	\$ 1,592,639	\$ 1,592,639	-
	2018	1,568,221	1,568,221	-
	2017	1,612,164	1,612,164	-
	2016	1,542,947	1,542,947	-
	2015	1,488,591	1,488,591	-
	2014	1,458,965	1,458,965	-
<p>* TRS statutory and actual contributions amounts include actual contributions required to fund the Guaranteed Minimum Benefit Reserve equal to \$443, \$509, \$580, \$667, \$787, and \$905 for fiscal years 2019, 2018, 2017, 2016, 2015, and 2014, respectively.</p>				
<p>** SURS statutorily required contribution is calculated using the total statutorily required State contribution requirement to SURS less the actual contributions made to the Self Managed Defined Contribution plan.</p>				

### Defined Benefit Other Postemployment Benefit Plans

Required supplementary information is provided for the State's single-employer defined benefit other postemployment benefit ("OPEB") plan, the Illinois State Employees Group Insurance Program ("SEGIP"), as well as the cost-sharing defined benefit OPEB plans administered by the State for teachers at school districts in Illinois (excluding Chicago), the Teachers' Retirement Insurance Program ("TRIP"), and for teachers at community colleges in Illinois, the College Insurance Program ("CIP").

All schedules are intended to present information for 10 years. Additional years will be displayed prospectively as they become available.

#### Single-employer plan

The following schedule of changes in the total OPEB liability and related ratios is presented as of the measurement date:

<b>Schedule of Changes in Total OPEB Liability and Related Ratios</b>		
<b>SEGIP</b>		
(amounts expressed in thousands)		
	<b>June 30, 2018</b>	<b>June 30, 2017</b>
<b>Total OPEB liability</b>		
Service cost	\$ 1,372,139	\$ 1,696,977
Interest on total OPEB liability	1,435,703	1,242,237
Differences between expected and actual experience	(1,096,157)	16,224
Assumption changes	(898,313)	(4,805,714)
Benefit payments	(2,043,983)	(325,218)
<b>Net change in total OPEB liability</b>	<b>(1,230,611)</b>	<b>(2,175,494)</b>
<b>Total OPEB liability - beginning</b>	<b>41,323,859</b>	<b>43,499,353</b>
<b>Total OPEB liability - ending</b>	<b>\$ 40,093,248</b>	<b>\$ 41,323,859</b>
Covered-employee payroll	\$ 7,516,763	\$ 7,663,997
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>533.38%</b>	<b>539.19%</b>
<b>Notes to Schedule.</b> No assets are accumulated or dedicated to funding the retiree health insurance benefit and a separate trust has not been established for the funding of OPEB.		
The calculations of the total OPEB liability for each fiscal year presented are based on the following assumptions:		
	<b>2018</b>	<b>2017</b>
<b>Total OPEB liability</b>		
Discount rate	3.62%	3.56%

**Cost-Sharing Multiple-Employer Plans**

The following schedule of the State’s proportionate share of the net OPEB liability for TRIP is presented as of the measurement dates:

<b>Schedule of the State's Proportionate Share of the Net OPEB Liability TRIP</b> (amounts expressed in thousands)		
	<u>June 30, 2018</u>	<u>June 30, 2017</u>
State's proportion of the net OPEB liability	57.32%	56.77%
State's proportionate share of the net OPEB liability	\$ 15,100,333	\$ 14,731,764
Plan fiduciary net position as a percentage of the total OPEB liability	-0.07%	-0.17%

The following schedule of the State’s proportionate share of the net OPEB liability for CIP is presented as of the measurement dates:

<b>Schedule of the State's Proportionate Share of the Net OPEB Liability CIP</b> (amounts expressed in thousands)		
	<u>June 30, 2018</u>	<u>June 30, 2017</u>
State's proportion of the net OPEB liability	50.00%	49.67%
State's proportionate share of the net OPEB liability	\$ 942,626	\$ 905,774
Plan fiduciary net position as a percentage of the total OPEB liability	-3.54%	-2.87%

The following is a schedule of the State’s contributions, as of the end of the fiscal years presented:

<b>Schedule of State Contributions</b> (amounts expressed in thousands)					
Plan	Fiscal Year	Statutorily Required Contribution	State Contribution	Contribution Excess/ (Deficiency)	
TRIP	2019	\$ 120,809	\$ 120,809	-	
	2018	114,168	114,168	-	
	2017	109,703	109,703	-	
	2016	108,259	108,259	-	
	2015	100,983	100,983	-	
	2014	90,430	90,430	-	
	2013	86,683	86,683	-	
	2012	87,622	87,622	-	
	2011	85,953	85,953	-	
	2010	79,007	79,007	-	
CIP	2019	* \$ 4,208	\$ 9,208	5,000	
	2018	4,133	4,133	-	
	2017	4,309	4,309	-	
	2016	4,625	4,625	-	
	2015	4,479	4,479	-	
	2014	4,399	4,399	-	
	2013	* 4,176	40,176	36,000	
	2012	4,396	4,396	-	
	2011	5,237	5,237	-	
	2010	4,059	4,059	-	

\* In FY 2019 and FY 2013, the State made additional contributions from the General Revenue Fund of \$5 million and \$36 million, respectively.

## GENERAL FUND

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

### SIGNIFICANT GENERAL FUND ACCOUNT DESCRIPTIONS

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

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

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

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

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

Care Provider For Persons With Developmental Disabilities Account--to provide for services for the administration of the Developmentally Disabled Care Provider Program.

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

Medicaid Buy-In Program Revolving Account--to provide for services for the administration of the Medicaid Buy-In Program.

State of Illinois

Combining Schedule of Accounts  
General Fund

June 30, 2019 (Expressed in Thousands)

	General Revenue Account	Medicaid Provider Assessment Program	Common School Account	Education Assistance Account	Eliminations	Total
<b>ASSETS</b>						
Cash equity with State Treasurer	\$ 2,840,608	\$ 88,641	\$ 97,682	\$ 25,368		\$ 3,052,299
Cash and cash equivalents	5,919					5,919
Securities lending collateral of State Treasurer	1,981,902	22,097	17,399			2,021,398
Receivables, net:						
Taxes	1,656,260	12,308	132,224	58,824		1,859,616
Intergovernmental	1,640,017	164,143				1,804,160
Other	633,407	197	119	1,928		635,651
Due from other funds	186,541	4,000	847	32,151	\$ (4,056)	219,483
Due from component units	1,504	22,080		6		23,590
Inventories	18,775					18,775
Loans and notes receivable, net	4,446					4,446
Other assets	15,000					15,000
<b>Total assets</b>	<b>\$ 8,984,379</b>	<b>\$ 313,466</b>	<b>\$ 248,271</b>	<b>\$ 118,277</b>	<b>\$ (4,056)</b>	<b>\$ 9,660,337</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 5,668,790	\$ 60,367	\$ 105,152	\$ 3,640		\$ 5,837,949
Intergovernmental payables	1,995,926	164,340		16		2,160,282
Due to other funds	3,942,056	138	558,263	420	\$ (4,056)	4,496,821
Due to component units	90,521	46,526		2,910		139,957
Unearned revenue	864,704			55,638		920,342
Obligations under securities lending of State Treasurer	1,981,902	22,097	17,399			2,021,398
Matured portion of long-term liabilities	300					300
<b>Total liabilities</b>	<b>14,544,199</b>	<b>293,468</b>	<b>680,814</b>	<b>62,624</b>	<b>(4,056)</b>	<b>15,577,049</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows of resources - unavailable revenue	1,478,811	104,997	13	16,064		1,599,885
<b>Total deferred inflows of resources</b>	<b>1,478,811</b>	<b>104,997</b>	<b>13</b>	<b>16,064</b>		<b>1,599,885</b>
<b>FUND BALANCES (DEFICITS)</b>						
Nonspendable long-term portion of loans and notes receivable	4,446					4,446
Nonspendable inventories	18,775					18,775
Restricted	69,038					69,038
Committed	2,481,532	16,671		39,589		2,537,792
Unassigned	(9,612,422)	(101,670)	(432,556)			(10,146,648)
<b>Total fund balances (deficits)</b>	<b>(7,038,631)</b>	<b>(84,999)</b>	<b>(432,556)</b>	<b>39,589</b>		<b>(7,516,597)</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 8,984,379</b>	<b>\$ 313,466</b>	<b>\$ 248,271</b>	<b>\$ 118,277</b>	<b>\$ (4,056)</b>	<b>\$ 9,660,337</b>

State of Illinois

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

General Fund

For the Year Ended June 30, 2019 (Expressed in Thousands)

	General Revenue Account	Medicaid Provider Assessment Program	Common School Account	Education Assistance Account	Eliminations	Total
<b>REVENUES</b>						
Income taxes	\$ 20,532,842			\$ 1,675,901		\$ 22,208,743
Sales taxes	6,483,303		\$ 2,215,802			8,699,105
Public utility taxes	854,243		61,372			915,615
Medical providers assessment taxes	1,512,117	\$ 182,871				1,694,988
Other taxes	2,485,541	24,295	74,547			2,584,383
Federal government	10,167,208	1,531,044				11,698,252
Licenses and fees	564,120	569	757			565,446
Interest and other investment income	254,451	1,607	2,882			258,940
Other	548,434	773,304		550		1,322,288
<b>Total revenues</b>	<b>43,402,259</b>	<b>2,513,690</b>	<b>2,355,360</b>	<b>1,676,451</b>		<b>49,947,760</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services	21,979,292	2,639,658				24,618,950
Education	7,538,541		7,918,176	1,952,383		17,409,100
General government	2,279,285					2,279,285
Employment and economic development	111,041					111,041
Transportation	549,117					549,117
Public protection and justice	2,791,595					2,791,595
Environment and business regulation	194,856					194,856
Debt service:						
Principal	2,064			41		2,105
Interest	13,714			7		13,721
Capital outlays	66,960			210		67,170
<b>Total expenditures</b>	<b>35,526,465</b>	<b>2,639,658</b>	<b>7,918,176</b>	<b>1,952,641</b>		<b>48,036,940</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>7,875,794</b>	<b>(125,968)</b>	<b>(5,562,816)</b>	<b>(276,190)</b>		<b>1,910,820</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Transfers-in	1,029,664	50,000	5,460,409	258,433	\$ (4,797,490)	2,001,016
Transfers-out	(8,441,241)	(20,000)		(895)	4,797,490	(3,664,646)
Capital lease financing	3,132					3,132
<b>Net other sources (uses) of financial resources</b>	<b>(7,408,445)</b>	<b>30,000</b>	<b>5,460,409</b>	<b>257,538</b>	<b>-</b>	<b>(1,660,498)</b>
<b>Net change in fund balances</b>	<b>467,349</b>	<b>(95,968)</b>	<b>(102,407)</b>	<b>(18,652)</b>	<b>-</b>	<b>250,322</b>
Fund balances (deficits), July 1, 2018	(7,502,354)	10,969	(330,149)	58,241		(7,763,293)
(Decrease) for changes in inventories	(3,626)					(3,626)
<b>FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ (7,038,631)</b>	<b>\$ (84,999)</b>	<b>\$ (432,556)</b>	<b>\$ 39,589</b>	<b>\$ -</b>	<b>\$ (7,516,597)</b>

State of Illinois

Combining Schedule of Accounts - General Fund  
 Medicaid Provider Assessment Program

June 30, 2019 (Expressed in Thousands)

	University of Illinois Hospital Services Account	County Hospital Services Account	Care Provider For Persons With Developmental Disabilities Account	Long-Term Care Provider Account	Medicaid Buy-In Program Revolving Account	Total
<b>ASSETS</b>						
Cash equity with State Treasurer	\$ 7,386	\$ 46,838	\$ 14,795	\$ 18,069	\$ 1,553	\$ 88,641
Securities lending collateral of State Treasurer	1,893	11,998	3,734	4,063	409	22,097
Receivables, net:						
Taxes			367	11,941		12,308
Intergovernmental	15,558	115,428	1,430	31,727		164,143
Other	13	82	25	28	49	197
Due from other funds	4,000					4,000
Due from component units	22,080					22,080
<b>Total assets</b>	<b>\$ 50,930</b>	<b>\$ 174,346</b>	<b>\$ 20,351</b>	<b>\$ 65,828</b>	<b>\$ 2,011</b>	<b>\$ 313,466</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities		\$ 57	\$ 668	\$ 59,628	\$ 14	\$ 60,367
Intergovernmental payables		162,244	2	2,093	1	164,340
Due to other funds		47	39	44	8	138
Due to component units	\$ 46,526					46,526
Obligations under securities lending of State Treasurer	1,893	11,998	3,734	4,063	409	22,097
<b>Total liabilities</b>	<b>48,419</b>	<b>174,346</b>	<b>4,443</b>	<b>65,828</b>	<b>432</b>	<b>293,468</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows of resources - unavailable revenue	22,555	61,625	816	20,001		104,997
<b>Total deferred inflows of resources</b>	<b>22,555</b>	<b>61,625</b>	<b>816</b>	<b>20,001</b>	<b>-</b>	<b>104,997</b>
<b>FUND BALANCES (DEFICITS)</b>						
Committed			15,092		1,579	16,671
Unassigned	(20,044)	(61,625)		(20,001)		(101,670)
<b>Total fund balances (deficits)</b>	<b>(20,044)</b>	<b>(61,625)</b>	<b>15,092</b>	<b>(20,001)</b>	<b>1,579</b>	<b>(84,999)</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 50,930</b>	<b>\$ 174,346</b>	<b>\$ 20,351</b>	<b>\$ 65,828</b>	<b>\$ 2,011</b>	<b>\$ 313,466</b>



State of Illinois

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

For the Year Ended June 30, 2019 (Expressed in Thousands)

	University of Illinois Hospital Services Account	County Hospital Services Account	Care Provider For Persons With Developmental Disabilities Account	Long-Term Care Provider Account	Medicaid Buy-In Program Revolving Account	Total
<b>REVENUES</b>						
Medical providers assessment taxes			\$ 17,784	\$ 165,087		\$ 182,871
Other taxes				24,295		24,295
Federal government	\$ 99,642	\$ 1,266,871	15,530	149,001		1,531,044
Licenses and fees					\$ 569	569
Interest and other investment income	227	664	167	521	28	1,607
Other	34,950	738,354				773,304
<b>Total revenues</b>	<b>134,819</b>	<b>2,005,889</b>	<b>33,481</b>	<b>338,904</b>	<b>597</b>	<b>2,513,690</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services	199,717	2,056,055	27,361	356,393	132	2,639,658
<b>Total expenditures</b>	<b>199,717</b>	<b>2,056,055</b>	<b>27,361</b>	<b>356,393</b>	<b>132</b>	<b>2,639,658</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(64,898)</b>	<b>(50,166)</b>	<b>6,120</b>	<b>(17,489)</b>	<b>465</b>	<b>(125,968)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Transfers-in	20,000			30,000		50,000
Transfers-out				(20,000)		(20,000)
<b>Net other sources (uses) of financial resources</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>30,000</b>
<b>Net change in fund balances</b>	<b>(44,898)</b>	<b>(50,166)</b>	<b>6,120</b>	<b>(7,489)</b>	<b>465</b>	<b>(95,968)</b>
Fund balances (deficits), July 1, 2018	24,854	(11,459)	8,972	(12,512)	1,114	10,969
<b>FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ (20,044)</b>	<b>\$ (61,625)</b>	<b>\$ 15,092</b>	<b>\$ (20,001)</b>	<b>\$ 1,579</b>	<b>\$ (84,999)</b>

State of Illinois

Combining Balance Sheet -  
Nonmajor Governmental Funds

June 30, 2019 (Expressed in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash equity with State Treasurer	\$ 4,255,801	\$ 1,246,975	\$ 1,829,353	\$ 14,952	\$ 7,347,081
Cash and cash equivalents	214,181	120,449	3,553	255	338,438
Securities lending collateral of State Treasurer	215,051	278,447	192,084	738	686,320
Investments	16,798			40,690	57,488
Receivables, net:					
Taxes	497,462				497,462
Intergovernmental	1,102,506	8,796	3,629		1,114,931
Other	440,124	2,133	3,923	32	446,212
Due from other funds	892,370	4,042	43,999		940,411
Due from component units	357,962				357,962
Inventories	53,944				53,944
Loans and notes receivable, net	43,267	1,664	1,500		46,431
Other assets	44,494				44,494
<b>Total assets</b>	<b>8,133,960</b>	<b>1,662,506</b>	<b>2,078,041</b>	<b>56,667</b>	<b>11,931,174</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources - intra-entity transfers of future revenues	410,641				410,641
<b>Total deferred outflows of resources</b>	<b>410,641</b>				<b>410,641</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 8,544,601</b>	<b>\$ 1,662,506</b>	<b>\$ 2,078,041</b>	<b>\$ 56,667</b>	<b>\$ 12,341,815</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 629,456	\$ 26	\$ 275,167	\$	\$ 904,649
Intergovernmental payables	1,881,079		46,167		1,927,246
Due to other funds	483,287		1,573	\$ 145	485,005
Due to component units	78,447				78,447
Unearned revenue	388,413		7,760		396,173
Obligations under securities lending of State Treasurer	215,051	278,447	192,084	738	686,320
<b>Total liabilities</b>	<b>3,675,733</b>	<b>278,473</b>	<b>522,751</b>	<b>883</b>	<b>4,477,840</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources - unavailable revenue	741,828				741,828
Deferred inflows of resources - intra-entity transfers of future revenues	410,641				410,641
<b>Total deferred inflows of resources</b>	<b>1,152,469</b>				<b>1,152,469</b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable - inventories	53,944				53,944
Nonspendable - endowments and similar funds				51,793	51,793
Restricted	1,711,616	1,384,033	842,582	3,991	3,942,222
Committed	2,655,161		713,887		3,369,048
Unassigned	(704,322)		(1,179)		(705,501)
<b>Total fund balances</b>	<b>3,716,399</b>	<b>1,384,033</b>	<b>1,555,290</b>	<b>55,784</b>	<b>6,711,506</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 8,544,601</b>	<b>\$ 1,662,506</b>	<b>\$ 2,078,041</b>	<b>\$ 56,667</b>	<b>\$ 12,341,815</b>

State of Illinois

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

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>					
Income taxes	\$ 2,797,641				\$ 2,797,641
Sales taxes	3,545,704				3,545,704
Motor fuel taxes	798,049		\$ 217,854		1,015,903
Public utility taxes	563,213				563,213
Riverboat taxes	453,985				453,985
Other taxes	492,137				492,137
Federal government	8,355,344	\$ 47,155	10,926		8,413,425
Licenses and fees	758,975		496,694	\$ 59	1,255,728
Interest and other investment income	43,344	51,328	20,384	2,845	117,901
Other	1,023,178		16,853	16	1,040,047
<b>Total revenues</b>	<b>18,831,570</b>	<b>98,483</b>	<b>762,711</b>	<b>2,920</b>	<b>19,695,684</b>
<b>EXPENDITURES</b>					
Current:					
Health and social services	5,351,492			10	5,351,502
Education	2,599,794		50,560		2,650,354
General government	553,150	5,004	71,427		629,581
Employment and economic development	737,763	12	6,850		744,625
Transportation	470,795	27	218,943		689,765
Public protection and justice	585,206		57		585,263
Environment and business regulation	627,232		26,894		654,126
Debt service:					
Principal	96,104	2,785,520	9		2,881,633
Interest	49,565	1,618,415	2		1,667,982
Capital outlays	96,573		902,261		998,834
Intergovernmental	6,357,667				6,357,667
<b>Total expenditures</b>	<b>17,525,341</b>	<b>4,408,978</b>	<b>1,277,003</b>	<b>10</b>	<b>23,211,332</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,306,229</b>	<b>(4,310,495)</b>	<b>(514,292)</b>	<b>2,910</b>	<b>(3,515,648)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>					
General and special obligation bonds issued	300,000		250,000		550,000
Premiums on general and special obligation bonds issued			12,206		12,206
Discounts on general and special obligation bonds issued	(404)		(14)		(418)
General obligation refunding bonds issued		1,106,050			1,106,050
Premiums on general obligation refunding bonds issued		67,449			67,449
Transfers-in	611,928	4,149,626	3,762		4,765,316
Transfers-out	(1,535,516)	(213,227)	(6,264)	(1,596)	(1,756,603)
Payments to refunded bond escrow agent		(1,168,591)			(1,168,591)
Capital lease financing	2,073		27		2,100
<b>Net other sources (uses) of financial resources</b>	<b>(621,919)</b>	<b>3,941,307</b>	<b>259,717</b>	<b>(1,596)</b>	<b>3,577,509</b>
<b>Net change in fund balances</b>	<b>684,310</b>	<b>(369,188)</b>	<b>(254,575)</b>	<b>1,314</b>	<b>61,861</b>
Fund balances, July 1, 2018	3,025,752	1,753,221	1,809,865	54,470	6,643,308
Increase for changes in inventories	6,337				6,337
<b>FUND BALANCES, JUNE 30, 2019</b>	<b>\$ 3,716,399</b>	<b>\$ 1,384,033</b>	<b>\$ 1,555,290</b>	<b>\$ 55,784</b>	<b>\$ 6,711,506</b>

## SPECIAL REVENUE FUNDS

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

### SIGNIFICANT NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS DESCRIPTIONS

#### **Treasurer**

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

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

State Pension Obligation Acceleration Bond Fund--to account for monies received from the issuance of the State Pension Obligation Acceleration Bonds. Monies in the fund may be used for accelerated pension benefit payments or for the payment of principal and interest due on the bonds.

#### **Department of Children and Family Services**

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

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

State Small Business Credit Initiative Fund--to receive and record monies obtained from capital provided in accordance with the provisions of the State Small Business Credit Initiative.

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

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

#### **Department of Natural Resources**

Abandoned Mined Land Reclamation Set-Aside Fund--to record and disburse monies received under the Federal Surface Mining Control and Reclamation Act.

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

#### **Department of Employment Security**

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

#### **Department of Human Services**

Employment and Training Fund--to receive and disburse monies in accordance with the provisions of Title IV-A of the Federal Social Security Act, the Food Stamp Act, Title 7 of the United States Code, and related rules and regulations governing the use of those monies for the purposes of providing employment and training services.

DHS Special Purposes Trust Fund--to receive and disburse federal grants, gifts, and legacies not elsewhere designated by statute to be deposited and disbursed.

DHS Recoveries Trust Fund--to receive and record monies obtained from recoveries as authorized by the appropriate sections and articles of the Public Aid Code.

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

#### **Illinois Power Agency**

Illinois Power Agency Renewable Energy Resources Fund--to account for the procurement of renewable energy resources.

#### **Department of Insurance**

Insurance Producers' Administration Fund--to account for fees collected and expenditures in administering insurance regulation in accordance with the Illinois Insurance Code.

Insurance Financial Regulation Fund--to account for fees collected and expenditures in administering financial regulation in accordance with the Illinois Insurance Code.

#### **Department of Public Health**

Public Health Services Fund--to account for funds received from the federal government for various federal project awards.

#### **Department of Revenue**

State and Local Sales Tax Reform Fund--to record proceeds from the 1% use tax on food and drugs and 20% of the proceeds from the 6.25% sales tax.

County and Mass Transit District Fund--to record 4% of the proceeds from a 6.25% Retailers' and Service Occupation Tax.

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

Illinois Affordable Housing Trust Fund--to account for a portion of the State real estate transfer tax used for grants and low or no interest mortgages or other loans to acquire, construct, rehabilitate, develop, operate, insure, and retain affordable single family and multi-family housing for low-income households.

Local Government Distributive Fund--to receive a portion of the State's income tax and sales tax collections to distribute to various municipalities and counties within the State.

Personal Property Tax Replacement Fund--to allocate and disburse to each taxing district within the State the net revenue received from the personal property replacement tax.

Senior Citizens' Real Estate Deferred Tax Revolving Fund--to make payments to county collectors as provided in the Senior Citizens' Real Estate Deferral Act. All monies received in payment of deferred taxes and accrued interest under section seven of this Act are deposited into this fund.

Build Illinois Fund--to receive a percentage of sales, hotel, and privilege taxes to be used for monthly allocation to various State agencies for the purpose of promoting tourism related activities.

#### **Department of Transportation**

Motor Fuel Tax Fund--to account for the activities of various transportation related program expenditures and the administrative cost of supervising the use of funds apportioned to municipalities, counties, and road districts.

Federal/Local Airport Fund--to receive and manage federal funds for airport construction.

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

#### **Railsplitter Tobacco Settlement Authority**

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

#### **Illinois Gaming Board**

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

#### **State Board of Education**

SBE Federal Department of Agriculture Fund--to account for the federal share of nutrition programs which provide nutritious meals for children and aging adults.

SBE Federal Department of Education Fund--to receive and disburse federal monies to provide financial assistance for educational programs funded by the U.S. Department of Education.

#### **Office of the State Fire Marshal**

Underground Storage Tank Fund--to record underground storage tank registration fees collected by the State Fire Marshal expended for the purposes of the Leaking Underground Storage Tank program.

State of Illinois

Combining Balance Sheet  
Nonmajor Special Revenue Funds

June 30, 2019 (Expressed in Thousands)

	Treasurer	Commerce and Economic Opportunity	Natural Resources	Human Services	Insurance
<b>ASSETS</b>					
Cash equity with State Treasurer	\$ 578,471	\$ 184,701	\$ 98,688	\$ 83,377	\$ 80,642
Cash and cash equivalents	18				
Securities lending collateral of State Treasurer		9,327	15,106		
Investments					
Receivables, net:					
Taxes		19,821	9		
Intergovernmental	35,641			163,693	
Other	483	65	103	114,290	4,388
Due from other funds	61,319	149,162	58,003		21,000
Due from component units					
Inventories					
Loans and notes receivable, net		500			
Other assets		42,495			
<b>Total assets</b>	<b>675,932</b>	<b>406,071</b>	<b>171,909</b>	<b>361,360</b>	<b>106,030</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources - TSR's					
<b>Total assets and deferred outflows of resources</b>	<b>\$ 675,932</b>	<b>\$ 406,071</b>	<b>\$ 171,909</b>	<b>\$ 361,360</b>	<b>\$ 106,030</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 74,351	\$ 9,022	\$ 85	\$ 67,274	\$ 2,733
Intergovernmental payables	2,224	1,658	3,429	57,856	150
Due to other funds	16,372	906	24	4,296	2,127
Due to component units	292	437		3,710	
Unearned revenue		1,371		784	
Obligations under securities lending of State Treasurer		9,327	15,106		
<b>Total liabilities</b>	<b>93,239</b>	<b>22,721</b>	<b>18,644</b>	<b>133,920</b>	<b>5,010</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources - unavailable revenue				112,888	499
Deferred inflows of resources - TSR's	410,641				
<b>Total deferred inflows of resources</b>	<b>410,641</b>			<b>112,888</b>	<b>499</b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable inventories					
Restricted	457,336	75,933	56,117	161,070	
Committed	13,464	307,417	97,148		100,521
Unassigned	(298,748)			(46,518)	
<b>Total fund balances (deficits)</b>	<b>172,052</b>	<b>383,350</b>	<b>153,265</b>	<b>114,552</b>	<b>100,521</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 675,932</b>	<b>\$ 406,071</b>	<b>\$ 171,909</b>	<b>\$ 361,360</b>	<b>\$ 106,030</b>

Revenue	Transportation	Other Departments	State Board of Education	Other Agencies, Boards and Authorities	Other	Total
\$ 1,013,855	\$ 180,401	\$ 298,173	\$ 3,225	\$ 136,101	\$ 1,598,167	\$ 4,255,801
		863		167,543	45,757	214,181
49,115				25,426	116,077	215,051
					16,798	16,798
283,468	130,966			12,874	50,324	497,462
	114,799	146,104	425,243		217,026	1,102,506
15,327		192	7,382	139,347	158,547	440,124
185,419	103,854	116,563	16	21,300	175,734	892,370
357,690			217		55	357,962
		939	1,415		51,590	53,944
37,569					5,198	43,267
					1,999	44,494
1,942,443	530,020	562,834	437,498	502,591	2,437,272	8,133,960
				410,641		410,641
\$ 1,942,443	\$ 530,020	\$ 562,834	\$ 437,498	\$ 913,232	\$ 2,437,272	\$ 8,544,601
\$ 42,362	\$ 10,593	\$ 117,570	\$ 28,426	\$ 8,428	\$ 268,612	\$ 629,456
984,862	250,599	6,232	394,772	9,398	169,899	1,881,079
130,620	110,007	13,025	8,559	95,146	102,205	483,287
6,777		5,456	2,946	1	58,828	78,447
288,681	4,631	15,273	960		76,713	388,413
49,115				25,426	116,077	215,051
1,502,417	375,830	157,556	435,663	138,399	792,334	3,675,733
26,182	110,481	71,403	105,610	139,287	175,478	741,828
						410,641
26,182	110,481	71,403	105,610	139,287	175,478	1,152,469
		939	1,415		51,590	53,944
		89,161	66	516,250	355,683	1,711,616
509,470	154,190	244,096		119,296	1,109,559	2,655,161
(95,626)	(110,481)	(321)	(105,256)		(47,372)	(704,322)
413,844	43,709	333,875	(103,775)	635,546	1,469,460	3,716,399
\$ 1,942,443	\$ 530,020	\$ 562,834	\$ 437,498	\$ 913,232	\$ 2,437,272	\$ 8,544,601

State of Illinois

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

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Treasurer	Commerce and Economic Opportunity	Natural Resources	Human Services	Insurance
<b>REVENUES</b>					
Income taxes					
Sales taxes					
Motor fuel taxes					
Public utility taxes		\$ 101,327			
Riverboat taxes					
Other taxes		72,112	\$ 27,995		
Federal government	\$ 72,307		5,700	\$ 3,540,470	
Licenses and fees					\$ 55,496
Interest and other investment income	1,878	890	1,457		
Other	318,429	19	1	16,426	1,061
<b>Total revenues</b>	<b>392,614</b>	<b>174,348</b>	<b>35,153</b>	<b>3,556,896</b>	<b>56,557</b>
<b>EXPENDITURES</b>					
Current:					
Health and social services	213,370	49,523		3,373,221	
Education	217,051				
General government	61,428				
Employment and economic development		47,919			
Transportation					
Public protection and justice					
Environment and business regulation			2,785		37,219
Debt service:					
Principal	18			3	9
Interest				3	1
Capital outlays	244	567		7	36
Intergovernmental					
<b>Total expenditures</b>	<b>492,111</b>	<b>98,009</b>	<b>2,785</b>	<b>3,373,234</b>	<b>37,265</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(99,497)</b>	<b>76,339</b>	<b>32,368</b>	<b>183,662</b>	<b>19,292</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>					
General obligation bonds issued	300,000				
Discounts on general obligation bonds issued	(404)				
Transfers-in	223,996				
Transfers-out	(5,000)				
Capital lease financing	49			7	36
<b>Net other sources (uses) of financial resources</b>	<b>518,641</b>			<b>7</b>	<b>36</b>
<b>Net change in fund balances</b>	<b>419,144</b>	<b>76,339</b>	<b>32,368</b>	<b>183,669</b>	<b>19,328</b>
Fund balances (deficits), July 1, 2018	(247,092)	307,011	120,897	(69,117)	81,193
Increase (decrease) for changes in inventories					
<b>FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ 172,052</b>	<b>\$ 383,350</b>	<b>\$ 153,265</b>	<b>\$ 114,552</b>	<b>\$ 100,521</b>



Revenue	Transportation	Other Departments	State Board of Education	Other Agencies, Boards and Authorities	Other	Total
\$ 2,790,889					\$ 6,752	\$ 2,797,641
3,268,805	\$ 210,059			\$ 74,985	66,840	3,545,704
	723,064					798,049
242,461					219,425	563,213
				453,985		453,985
193,393					198,637	492,137
	40,710	\$ 783,858	\$ 2,252,059		1,660,240	8,355,344
	1,078	51		5,919	696,431	758,975
8,071		2,082		6,551	22,415	43,344
35,953	2,329	33,622		272,456	342,882	1,023,178
6,539,572	977,240	819,613	2,252,059	813,896	3,213,622	18,831,570
14,599		624,866		1,555	1,074,358	5,351,492
1,683			2,301,611		79,449	2,599,794
181,396	47,429	464		2,068	260,365	553,150
		204,278			485,566	737,763
	374,576				96,219	470,795
788				48,821	535,597	585,206
				32,301	554,927	627,232
		747		93,620	1,707	96,104
		223		48,925	413	49,565
360	1,366	1,613	2,485	255	89,640	96,573
5,565,111	573,938			86,707	131,911	6,357,667
5,763,937	997,309	832,191	2,304,096	314,252	3,310,152	17,525,341
775,635	(20,069)	(12,578)	(52,037)	499,644	(96,530)	1,306,229
						300,000
						(404)
131,887		15,914			240,131	611,928
(787,716)	(76,597)			(572,909)	(93,294)	(1,535,516)
		1,094			887	2,073
(655,829)	(76,597)	17,008		(572,909)	147,724	(621,919)
119,806	(96,666)	4,430	(52,037)	(73,265)	51,194	684,310
294,038	140,375	329,441	(51,530)	708,811	1,411,725	3,025,752
		4	(208)		6,541	6,337
\$ 413,844	\$ 43,709	\$ 333,875	\$ (103,775)	\$ 635,546	\$ 1,469,460	\$ 3,716,399

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Treasurer

June 30, 2019 (Expressed in Thousands)

	Unclaimed Property Trust Fund	Tobacco Settlement Recovery Fund	State Pension Obligation Acceleration Bond Fund	Total
<b>ASSETS</b>				
Cash equity with State Treasurer	\$ 221,120	\$ 90,020	\$ 267,331	\$ 578,471
Cash and cash equivalents	18			18
Receivables, net:				
Intergovernmental		35,641		35,641
Other		483		483
Due from other funds	1,885	59,434		61,319
<b>Total assets</b>	<b>\$ 223,023</b>	<b>\$ 185,578</b>	<b>\$ 267,331</b>	<b>\$ 675,932</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 3,234	\$ 71,117		\$ 74,351
Intergovernmental payables	9	2,215		2,224
Due to other funds	5,013	61	\$ 11,298	16,372
Due to component units		292		292
<b>Total liabilities</b>	<b>8,256</b>	<b>73,685</b>	<b>11,298</b>	<b>93,239</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - TSR's		410,641		410,641
<b>Total deferred inflows of resources</b>		<b>410,641</b>		<b>410,641</b>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	201,303		256,033	457,336
Committed	13,464			13,464
Unassigned		(298,748)		(298,748)
<b>Total fund balances (deficits)</b>	<b>214,767</b>	<b>(298,748)</b>	<b>256,033</b>	<b>172,052</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 223,023</b>	<b>\$ 185,578</b>	<b>\$ 267,331</b>	<b>\$ 675,932</b>

State of Illinois

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

Treasurer

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Unclaimed Property Trust Fund	Tobacco Settlement Recovery Fund	State Pension Obligation Acceleration Bond Fund	Total
<b>REVENUES</b>				
Federal government		\$ 72,307		\$ 72,307
Interest and other investment income	\$ 275	1,603		1,878
Other	317,765	664		318,429
<b>Total revenues</b>	<b>318,040</b>	<b>74,574</b>		<b>392,614</b>
<b>EXPENDITURES</b>				
Current:				
Health and social services		213,370		213,370
Education	215,000		\$ 2,051	217,051
General government	19,916		41,512	61,428
Debt service:				
Principal	18			18
Capital outlays	244			244
<b>Total expenditures</b>	<b>235,178</b>	<b>213,370</b>	<b>43,563</b>	<b>492,111</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>82,862</b>	<b>(138,796)</b>	<b>(43,563)</b>	<b>(99,497)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>				
General obligation bonds issued			300,000	300,000
Discounts on general obligation bonds issued			(404)	(404)
Transfers-in	1,473	222,523		223,996
Transfers-out	(5,000)			(5,000)
Capital lease financing	49			49
<b>Net other sources (uses) of financial resources</b>	<b>(3,478)</b>	<b>222,523</b>	<b>299,596</b>	<b>518,641</b>
<b>Net change in fund balances</b>	<b>79,384</b>	<b>83,727</b>	<b>256,033</b>	<b>419,144</b>
Fund balances (deficits), July 1, 2018	135,383	(382,475)		(247,092)
<b>FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ 214,767</b>	<b>\$ (298,748)</b>	<b>\$ 256,033</b>	<b>\$ 172,052</b>

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds  
 Commerce and Economic Opportunity

June 30, 2019 (Expressed in Thousands)

	State Small Business Credit Initiative Fund	Supplemental Low Income Energy Assistance Fund	Tourism Promotion Fund	Total
<b>ASSETS</b>				
Cash equity with State Treasurer	\$ 34,731	\$ 116,489	\$ 33,481	\$ 184,701
Securities lending collateral of State Treasurer	9,327			9,327
Receivables, net:				
Taxes		8,362	11,459	19,821
Other	65			65
Due from other funds		42,000	107,162	149,162
Loans and notes receivable, net	500			500
Other assets	42,495			42,495
<b>Total assets</b>	<b>\$ 87,118</b>	<b>\$ 166,851</b>	<b>\$ 152,102</b>	<b>\$ 406,071</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 106	\$ 2,376	\$ 6,540	\$ 9,022
Intergovernmental payables		1,412	246	1,658
Due to other funds	381	171	354	906
Due to component units		437		437
Unearned revenue	1,371			1,371
Obligations under securities lending of State Treasurer	9,327			9,327
<b>Total liabilities</b>	<b>11,185</b>	<b>4,396</b>	<b>7,140</b>	<b>22,721</b>
<b>FUND BALANCES</b>				
Restricted	75,933			75,933
Committed		162,455	144,962	307,417
<b>Total fund balances</b>	<b>75,933</b>	<b>162,455</b>	<b>144,962</b>	<b>383,350</b>
<b>Total liabilities and fund balances</b>	<b>\$ 87,118</b>	<b>\$ 166,851</b>	<b>\$ 152,102</b>	<b>\$ 406,071</b>

State of Illinois

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

For the Year Ended June 30, 2019 (Expressed in Thousands)

	State Small Business Credit Initiative Fund	Supplemental Low Income Energy Assistance Fund	Tourism Promotion Fund	Total
<b>REVENUES</b>				
Public utility taxes		\$ 101,327		\$ 101,327
Other taxes			\$ 72,112	72,112
Interest and other investment income	\$ 890			890
Other		19		19
<b>Total revenues</b>	<b>890</b>	<b>101,346</b>	<b>72,112</b>	<b>174,348</b>
<b>EXPENDITURES</b>				
Current:				
Health and social services		49,523		49,523
Employment and economic development	187		47,732	47,919
Capital outlays		127	440	567
<b>Total expenditures</b>	<b>187</b>	<b>49,650</b>	<b>48,172</b>	<b>98,009</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>703</b>	<b>51,696</b>	<b>23,940</b>	<b>76,339</b>
<b>Net change in fund balances</b>	<b>703</b>	<b>51,696</b>	<b>23,940</b>	<b>76,339</b>
Fund balances, July 1, 2018	75,230	110,759	121,022	307,011
<b>FUND BALANCES, JUNE 30, 2019</b>	<b>\$ 75,933</b>	<b>\$ 162,455</b>	<b>\$ 144,962</b>	<b>\$ 383,350</b>

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Natural Resources

June 30, 2019 (Expressed in Thousands)

	Abandoned Mined Land Reclamation Set- Aside Fund	Open Space Lands Acquisition and Development Fund	Total
<b>ASSETS</b>			
Cash equity with State Treasurer	\$ 56,014	\$ 42,674	\$ 98,688
Securities lending collateral of State Treasurer	15,106		15,106
Receivables, net:			
Taxes		9	9
Other	103		103
Due from other funds		58,003	58,003
<b>Total assets</b>	<b>\$ 71,223</b>	<b>\$ 100,686</b>	<b>\$ 171,909</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities		\$ 85	\$ 85
Intergovernmental payables		3,429	3,429
Due to other funds		24	24
Obligations under securities lending of State Treasurer	\$ 15,106		15,106
<b>Total liabilities</b>	<b>15,106</b>	<b>3,538</b>	<b>18,644</b>
<b>FUND BALANCES</b>			
Restricted	56,117		56,117
Committed		97,148	97,148
<b>Total fund balances</b>	<b>56,117</b>	<b>97,148</b>	<b>153,265</b>
<b>Total liabilities and fund balances</b>	<b>\$ 71,223</b>	<b>\$ 100,686</b>	<b>\$ 171,909</b>

*State of Illinois*

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

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Abandoned Mined Land Reclamation Set- Aside Fund	Open Space Lands Acquisition and Development Fund	Total
<b>REVENUES</b>			
Other taxes		\$ 27,995	\$ 27,995
Federal government	\$ 5,700		5,700
Interest and other investment income	1,457		1,457
Other		1	1
<b>Total revenues</b>	<b>7,157</b>	<b>27,996</b>	<b>35,153</b>
<b>EXPENDITURES</b>			
Current:			
Environment and business regulation		2,785	2,785
<b>Total expenditures</b>		<b>2,785</b>	<b>2,785</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>7,157</b>	<b>25,211</b>	<b>32,368</b>
<b>Net change in fund balances</b>	<b>7,157</b>	<b>25,211</b>	<b>32,368</b>
Fund balances, July 1, 2018	48,960	71,937	120,897
<b>FUND BALANCES, JUNE 30, 2019</b>	<b>\$ 56,117</b>	<b>\$ 97,148</b>	<b>\$ 153,265</b>

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Human Services

June 30, 2019 (Expressed in Thousands)

	Employment and Training Fund	DHS Special Purposes Trust Fund	DHS Recoveries Trust Fund	Food Stamp and Commodity Fund	Total
<b>ASSETS</b>					
Cash equity with State Treasurer	\$ 946	\$ 71,938	\$ 10,493		\$ 83,377
Receivables, net:					
Intergovernmental	52,695	110,998			163,693
Other		184	114,106		114,290
<b>Total assets</b>	<b>\$ 53,641</b>	<b>\$ 183,120</b>	<b>\$ 124,599</b>	<b>\$ -</b>	<b>\$ 361,360</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 51,613	\$ 15,101	\$ 560		\$ 67,274
Intergovernmental payables	324	888	56,644		57,856
Due to other funds	1,676	1,595	1,025		4,296
Due to component units	28	3,682			3,710
Unearned revenue		784			784
<b>Total liabilities</b>	<b>53,641</b>	<b>22,050</b>	<b>58,229</b>		<b>133,920</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources - unavailable revenue	429		112,459		112,888
<b>Total deferred inflows of resources</b>	<b>429</b>		<b>112,459</b>		<b>112,888</b>
<b>FUND BALANCES (DEFICITS)</b>					
Restricted		161,070			161,070
Unassigned	(429)		(46,089)		(46,518)
<b>Total fund balances (deficits)</b>	<b>(429)</b>	<b>161,070</b>	<b>(46,089)</b>		<b>114,552</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 53,641</b>	<b>\$ 183,120</b>	<b>\$ 124,599</b>	<b>\$ -</b>	<b>\$ 361,360</b>



State of Illinois

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

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Employment and Training Fund	DHS Special Purposes Trust Fund	DHS Recoveries Trust Fund	Food Stamp and Commodity Fund	Total
<b>REVENUES</b>					
Federal government	\$ 376,541	\$ 394,385	\$ 90,006	\$ 2,679,538	\$ 3,540,470
Other		25	16,401		16,426
<b>Total revenues</b>	<b>376,541</b>	<b>394,410</b>	<b>106,407</b>	<b>2,679,538</b>	<b>3,556,896</b>
<b>EXPENDITURES</b>					
Current:					
Health and social services	373,631	320,052		2,679,538	3,373,221
Debt service:					
Principal		2	1		3
Interest		2	1		3
Capital outlays		7			7
<b>Total expenditures</b>	<b>373,631</b>	<b>320,063</b>	<b>2</b>	<b>2,679,538</b>	<b>3,373,234</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,910</b>	<b>74,347</b>	<b>106,405</b>	<b>-</b>	<b>183,662</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>					
Capital lease financing		7			7
<b>Net other sources (uses) of financial resources</b>		<b>7</b>			<b>7</b>
<b>Net change in fund balances</b>	<b>2,910</b>	<b>74,354</b>	<b>106,405</b>	<b>-</b>	<b>183,669</b>
Fund balances (deficits), July 1, 2018	(3,339)	86,716	(152,494)		(69,117)
<b>FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ (429)</b>	<b>\$ 161,070</b>	<b>\$ (46,089)</b>	<b>\$ -</b>	<b>\$ 114,552</b>

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Insurance

June 30, 2019 (Expressed in Thousands)

	Insurance Producers' Administration Fund	Insurance Financial Regulation Fund	Total
<b>ASSETS</b>			
Cash equity with State Treasurer	\$ 45,605	\$ 35,037	\$ 80,642
Other receivables, net	420	3,968	4,388
Due from other funds	15,000	6,000	21,000
<b>Total assets</b>	<b>\$ 61,025</b>	<b>\$ 45,005</b>	<b>\$ 106,030</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 1,663	\$ 1,070	\$ 2,733
Intergovernmental payables	88	62	150
Due to other funds	1,216	911	2,127
<b>Total liabilities</b>	<b>2,967</b>	<b>2,043</b>	<b>5,010</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources - unavailable revenue	400	99	499
<b>Total deferred inflows of resources</b>	<b>400</b>	<b>99</b>	<b>499</b>
<b>FUND BALANCES</b>			
Committed	57,658	42,863	100,521
<b>Total fund balances</b>	<b>57,658</b>	<b>42,863</b>	<b>100,521</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 61,025</b>	<b>\$ 45,005</b>	<b>\$ 106,030</b>

State of Illinois

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

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Insurance Producers' Administration Fund	Insurance Financial Regulation Fund	Total
<b>REVENUES</b>			
Licenses and fees	\$ 32,250	\$ 23,246	\$ 55,496
Other	872	189	1,061
<b>Total revenues</b>	<b>33,122</b>	<b>23,435</b>	<b>56,557</b>
<b>EXPENDITURES</b>			
Current:			
Environment and business regulation	18,961	18,258	37,219
Debt service:			
Principal	7	2	9
Interest	1		1
Capital outlays	18	18	36
<b>Total expenditures</b>	<b>18,987</b>	<b>18,278</b>	<b>37,265</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>14,135</b>	<b>5,157</b>	<b>19,292</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>			
Capital lease financing	18	18	36
<b>Net other sources (uses) of financial resources</b>	<b>18</b>	<b>18</b>	<b>36</b>
<b>Net change in fund balances</b>	<b>14,153</b>	<b>5,175</b>	<b>19,328</b>
Fund balances, July 1, 2018	43,505	37,688	81,193
<b>FUND BALANCES, JUNE 30, 2019</b>	<b>\$ 57,658</b>	<b>\$ 42,863</b>	<b>\$ 100,521</b>

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds  
Revenue

June 30, 2019 (Expressed in Thousands)

	State and Local Sales Tax Reform Fund	County and Mass Transit District Fund	Local Government Tax Fund	Illinois Affordable Housing Trust Fund	Local Government Distributive Fund
<b>ASSETS</b>					
Cash equity with State Treasurer	\$ 93,819	\$ 85,083	\$ 339,415	\$ 45,493	\$ 133,333
Securities lending collateral of State Treasurer				12,978	
Receivables, net:					
Taxes	22,143	13,942	98,067	13	53,616
Other				89	
Due from other funds				10,000	73,548
Due from component units				357,690	
Loans and notes receivable, net					
<b>Total assets</b>	<b>\$ 115,962</b>	<b>\$ 99,025</b>	<b>\$ 437,482</b>	<b>\$ 426,263</b>	<b>\$ 260,497</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities				\$ 1,028	\$ 815
Intergovernmental payables	\$ 24,636	\$ 60,902	\$ 437,482	29	214,505
Due to other funds	91,326	38,123			
Due to component units				6,777	
Unearned revenue					48,201
Obligations under securities lending of State Treasurer				12,978	
<b>Total liabilities</b>	<b>115,962</b>	<b>99,025</b>	<b>437,482</b>	<b>20,812</b>	<b>263,521</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources - unavailable revenue					11,190
<b>Total deferred inflows of resources</b>					<b>11,190</b>
<b>FUND BALANCES (DEFICITS)</b>					
Committed				405,451	
Unassigned					(14,214)
<b>Total fund balances (deficits)</b>				<b>405,451</b>	<b>(14,214)</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 115,962</b>	<b>\$ 99,025</b>	<b>\$ 437,482</b>	<b>\$ 426,263</b>	<b>\$ 260,497</b>

<b>Personal Property Tax Replacement Fund</b>	<b>Senior Citizens' Real Estate Deferred Tax Revolving Fund</b>	<b>Build Illinois Fund</b>	<b>Total</b>
\$ 288,452	\$ 17,187	\$ 11,073	\$ 1,013,855
30,822		5,315	49,115
50,603		45,084	283,468
210	14,992	36	15,327
92,421		9,450	185,419
			357,690
	37,569		37,569
<b>\$ 462,508</b>	<b>\$ 69,748</b>	<b>\$ 70,958</b>	<b>\$ 1,942,443</b>
\$ 24,139		\$ 16,380	\$ 42,362
247,308			984,862
1,171			130,620
			6,777
240,480			288,681
30,822		5,315	49,115
543,920		21,695	1,502,417
	\$ 14,992		26,182
	14,992		26,182
	54,756	49,263	509,470
(81,412)			(95,626)
(81,412)	54,756	49,263	413,844
<b>\$ 462,508</b>	<b>\$ 69,748</b>	<b>\$ 70,958</b>	<b>\$ 1,942,443</b>

State of Illinois

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

**Revenue**

For the Year Ended June 30, 2019 (Expressed in Thousands)

	State and Local Sales Tax Reform Fund	County and Mass Transit District Fund	Local Government Tax Fund	Illinois Affordable Housing Trust Fund	Local Government Distributive Fund
<b>REVENUES</b>					
Income taxes					\$ 1,338,356
Sales taxes	\$ 144,801	\$ 383,000	\$ 1,898,272		324,042
Public utility taxes					
Other taxes				\$ 39,995	
Interest and other investment income				2,914	
Other				35,953	
<b>Total revenues</b>	<u>144,801</u>	<u>383,000</u>	<u>1,898,272</u>	<u>78,862</u>	<u>1,662,398</u>
<b>EXPENDITURES</b>					
Current:					
Health and social services				14,599	
Education					
General government				57,757	
Public protection and justice					
Capital outlays					
Intergovernmental	106,496	383,000	1,898,272		1,657,784
<b>Total expenditures</b>	<u>106,496</u>	<u>383,000</u>	<u>1,898,272</u>	<u>72,356</u>	<u>1,657,784</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>38,305</u>	<u>-</u>	<u>-</u>	<u>6,506</u>	<u>4,614</u>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>					
Transfers-in					
Transfers-out	(38,124)				(5,000)
<b>Net other sources (uses) of financial resources</b>	<u>(38,124)</u>				<u>(5,000)</u>
<b>Net change in fund balances</b>	<u>181</u>	<u>-</u>	<u>-</u>	<u>6,506</u>	<u>(386)</u>
Fund balances (deficits), July 1, 2018	(181)			398,945	(13,828)
<b>FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 405,451</u>	<u>\$ (14,214)</u>

	Personal Property Tax Replacement Fund	Senior Citizens' Real Estate Deferred Tax Revolving Fund	Build Illinois Fund	Total
\$	1,452,533		\$ 518,690	\$ 2,790,889
	242,461		153,398	3,268,805
	2,849	\$ 1,814	494	242,461
	1,697,843	1,814	672,582	193,393
				8,071
				35,953
				6,539,572
				14,599
	1,683			1,683
	123,639			181,396
	788			788
	360			360
	1,519,559			5,565,111
	1,646,029			5,763,937
	51,814	1,814	672,582	775,635
	92,421		39,466	131,887
	(28,662)		(715,930)	(787,716)
	63,759		(676,464)	(655,829)
	115,573	1,814	(3,882)	119,806
	(196,985)	52,942	53,145	294,038
\$	(81,412)	\$ 54,756	\$ 49,263	\$ 413,844

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Transportation

June 30, 2019 (Expressed in Thousands)

	Motor Fuel Tax Fund	Federal/Local Airport Fund	Downstate Public Transportation Fund	Total
<b>ASSETS</b>				
Cash equity with State Treasurer	\$ 117,399	\$ 4,628	\$ 58,374	\$ 180,401
Receivables, net:				
Taxes	113,117		17,849	130,966
Intergovernmental		114,799		114,799
Due from other funds			103,854	103,854
<b>Total assets</b>	<b>\$ 230,516</b>	<b>\$ 119,427</b>	<b>\$ 180,077</b>	<b>\$ 530,020</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 3,104	\$ 7,061	\$ 428	\$ 10,593
Intergovernmental payables	117,405	107,735	25,459	250,599
Due to other funds	110,007			110,007
Unearned revenue		4,631		4,631
<b>Total liabilities</b>	<b>230,516</b>	<b>119,427</b>	<b>25,887</b>	<b>375,830</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - unavailable revenue		110,481		110,481
<b>Total deferred inflows of resources</b>		<b>110,481</b>		<b>110,481</b>
<b>FUND BALANCES (DEFICITS)</b>				
Committed			154,190	154,190
Unassigned		(110,481)		(110,481)
<b>Total fund balances (deficits)</b>		<b>(110,481)</b>	<b>154,190</b>	<b>43,709</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 230,516</b>	<b>\$ 119,427</b>	<b>\$ 180,077</b>	<b>\$ 530,020</b>



State of Illinois

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

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Motor Fuel Tax Fund	Federal/Local Airport Fund	Downstate Public Transportation Fund	Total
<b>REVENUES</b>				
Sales taxes			\$ 210,059	\$ 210,059
Motor fuel taxes	\$ 723,064			723,064
Federal government		\$ 40,710		40,710
Licenses and fees	1,078			1,078
Other		2,329		2,329
<b>Total revenues</b>	<b>724,142</b>	<b>43,039</b>	<b>210,059</b>	<b>977,240</b>
<b>EXPENDITURES</b>				
Current:				
General government	47,429			47,429
Transportation	24,820	136,250	213,506	374,576
Capital outlays	1,366			1,366
Intergovernmental	573,938			573,938
<b>Total expenditures</b>	<b>647,553</b>	<b>136,250</b>	<b>213,506</b>	<b>997,309</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>76,589</b>	<b>(93,211)</b>	<b>(3,447)</b>	<b>(20,069)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>				
Transfers-out	(76,589)	(8)		(76,597)
<b>Net other sources (uses) of financial resources</b>	<b>(76,589)</b>	<b>(8)</b>		<b>(76,597)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>(93,219)</b>	<b>(3,447)</b>	<b>(96,666)</b>
Fund balances (deficits), July 1, 2018		(17,262)	157,637	140,375
<b>FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ -</b>	<b>\$ (110,481)</b>	<b>\$ 154,190</b>	<b>\$ 43,709</b>

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Other Departments

June 30, 2019 (Expressed in Thousands)

	Children and Family Services	Employment Security	Illinois Power Agency	Public Health	
	DCFS Childrens' Services Fund	Title III Social Security and Employment Service Fund	Illinois Power Agency Renewable Energy Resources Fund	Public Health Services Fund	Total
<b>ASSETS</b>					
Cash equity with State Treasurer	\$ 135,540	\$ 99,946	\$ 52,829	\$ 9,858	\$ 298,173
Cash and cash equivalents	863				863
Receivables, net:					
Intergovernmental	82,960	26,524		36,620	146,104
Other		192			192
Due from other funds	975	1,301	112,500	1,787	116,563
Inventories		288		651	939
<b>Total assets</b>	<b>\$ 220,338</b>	<b>\$ 128,251</b>	<b>\$ 165,329</b>	<b>\$ 48,916</b>	<b>\$ 562,834</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 76,727	\$ 11,150	\$ 2,685	\$ 27,008	\$ 117,570
Intergovernmental payables	1,028	3,784		1,420	6,232
Due to other funds	1,412	9,763		1,850	13,025
Due to component units	4,734			722	5,456
Unearned revenue		9,532		5,741	15,273
<b>Total liabilities</b>	<b>83,901</b>	<b>34,229</b>	<b>2,685</b>	<b>36,741</b>	<b>157,556</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources - unavailable revenue	54,985	4,573		11,845	71,403
<b>Total deferred inflows of resources</b>	<b>54,985</b>	<b>4,573</b>		<b>11,845</b>	<b>71,403</b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable inventories		288		651	939
Restricted		89,161			89,161
Committed	81,452		162,644		244,096
Unassigned				(321)	(321)
<b>Total fund balances (deficits)</b>	<b>81,452</b>	<b>89,449</b>	<b>162,644</b>	<b>330</b>	<b>333,875</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 220,338</b>	<b>\$ 128,251</b>	<b>\$ 165,329</b>	<b>\$ 48,916</b>	<b>\$ 562,834</b>

State of Illinois

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

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Children and Family Services	Employment Security	Illinois Power Agency	Public Health	
	DCFS Childrens' Services Fund	Title III Social Security and Employment Service Fund	Illinois Power Agency Renewable Energy Resources Fund	Public Health Services Fund	Total
<b>REVENUES</b>					
Federal government	\$ 368,212	\$ 183,493		\$ 232,153	\$ 783,858
Licenses and fees		51			51
Interest and other investment income		2,082			2,082
Other	6,537	354	\$ 115	26,616	33,622
<b>Total revenues</b>	<b>374,749</b>	<b>185,980</b>	<b>115</b>	<b>258,769</b>	<b>819,613</b>
<b>EXPENDITURES</b>					
Current:					
Health and social services	367,405			257,461	624,866
General government		464			464
Employment and economic development		197,860	6,418		204,278
Debt service:					
Principal		640		107	747
Interest		216		7	223
Capital outlays		1,055		558	1,613
<b>Total expenditures</b>	<b>367,405</b>	<b>200,235</b>	<b>6,418</b>	<b>258,133</b>	<b>832,191</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>7,344</b>	<b>(14,255)</b>	<b>(6,303)</b>	<b>636</b>	<b>(12,578)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>					
Transfers-in	4	15,910			15,914
Capital lease financing		982		112	1,094
<b>Net other sources (uses) of financial resources</b>	<b>4</b>	<b>16,892</b>		<b>112</b>	<b>17,008</b>
<b>Net change in fund balances</b>	<b>7,348</b>	<b>2,637</b>	<b>(6,303)</b>	<b>748</b>	<b>4,430</b>
Fund balances (deficits), July 1, 2018	74,104	86,861	168,947	(471)	329,441
Increase (decrease) for changes in inventories		(49)		53	4
<b>FUND BALANCES, JUNE 30, 2019</b>	<b>\$ 81,452</b>	<b>\$ 89,449</b>	<b>\$ 162,644</b>	<b>\$ 330</b>	<b>\$ 333,875</b>

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

State Board of Education

June 30, 2019 (Expressed in Thousands)

	SBE Federal Department of Agriculture Fund	SBE Federal Department of Education Fund	Total
<b>ASSETS</b>			
Cash equity with State Treasurer	\$ 1,095	\$ 2,130	\$ 3,225
Receivables, net:			
Intergovernmental	31,768	393,475	425,243
Other	7,134	248	7,382
Due from other funds		16	16
Due from component units	8	209	217
Inventories	1,415		1,415
<b>Total assets</b>	<b>\$ 41,420</b>	<b>\$ 396,078</b>	<b>\$ 437,498</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 16,750	\$ 11,676	\$ 28,426
Intergovernmental payables	22,787	371,985	394,772
Due to other funds	182	8,377	8,559
Due to component units	5	2,941	2,946
Unearned revenue	206	754	960
<b>Total liabilities</b>	<b>39,930</b>	<b>395,733</b>	<b>435,663</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources - unavailable revenue	9	105,601	105,610
<b>Total deferred inflows of resources</b>	<b>9</b>	<b>105,601</b>	<b>105,610</b>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable inventories	1,415		1,415
Restricted	66		66
Unassigned		(105,256)	(105,256)
<b>Total fund balances (deficits)</b>	<b>1,481</b>	<b>(105,256)</b>	<b>(103,775)</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 41,420</b>	<b>\$ 396,078</b>	<b>\$ 437,498</b>

*State of Illinois*

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

For the Year Ended June 30, 2019 (Expressed in Thousands)

	SBE Federal Department of Agriculture Fund	SBE Federal Department of Education Fund	Total
<b>REVENUES</b>			
Federal government	\$ 840,060	\$ 1,411,999	\$ 2,252,059
<b>Total revenues</b>	<u>840,060</u>	<u>1,411,999</u>	<u>2,252,059</u>
<b>EXPENDITURES</b>			
Current:			
Education	839,785	1,461,826	2,301,611
Capital outlays	483	2,002	2,485
<b>Total expenditures</b>	<u>840,268</u>	<u>1,463,828</u>	<u>2,304,096</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(208)</u>	<u>(51,829)</u>	<u>(52,037)</u>
<b>Net change in fund balances</b>	<u>(208)</u>	<u>(51,829)</u>	<u>(52,037)</u>
Fund balances (deficits), July 1, 2018	1,897	(53,427)	(51,530)
(Decrease) for changes in inventories	(208)		(208)
<b>FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<u>\$ 1,481</u>	<u>\$ (105,256)</u>	<u>\$ (103,775)</u>

State of Illinois

Combining Balance Sheet - Nonmajor Special Revenue Funds

Other Agencies, Boards and Authorities

June 30, 2019 (Expressed in Thousands)

	Railsplitter Tobacco Settlement Authority	Illinois Gaming Board	Office of the State Fire Marshal	
	Railsplitter Trustee Account Fund	State Gaming Fund	Underground Storage Tank Fund	Total
<b>ASSETS</b>				
Cash equity with State Treasurer		\$ 37,653	\$ 98,448	\$ 136,101
Cash and cash equivalents	\$ 167,543			167,543
Securities lending collateral of State Treasurer			25,426	25,426
Receivables, net:				
Taxes		6,133	6,741	12,874
Other	137,454	58	1,835	139,347
Due from other funds			21,300	21,300
<b>Total assets</b>	<b>304,997</b>	<b>43,844</b>	<b>153,750</b>	<b>502,591</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources - TSR's	410,641			410,641
<b>Total assets and deferred outflows of resources</b>	<b>\$ 715,638</b>	<b>\$ 43,844</b>	<b>\$ 153,750</b>	<b>\$ 913,232</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities		\$ 1,890	\$ 6,538	\$ 8,428
Intergovernmental payables		8,935	463	9,398
Due to other funds	\$ 61,934	33,019	193	95,146
Due to component units			1	1
Obligations under securities lending of State Treasurer			25,426	25,426
<b>Total liabilities</b>	<b>61,934</b>	<b>43,844</b>	<b>32,621</b>	<b>138,399</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - unavailable revenue	137,454		1,833	139,287
<b>Total deferred inflows of resources</b>	<b>137,454</b>		<b>1,833</b>	<b>139,287</b>
<b>FUND BALANCES</b>				
Restricted	516,250			516,250
Committed			119,296	119,296
<b>Total fund balances</b>	<b>516,250</b>		<b>119,296</b>	<b>635,546</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 715,638</b>	<b>\$ 43,844</b>	<b>\$ 153,750</b>	<b>\$ 913,232</b>

State of Illinois

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

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Railsplitter Tobacco Settlement Authority	Illinois Gaming Board	Office of the State Fire Marshal	
	Railsplitter Trustee Account Fund	State Gaming Fund	Underground Storage Tank Fund	Total
<b>REVENUES</b>				
Motor fuel taxes			\$ 74,985	\$ 74,985
Riverboat taxes		\$ 453,985		453,985
Licenses and fees		5,894	25	5,919
Interest and other investment income	\$ 3,799		2,752	6,551
Other	272,408	11	37	272,456
<b>Total revenues</b>	<b>276,207</b>	<b>459,890</b>	<b>77,799</b>	<b>813,896</b>
<b>EXPENDITURES</b>				
Current:				
Health and social services		1,555		1,555
General government	109		1,959	2,068
Public protection and justice		44,980	3,841	48,821
Environment and business regulation			32,301	32,301
Debt service:				
Principal	93,620			93,620
Interest	48,925			48,925
Capital outlays		255		255
Intergovernmental		86,707		86,707
<b>Total expenditures</b>	<b>142,654</b>	<b>133,497</b>	<b>38,101</b>	<b>314,252</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>133,553</b>	<b>326,393</b>	<b>39,698</b>	<b>499,644</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>				
Transfers-out	(222,523)	(326,393)	(23,993)	(572,909)
<b>Net other sources (uses) of financial resources</b>	<b>(222,523)</b>	<b>(326,393)</b>	<b>(23,993)</b>	<b>(572,909)</b>
<b>Net change in fund balances</b>	<b>(88,970)</b>	<b>-</b>	<b>15,705</b>	<b>(73,265)</b>
Fund balances, July 1, 2018	605,220		103,591	708,811
<b>FUND BALANCES, JUNE 30, 2019</b>	<b>\$ 516,250</b>	<b>\$ -</b>	<b>\$ 119,296</b>	<b>\$ 635,546</b>

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## DEBT SERVICE FUNDS

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

### SIGNIFICANT NONMAJOR GOVERNMENTAL DEBT SERVICE FUNDS DESCRIPTIONS

#### **Treasurer**

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

#### **Governor's Office of Management and Budget**

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

State of Illinois

Combining Balance Sheet  
Nonmajor Debt Service Funds

June 30, 2019 (Expressed in Thousands)

	Treasurer		Governor's Office of Management and Budget		Other	Total
	General Obligation Bond Retirement and Interest Fund	Build Illinois Bond Retirement and Interest Fund				
<b>ASSETS</b>						
Cash equity with State Treasurer	\$ 1,225,262	\$ 13,514	\$ 8,199			\$ 1,246,975
Cash and cash equivalents		103,081	17,368			120,449
Securities lending collateral of State Treasurer	275,125	3,322				278,447
Receivables, net:						
Intergovernmental	8,796				8,796	
Other	1,968	165			2,133	
Due from other funds	4,042				4,042	
Loans and notes receivable, net	1,664				1,664	
<b>Total assets</b>	<b>\$ 1,516,857</b>	<b>\$ 120,082</b>	<b>\$ 25,567</b>			<b>\$ 1,662,506</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities			\$ 26			\$ 26
Obligations under securities lending of State Treasurer	\$ 275,125	\$ 3,322				278,447
<b>Total liabilities</b>	<b>275,125</b>	<b>3,322</b>	<b>26</b>			<b>278,473</b>
<b>FUND BALANCES</b>						
Restricted	1,241,732	116,760	25,541			1,384,033
<b>Total fund balances</b>	<b>1,241,732</b>	<b>116,760</b>	<b>25,541</b>			<b>1,384,033</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,516,857</b>	<b>\$ 120,082</b>	<b>\$ 25,567</b>			<b>\$ 1,662,506</b>

State of Illinois

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Debt Service Funds

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Treasurer		Governor's Office of Management and Budget		Other	Total
	General Obligation Bond Retirement and Interest Fund	Bond Retirement and Interest Fund	Build Illinois Bond Retirement and Interest Fund			
<b>REVENUES</b>						
Federal government	\$ 47,155					\$ 47,155
Interest and other investment income	43,987	\$ 6,975		\$ 366		51,328
<b>Total revenues</b>	<b>91,142</b>	<b>6,975</b>		<b>366</b>		<b>98,483</b>
<b>EXPENDITURES</b>						
Current:						
General government	4,961	43				5,004
Employment and economic development				12		12
Transportation				27		27
Debt service:						
Principal	2,554,685	214,615		16,220		2,785,520
Interest	1,513,190	104,185		1,040		1,618,415
<b>Total expenditures</b>	<b>4,072,836</b>	<b>318,843</b>		<b>17,299</b>		<b>4,408,978</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(3,981,694)</b>	<b>(311,868)</b>		<b>(16,933)</b>		<b>(4,310,495)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
General obligation refunding bonds issued	1,106,050					1,106,050
Premiums on general obligation refunding bonds issued	67,449					67,449
Transfers-in	3,622,615	512,343		14,668		4,149,626
Transfers-out		(213,227)				(213,227)
Payments to refunded bond escrow agent	(1,168,591)					(1,168,591)
<b>Net other sources (uses) of financial resources</b>	<b>3,627,523</b>	<b>299,116</b>		<b>14,668</b>		<b>3,941,307</b>
<b>Net change in fund balances</b>	<b>(354,171)</b>	<b>(12,752)</b>		<b>(2,265)</b>		<b>(369,188)</b>
Fund balances, July 1, 2018	1,595,903	129,512		27,806		1,753,221
<b>FUND BALANCES, JUNE 30, 2019</b>	<b>\$ 1,241,732</b>	<b>\$ 116,760</b>		<b>\$ 25,541</b>		<b>\$ 1,384,033</b>

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## CAPITAL PROJECTS FUNDS

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

### SIGNIFICANT NONMAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS DESCRIPTIONS

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

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

#### **Department of Transportation**

Transportation Bond, Series B Fund--to account for the proceeds from bond issues used to finance mass transportation and aviation infrastructure including, but not limited to, the acquisition of mass transportation equipment, including rail and bus, and other equipment for counties under the Regional Transportation Authority.

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

State Construction Account--to account for a portion of motor fuel taxes, motor vehicle registrations fees, and weight taxes, to be expended for the construction, reconstruction, and maintenance of the State maintained highway system.

#### **Capital Development Board**

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

State of Illinois

Combining Balance Sheet  
Nonmajor Capital Projects Funds

June 30, 2019 (Expressed in Thousands)

	Commerce and Economic Opportunity		Capital Development Board Capital Development			Total
	Build Illinois Bond Fund	Transportation	Fund	Other		
<b>ASSETS</b>						
Cash equity with State Treasurer	\$ 362,116	\$ 1,161,708	\$ 267,664	\$ 37,865	\$	\$ 1,829,353
Cash and cash equivalents			3,538	15		3,553
Securities lending collateral of State Treasurer		192,084				192,084
Receivables, net:						
Intergovernmental				3,629		3,629
Other	706	2,735		482		3,923
Due from other funds	394	42,097		1,508		43,999
Loans and notes receivable, net	1,500					1,500
<b>Total assets</b>	<b>\$ 364,716</b>	<b>\$ 1,398,624</b>	<b>\$ 271,202</b>	<b>\$ 43,499</b>	<b>\$</b>	<b>\$ 2,078,041</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 4,196	\$ 144,203	\$ 119,298	\$ 7,470	\$	\$ 275,167
Intergovernmental payables	7,656	35,617	1,833	1,061		46,167
Due to other funds	51		501	1,021		1,573
Unearned revenue		6,702		1,058		7,760
Obligations under securities lending of State Treasurer		192,084				192,084
<b>Total liabilities</b>	<b>11,903</b>	<b>378,606</b>	<b>121,632</b>	<b>10,610</b>	<b>\$</b>	<b>522,751</b>
<b>FUND BALANCES</b>						
Restricted	352,813	314,681	149,570	25,518		842,582
Committed		705,337		8,550		713,887
Unassigned				(1,179)		(1,179)
<b>Total fund balances</b>	<b>352,813</b>	<b>1,020,018</b>	<b>149,570</b>	<b>32,889</b>	<b>\$</b>	<b>1,555,290</b>
<b>Total liabilities and fund balances</b>	<b>\$ 364,716</b>	<b>\$ 1,398,624</b>	<b>\$ 271,202</b>	<b>\$ 43,499</b>	<b>\$</b>	<b>\$ 2,078,041</b>

State of Illinois

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Commerce and Economic Opportunity		Capital Development Board Capital Development		
	Build Illinois Bond Fund	Transportation	Fund	Other	Total
<b>REVENUES</b>					
Motor fuel taxes		\$ 217,854			\$ 217,854
Federal government				\$ 10,926	10,926
Licenses and fees		496,694			496,694
Interest and other investment income		20,384			20,384
Other	\$ 56			16,797	16,853
<b>Total revenues</b>	<b>56</b>	<b>734,932</b>		<b>27,723</b>	<b>762,711</b>
<b>EXPENDITURES</b>					
Current:					
Education			\$ 31,810	18,750	50,560
General government	16,016		55,411		71,427
Employment and economic development	6,527		322	1	6,850
Transportation		216,230		2,713	218,943
Public protection and justice			57		57
Environment and business regulation	24,857		2,037		26,894
Debt service:					
Principal			9		9
Interest			2		2
Capital outlays	1,235	720,970	172,963	7,093	902,261
<b>Total expenditures</b>	<b>48,635</b>	<b>937,200</b>	<b>262,611</b>	<b>28,557</b>	<b>1,277,003</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(48,579)</b>	<b>(202,268)</b>	<b>(262,611)</b>	<b>(834)</b>	<b>(514,292)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>					
Special obligation bonds issued	250,000				250,000
Premiums on special obligation bonds issued	12,206				12,206
Discounts on special obligation bonds issued	(14)				(14)
Transfers-in		2,423		1,339	3,762
Transfers-out	(3,514)			(2,750)	(6,264)
Capital lease financing			27		27
<b>Net other sources (uses) of financial resources</b>	<b>258,678</b>	<b>2,423</b>	<b>27</b>	<b>(1,411)</b>	<b>259,717</b>
<b>Net change in fund balances</b>	<b>210,099</b>	<b>(199,845)</b>	<b>(262,584)</b>	<b>(2,245)</b>	<b>(254,575)</b>
Fund balances, July 1, 2018	142,714	1,219,863	412,154	35,134	1,809,865
<b>FUND BALANCES, JUNE 30, 2019</b>	<b>\$ 352,813</b>	<b>\$ 1,020,018</b>	<b>\$ 149,570</b>	<b>\$ 32,889</b>	<b>\$ 1,555,290</b>

State of Illinois

Combining Balance Sheet - Nonmajor Capital Projects Funds

Transportation

June 30, 2019 (Expressed in Thousands)

	Transportation Bond, Series B Fund	Transportation Bond Series D Fund	State Construction Account	Total
<b>ASSETS</b>				
Cash equity with State Treasurer	\$ 177,335	\$ 228,884	\$ 755,489	\$ 1,161,708
Securities lending collateral of State Treasurer			192,084	192,084
Other receivables, net			2,735	2,735
Due from other funds			42,097	42,097
<b>Total assets</b>	<b>\$ 177,335</b>	<b>\$ 228,884</b>	<b>\$ 992,405</b>	<b>\$ 1,398,624</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 33,023	\$ 22,972	\$ 88,208	\$ 144,203
Intergovernmental payables	12,806	22,737	74	35,617
Unearned revenue			6,702	6,702
Obligations under securities lending of State Treasurer			192,084	192,084
<b>Total liabilities</b>	<b>45,829</b>	<b>45,709</b>	<b>287,068</b>	<b>378,606</b>
<b>FUND BALANCES</b>				
Restricted	131,506	183,175		314,681
Committed			705,337	705,337
<b>Total fund balances</b>	<b>131,506</b>	<b>183,175</b>	<b>705,337</b>	<b>1,020,018</b>
<b>Total liabilities and fund balances</b>	<b>\$ 177,335</b>	<b>\$ 228,884</b>	<b>\$ 992,405</b>	<b>\$ 1,398,624</b>



State of Illinois

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

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Transportation Bond, Series B Fund	Transportation Bond Series D Fund	State Construction Account	Total
<b>REVENUES</b>				
Motor fuel taxes			\$ 217,854	\$ 217,854
Licenses and fees			496,694	496,694
Interest and other investment income			20,384	20,384
<b>Total revenues</b>			<b>734,932</b>	<b>734,932</b>
<b>EXPENDITURES</b>				
Current:				
Transportation	\$ 115,784	\$ 4,797	95,649	216,230
Capital outlays	34,063	129,793	557,114	720,970
<b>Total expenditures</b>	<b>149,847</b>	<b>134,590</b>	<b>652,763</b>	<b>937,200</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(149,847)</b>	<b>(134,590)</b>	<b>82,169</b>	<b>(202,268)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>				
Transfers-in			2,423	2,423
<b>Net other sources (uses) of financial resources</b>			<b>2,423</b>	<b>2,423</b>
<b>Net change in fund balances</b>	<b>(149,847)</b>	<b>(134,590)</b>	<b>84,592</b>	<b>(199,845)</b>
Fund balances, July 1, 2018	281,353	317,765	620,745	1,219,863
<b>FUND BALANCES, JUNE 30, 2019</b>	<b>\$ 131,506</b>	<b>\$ 183,175</b>	<b>\$ 705,337</b>	<b>\$ 1,020,018</b>

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## PERMANENT FUNDS

The Permanent Funds are used to account for and report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizens.

### SIGNIFICANT NONMAJOR GOVERNMENTAL PERMANENT FUNDS DESCRIPTIONS

#### **Department of Natural Resources**

Fish and Wildlife Endowment Fund--to account for resources obtained from the issuance of lifetime hunting, fishing or sportsmen's combination licenses.

Illinois Habitat Endowment Trust Fund--to account for resources obtained from private donations and transfers or deposits from the Park and Conservation Fund. All deposits into the fund shall become part of the trust fund corpus.

#### **Department of Human Services**

DHS Permanent Trust Fund --to account for resources obtained for the maintenance and support of residents of an institution of the Department.

#### **Illinois Power Agency**

Illinois Power Agency Trust Fund--to account for resources obtained from private grants and other monies received. No more than ninety percent of investment income may be appropriated annually, and investment income not appropriated is to be added to the principal of the fund.

State of Illinois

Combining Balance Sheet  
Nonmajor Permanent Funds

June 30, 2019 (Expressed in Thousands)

	Natural Resources	Human Services DHS Permanent Trust Fund	Illinois Power Agency Illinois Power Agency Trust Fund	Other	Total
<b>ASSETS</b>					
Cash equity with State Treasurer	\$ 14,952				\$ 14,952
Cash and cash equivalents		\$ 188		\$ 67	255
Securities lending collateral of State Treasurer	680		\$ 58		738
Investments		257	39,488	945	40,690
Other receivables, net	30			2	32
<b>Total assets</b>	<b>\$ 15,662</b>	<b>\$ 445</b>	<b>\$ 39,546</b>	<b>\$ 1,014</b>	<b>\$ 56,667</b>
<b>LIABILITIES</b>					
Due to other funds		\$ 145			\$ 145
Obligations under securities lending of State Treasurer	\$ 680		\$ 58		738
<b>Total liabilities</b>	<b>680</b>	<b>145</b>	<b>58</b>		<b>883</b>
<b>FUND BALANCES</b>					
Nonspendable endowments and similar funds	11,200	160	39,488	\$ 945	51,793
Restricted	3,782	140		69	3,991
<b>Total fund balances</b>	<b>14,982</b>	<b>300</b>	<b>39,488</b>	<b>1,014</b>	<b>55,784</b>
<b>Total liabilities and fund balances</b>	<b>\$ 15,662</b>	<b>\$ 445</b>	<b>\$ 39,546</b>	<b>\$ 1,014</b>	<b>\$ 56,667</b>

State of Illinois

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

Nonmajor Permanent Funds

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Natural Resources	Human Services DHS Permanent Trust Fund	Illinois Power Agency Illinois Power Agency Trust Fund	Other	Total
<b>REVENUES</b>					
Licenses and fees	\$ 59				\$ 59
Interest and other investment income	332	\$ 12	\$ 2,478	\$ 23	2,845
Other		16			16
<b>Total revenues</b>	<b>391</b>	<b>28</b>	<b>2,478</b>	<b>23</b>	<b>2,920</b>
<b>EXPENDITURES</b>					
Current:					
Health and social services		1		9	10
<b>Total expenditures</b>		<b>1</b>		<b>9</b>	<b>10</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>391</b>	<b>27</b>	<b>2,478</b>	<b>14</b>	<b>2,910</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>					
Transfers-out			(1,596)		(1,596)
<b>Net other sources (uses) of financial resources</b>			<b>(1,596)</b>		<b>(1,596)</b>
<b>Net change in fund balances</b>	<b>391</b>	<b>27</b>	<b>882</b>	<b>14</b>	<b>1,314</b>
Fund balances, July 1, 2018	14,591	273	38,606	1,000	54,470
<b>FUND BALANCES, JUNE 30, 2019</b>	<b>\$ 14,982</b>	<b>\$ 300</b>	<b>\$ 39,488</b>	<b>\$ 1,014</b>	<b>\$ 55,784</b>

State of Illinois

Combining Balance Sheet - Nonmajor Permanent Funds

Natural Resources

June 30, 2019 (Expressed in Thousands)

	Fish and Wildlife Endowment Fund	Illinois Habitat Endowment Trust Fund	Total
<b>ASSETS</b>			
Cash equity with State Treasurer	\$ 2,527	\$ 12,425	\$ 14,952
Securities lending collateral of State Treasurer	680		680
Other receivables, net	5	25	30
<b>Total assets</b>	<u>\$ 3,212</u>	<u>\$ 12,450</u>	<u>\$ 15,662</u>
<b>LIABILITIES</b>			
Obligations under securities lending of State Treasurer	\$ 680		\$ 680
<b>Total liabilities</b>	<u>680</u>		<u>680</u>
<b>FUND BALANCES</b>			
Nonspendable endowments and similar funds	2,532	\$ 8,668	11,200
Restricted		3,782	3,782
<b>Total fund balances</b>	<u>2,532</u>	<u>12,450</u>	<u>14,982</u>
<b>Total liabilities and fund balances</b>	<u>\$ 3,212</u>	<u>\$ 12,450</u>	<u>\$ 15,662</u>

State of Illinois

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Nonmajor Permanent Funds  
Natural Resources**

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Fish and Wildlife Endowment Fund	Illinois Habitat Endowment Trust Fund	Total
<b>REVENUES</b>			
Licenses and fees	\$ 59		\$ 59
Interest and other investment income	53	\$ 279	332
<b>Total revenues</b>	<b>112</b>	<b>279</b>	<b>391</b>
<b>Net change in fund balances</b>	<b>112</b>	<b>279</b>	<b>391</b>
Fund balances, July 1, 2018	2,420	12,171	14,591
<b>FUND BALANCES, JUNE 30, 2019</b>	<b>\$ 2,532</b>	<b>\$ 12,450</b>	<b>\$ 14,982</b>

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## ENTERPRISE FUNDS

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

### SIGNIFICANT NONMAJOR ENTERPRISE FUNDS DESCRIPTIONS

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

Bank and Trust Company Fund--to account for all fees under the Illinois Banking Act, the Corporate Fiduciary Act, the Illinois Savings Association Banking Act and the Foreign Banking Office Act.

#### **Department of the 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 Common School Account in the General Fund.

#### **Student Assistance Commission**

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

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

Illinois Designated Account Purchase Program Fund--to purchase guaranteed student loans from lenders in order to reduce the lenders' collection and administration costs, and to act as a servicer of student loans.

State of Illinois

Combining Statement of Net Position

Nonmajor Enterprise Funds

June 30, 2019 (Expressed in Thousands)

	Financial and Professional Regulation	Lottery	Student Assistance Commission	Other	Total
	Bank and Trust Company Fund	State Lottery Fund			
<b>ASSETS</b>					
Cash equity with State Treasurer	\$ 16,841	\$ 30,840	\$ 103,523	\$ 28,365	\$ 179,569
Cash and cash equivalents		18,089	9,037	3,971	31,097
Securities lending collateral of State Treasurer	4,719		27,544	6,043	38,306
Investments		24,375	19,135	40,345	83,855
Receivables, net:					
Intergovernmental			13,120	273	13,393
Other	6,398	57,897	188	6,459	70,942
Due from other funds	1,000	4	3,276	444	4,724
Restricted assets:					
Cash and cash equivalents			10,906		10,906
Other receivables, net			21,306		21,306
Loans and notes receivable, net			33,325		33,325
Prepaid expenses		305		185	490
<b>Total current assets</b>	<b>28,958</b>	<b>131,510</b>	<b>241,360</b>	<b>86,085</b>	<b>487,913</b>
Investments		264,765		19,210	283,975
Restricted loans and notes receivable, net			223,022		223,022
Capital assets being depreciated, net		56	1,517	1,665	3,238
<b>Total noncurrent assets</b>		<b>264,821</b>	<b>224,539</b>	<b>20,875</b>	<b>510,235</b>
<b>Total assets</b>	<b>28,958</b>	<b>396,331</b>	<b>465,899</b>	<b>106,960</b>	<b>998,148</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources - pensions	6,803	12,718	16,224		35,745
Deferred outflows of resources - OPEB	638	1,212	3,454		5,304
<b>Total deferred outflows of resources</b>	<b>7,441</b>	<b>13,930</b>	<b>19,678</b>		<b>41,049</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	528	75,090	7,253	12,298	95,169
Intergovernmental payables	33	84	3,032	2	3,151
Due to other funds	226	20,262	3,370	98	23,956
Due to component units		2	10		12
Unearned revenue		1,261		32,252	33,513
Obligations under securities lending of State Treasurer	4,719		27,544	6,043	38,306
Short-term notes payable			93,357		93,357
Current portion of long-term liabilities	889	24,646	469	603	26,607
<b>Total current liabilities</b>	<b>6,395</b>	<b>121,345</b>	<b>135,035</b>	<b>51,296</b>	<b>314,071</b>
Due to other funds		89,045			89,045
Noncurrent portion of long-term liabilities	85,502	369,225	232,358	9,228	696,313
<b>Total noncurrent liabilities</b>	<b>85,502</b>	<b>458,270</b>	<b>232,358</b>	<b>9,228</b>	<b>785,358</b>
<b>Total liabilities</b>	<b>91,897</b>	<b>579,615</b>	<b>367,393</b>	<b>60,524</b>	<b>1,099,429</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources - unamortized deferred amounts on refundings			28,971		28,971
Deferred inflows of resources - pensions	11,951	6,740	23,001		41,692
Deferred inflows of resources - OPEB	13,074	16,591	20,016		49,681
<b>Total deferred inflows of resources</b>	<b>25,025</b>	<b>23,331</b>	<b>71,988</b>		<b>120,344</b>
<b>NET POSITION</b>					
Net investment in capital assets		19	1,517	1,665	3,201
Restricted for:					
Debt service			27,672		27,672
Education			47,117		47,117
Unrestricted	(80,523)	(192,704)	(30,110)	44,771	(258,566)
<b>Total net position</b>	<b>\$ (80,523)</b>	<b>\$ (192,685)</b>	<b>\$ 46,196</b>	<b>\$ 46,436</b>	<b>\$ (180,576)</b>

State of Illinois

Combining Statement of Revenues, Expenses  
and Changes in Net Position  
Nonmajor Enterprise Funds

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Financial and Professional Regulation		Lottery	Student Assistance Commission	Other	Total
	Bank and Trust Company Fund	State Lottery Fund				
<b>OPERATING REVENUES</b>						
Charges for sales and services	\$ 25,559	\$ 2,974,539	\$ 18,123	\$ 77,792	\$ 3,096,013	
Interest income pledged as revenue bond security			17,288		17,288	
Interest and other investment income				58	58	
Other		6,585			6,585	
<b>Total operating revenues</b>	<b>25,559</b>	<b>2,981,124</b>	<b>35,411</b>	<b>77,850</b>	<b>3,119,944</b>	
<b>OPERATING EXPENSES</b>						
Cost of sales and services	9,841	165,329	102,131	1,777	279,078	
Benefit payments and refunds				46,313	46,313	
Prizes and claims		1,907,153			1,907,153	
Interest	11		3,922		3,933	
General and administrative		154,343	5,905	12,529	172,777	
Depreciation		27	432	262	721	
Other				15,877	15,877	
<b>Total operating expenses</b>	<b>9,852</b>	<b>2,226,852</b>	<b>112,390</b>	<b>76,758</b>	<b>2,425,852</b>	
<b>Operating income (loss)</b>	<b>15,707</b>	<b>754,272</b>	<b>(76,979)</b>	<b>1,092</b>	<b>694,092</b>	
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest and investment income	355	22,384	2,160	1,363	26,262	
Interest expense		(11,181)		(16)	(11,197)	
Federal government			92,570		92,570	
Other revenues		191	530	46	767	
Other expenses		(298)			(298)	
<b>Income (loss) before transfers</b>	<b>16,062</b>	<b>765,368</b>	<b>18,281</b>	<b>2,485</b>	<b>802,196</b>	
Transfers-in			13,698		13,698	
Transfers-out	(6,725)	(754,165)	(13,698)		(774,588)	
<b>Change in net position</b>	<b>9,337</b>	<b>11,203</b>	<b>18,281</b>	<b>2,485</b>	<b>41,306</b>	
Net position, July 1, 2018	(89,860)	(203,888)	27,915	43,951	(221,882)	
<b>NET POSITION, JUNE 30, 2019</b>	<b>\$ (80,523)</b>	<b>\$ (192,685)</b>	<b>\$ 46,196</b>	<b>\$ 46,436</b>	<b>\$ (180,576)</b>	

State of Illinois

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

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Financial and Professional Regulation		Student Assistance Commission	Other	Total
	Bank and Trust Company Fund	Lottery State Lottery Fund			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from sales and services	\$ 20,446		\$ 65,999	\$ 77,290	\$ 163,735
Cash received from lottery sales		\$ 2,973,737			2,973,737
Cash payments to suppliers for goods and services		(182,448)	(4,961)	(54,267)	(241,676)
Cash payments to employees for services	(12,795)	(18,571)	(8,198)	(15,174)	(54,738)
Cash payments for lottery prizes		(1,908,136)			(1,908,136)
Cash payments for commissions and bonuses		(165,329)			(165,329)
Cash receipts from student loan principal			46,071		46,071
Cash receipts from student loan interest			10,520		10,520
Cash payments for student loans issued			(2,001)		(2,001)
Cash receipts from other operating activities		6,651		1,913	8,564
Cash payments for other operating activities	(854)	(366)	(152,352)	(11,525)	(165,097)
Net cash provided (used) by operating activities	6,797	705,538	(44,922)	(1,763)	665,650
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Principal paid on revenue bonds and other borrowings			(44,279)		(44,279)
Interest paid on revenue bonds and other borrowings			(7,845)	(17)	(7,862)
Grants received			102,004	44	102,048
Transfers-in from other funds			14,407		14,407
Transfers-out to other funds	(6,725)	(734,787)	(14,407)		(755,919)
Net cash provided (used) by noncapital financing activities	(6,725)	(734,787)	49,880	27	(691,605)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets			(106)	(159)	(265)
Principal paid on capital debt		(20)			(20)
Net cash provided (used) by capital and related financing activities		(20)	(106)	(159)	(285)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investment securities		(22,077)	(19,059)	(37,546)	(78,682)
Proceeds from sales and maturities of investment securities		22,716	4,000	32,643	59,359
Loan disbursements	(1,000)		(15,000)		(16,000)
Loan repayments			15,000		15,000
Cash paid for long-term annuity prizes payable		(22,922)			(22,922)
Interest and dividends on investments	352	54	2,405	1,359	4,170
Net cash provided (used) by investing activities	(648)	(22,229)	(12,654)	(3,544)	(39,075)
<b>Net increase (decrease) in cash and cash equivalents</b>	(576)	(51,498)	(7,802)	(5,439)	(65,315)
Cash and cash equivalents, July 1, 2018	17,417	100,427	131,268	37,775	286,887
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2019</b>	\$ 16,841	\$ 48,929	\$ 123,466	\$ 32,336	\$ 221,572
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position:</b>					
Total cash and cash equivalents per Statement of Net Position		\$ 18,089	\$ 9,037	\$ 3,971	\$ 31,097
Add: cash equity with State Treasurer	\$ 16,841	30,840	103,523	28,365	179,569
Add: restricted cash equivalents			10,906		10,906
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2019</b>	\$ 16,841	\$ 48,929	\$ 123,466	\$ 32,336	\$ 221,572

(continued)

State of Illinois

Combining Statement of Cash Flows  
Nonmajor Enterprise Funds

For the Year Ended June 30, 2019 (Expressed in Thousands)  
(continued)

	Financial and Professional Regulation		Lottery	Student Assistance Commission	Other	Total
	Bank and Trust Company Fund	State Lottery Fund				
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
<b>OPERATING INCOME (LOSS)</b>	\$ 15,707	\$ 754,272	\$ (76,979)	\$ 1,092	\$ 694,092	
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation		27	432	262	721	
Provision for uncollectible accounts	(5)	2,900	4,897		7,792	
Miscellaneous income		(27)			(27)	
Interest and investment income			(394)	(58)	(452)	
Interest expense			3,922		3,922	
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:						
(Increase) decrease in accounts receivable	(134)	(31,439)	(3,468)	(285)	(35,326)	
(Increase) decrease in intergovernmental receivables			55	199	254	
(Increase) decrease in due from other funds	275	363	127	21	786	
(Increase) decrease in loans and notes receivable			42,435		42,435	
(Increase) decrease in prepaid expenses		(305)		(16)	(321)	
(Increase) decrease in deferred outflows of resources	3,918	5,275	10,607		19,800	
Increase (decrease) in accounts payable and accrued liabilities	(5,045)	(42,136)	(2,912)	(3,869)	(53,962)	
Increase (decrease) in intergovernmental payables	12	24	(3,106)	(3)	(3,073)	
Increase (decrease) in due to other funds	21	55	173	47	296	
Increase (decrease) in due to component units			10		10	
Increase (decrease) in unearned revenue		(542)		102	(440)	
Increase (decrease) in net pension liability	(7,901)	(3,255)	(16,973)		(28,129)	
Increase (decrease) in OPEB liability	(5,533)	(10,816)	(18,062)		(34,411)	
Increase (decrease) in other liabilities	13	(39)	(1,300)	745	(581)	
Increase (decrease) in long-term annuity prizes payable		22,077			22,077	
Increase (decrease) in deferred inflows of resources	5,469	9,104	15,614		30,187	
Total adjustments	(8,910)	(48,734)	32,057	(2,855)	(28,442)	
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	\$ 6,797	\$ 705,538	\$ (44,922)	\$ (1,763)	\$ 665,650	
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>						
Increase (decrease) in fair value of investments		\$ (11,203)	\$ 121	\$ 26	\$ (11,056)	
Interest accreted on investments		11,181			11,181	
Interest accreted on long-term annuity prizes payable		(11,181)			(11,181)	

State of Illinois

Combining Statement of Net Position - Nonmajor Enterprise Funds

Student Assistance Commission

June 30, 2019 (Expressed in Thousands)

	Federal Student Loan Fund	Student Loan Operation Fund	Illinois Designated Account Purchase Program Fund	Total
<b>ASSETS</b>				
Cash equity with State Treasurer	\$ 42,939	\$ 60,584		\$ 103,523
Cash and cash equivalents			\$ 9,037	9,037
Securities lending collateral of State Treasurer	11,138	16,406		27,544
Investments			19,135	19,135
Receivables, net:				
Intergovernmental	12,535	411	174	13,120
Other	76	112		188
Due from other funds	554	2,722		3,276
Restricted assets:				
Cash and cash equivalents			10,906	10,906
Other receivables, net			21,306	21,306
Loans and notes receivable, net			33,325	33,325
<b>Total current assets</b>	<b>67,242</b>	<b>80,235</b>	<b>93,883</b>	<b>241,360</b>
Restricted loans and notes receivable, net			223,022	223,022
Capital assets being depreciated, net		1,517		1,517
<b>Total noncurrent assets</b>		<b>1,517</b>	<b>223,022</b>	<b>224,539</b>
<b>Total assets</b>	<b>67,242</b>	<b>81,752</b>	<b>316,905</b>	<b>465,899</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources - pensions		14,973	1,251	16,224
Deferred outflows of resources - OPEB		3,159	295	3,454
<b>Total deferred outflows of resources</b>		<b>18,132</b>	<b>1,546</b>	<b>19,678</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	5,497	507	1,249	7,253
Intergovernmental payables	3,032			3,032
Due to other funds	458	907	2,005	3,370
Due to component units		10		10
Obligations under securities lending of State Treasurer	11,138	16,406		27,544
Short-term notes payable			93,357	93,357
Current portion of long-term liabilities		411	58	469
<b>Total current liabilities</b>	<b>20,125</b>	<b>18,241</b>	<b>96,669</b>	<b>135,035</b>
Noncurrent portion of long-term liabilities		90,405	141,953	232,358
<b>Total liabilities</b>	<b>20,125</b>	<b>108,646</b>	<b>238,622</b>	<b>367,393</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - unamortized deferred amounts on refundings			28,971	28,971
Deferred inflows of resources - pensions		21,870	1,131	23,001
Deferred inflows of resources - OPEB		19,110	906	20,016
<b>Total deferred inflows of resources</b>		<b>40,980</b>	<b>31,008</b>	<b>71,988</b>
<b>NET POSITION</b>				
Net investment in capital assets		1,517		1,517
Restricted for:				
Debt service			27,672	27,672
Education	47,117			47,117
Unrestricted		(51,259)	21,149	(30,110)
<b>Total net position</b>	<b>\$ 47,117</b>	<b>\$ (49,742)</b>	<b>\$ 48,821</b>	<b>\$ 46,196</b>

State of Illinois

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

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Federal Student Loan Fund	Student Loan Operation Fund	Illinois Designated Account Purchase Program Fund	Total
<b>OPERATING REVENUES</b>				
Charges for sales and services	\$ 8,511	\$ 9,612		\$ 18,123
Interest income pledged as revenue bond security			\$ 17,288	17,288
<b>Total operating revenues</b>	<b>8,511</b>	<b>9,612</b>	<b>17,288</b>	<b>35,411</b>
<b>OPERATING EXPENSES</b>				
Cost of sales and services	93,006	9,125		102,131
Interest			3,922	3,922
General and administrative		(1,424)	7,329	5,905
Depreciation		432		432
<b>Total operating expenses</b>	<b>93,006</b>	<b>8,133</b>	<b>11,251</b>	<b>112,390</b>
<b>Operating income (loss)</b>	<b>(84,495)</b>	<b>1,479</b>	<b>6,037</b>	<b>(76,979)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest and investment income	893	1,267		2,160
Federal government	92,570			92,570
Other revenues			530	530
<b>Income (loss) before transfers</b>	<b>8,968</b>	<b>2,746</b>	<b>6,567</b>	<b>18,281</b>
Transfers-in	2,758	10,940		13,698
Transfers-out	(10,940)	(2,758)		(13,698)
<b>Change in net position</b>	<b>786</b>	<b>10,928</b>	<b>6,567</b>	<b>18,281</b>
Net position, July 1, 2018	46,331	(60,670)	42,254	27,915
<b>NET POSITION, JUNE 30, 2019</b>	<b>\$ 47,117</b>	<b>\$ (49,742)</b>	<b>\$ 48,821</b>	<b>\$ 46,196</b>

State of Illinois

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

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Federal Student Loan Fund	Student Loan Operation Fund	Illinois Designated Account Purchase Program Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from sales and services	\$ 57,122	\$ 8,877		\$ 65,999
Cash payments to suppliers for goods and services		(3,286)	(1,675)	(4,961)
Cash payments to employees for services		(7,534)	(664)	(8,198)
Cash receipts from student loan principal			46,071	46,071
Cash receipts from student loan interest			10,520	10,520
Cash payments for student loans issued			(2,001)	(2,001)
Cash payments for other operating activities	(147,402)	(4,950)		(152,352)
Net cash provided (used) by operating activities	(90,280)	(6,893)	52,251	(44,922)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Principal paid on revenue bonds and other borrowings			(44,279)	(44,279)
Interest paid on revenue bonds and other borrowings			(7,845)	(7,845)
Grants received	101,666		338	102,004
Transfers-in from other funds	2,876	11,531		14,407
Transfers-out to other funds	(11,531)	(2,876)		(14,407)
Net cash provided (used) by noncapital financing activities	93,011	8,655	(51,786)	49,880
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets		(106)		(106)
Net cash provided (used) by capital and related financing activities		(106)		(106)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investment securities			(19,059)	(19,059)
Proceeds from sales and maturities of investment securities			4,000	4,000
Loan disbursements	(15,000)			(15,000)
Loan repayments	15,000			15,000
Interest and dividends on investments	883	1,249	273	2,405
Net cash provided (used) by investing activities	883	1,249	(14,786)	(12,654)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,614</b>	<b>2,905</b>	<b>(14,321)</b>	<b>(7,802)</b>
Cash and cash equivalents, July 1, 2018	39,325	57,679	34,264	131,268
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2019</b>	<b>\$ 42,939</b>	<b>\$ 60,584</b>	<b>\$ 19,943</b>	<b>\$ 123,466</b>
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position:</b>				
Total cash and cash equivalents per Statement of Net Position			\$ 9,037	\$ 9,037
Add: cash equity with State Treasurer	\$ 42,939	\$ 60,584		103,523
Add: restricted cash equivalents			10,906	10,906
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2019</b>	<b>\$ 42,939</b>	<b>\$ 60,584</b>	<b>\$ 19,943</b>	<b>\$ 123,466</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
<b>OPERATING INCOME (LOSS)</b>	<b>\$ (84,495)</b>	<b>\$ 1,479</b>	<b>\$ 6,037</b>	<b>\$ (76,979)</b>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation		432		432
Provision for uncollectible accounts			4,897	4,897
Interest and investment income			(394)	(394)
Interest expense			3,922	3,922
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
(Increase) decrease in accounts receivable			(3,468)	(3,468)
(Increase) decrease in intergovernmental receivables		55		55
(Increase) decrease in due from other funds	4	123		127
(Increase) decrease in loans and notes receivable			42,435	42,435
(Increase) decrease in deferred outflows of resources - pensions		11,803	(1,196)	10,607
Increase (decrease) in accounts payable and accrued liabilities	(2,683)	(199)	(30)	(2,912)
Increase (decrease) in intergovernmental payables	(3,106)			(3,106)
Increase (decrease) in due to other funds		191	(18)	173
Increase (decrease) in due to component units		10		10
Increase (decrease) in net pension liability		(18,236)	1,263	(16,973)
Increase (decrease) in OPEB liability		(18,301)	239	(18,062)
Increase (decrease) in other liabilities		(1,309)	9	(1,300)
Increase (decrease) in deferred inflows of resources - pensions		17,059	(1,445)	15,614
Total adjustments	(5,785)	(8,372)	46,214	32,057
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (90,280)</b>	<b>\$ (6,893)</b>	<b>\$ 52,251</b>	<b>\$ (44,922)</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
Transfer of assets from (to) other state funds				
Increase (decrease) in fair value of investments			\$ 121	\$ 121



## INTERNAL SERVICE FUNDS

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

### SIGNIFICANT INTERNAL SERVICE FUNDS DESCRIPTIONS

#### **Office of the Auditor General**

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

#### **Department of 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 from user agencies.

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

Professional Services Fund--to account for the cost of professional services rendered by the Department of Central Management Services on behalf of other agencies. Revenues consist of charges from user agencies.

Workers' Compensation Revolving Fund--to account for workers' compensation expenses of State employees. Revenues consist of charges from the funds which paid the employees during the employees' active service.

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

#### **Department of Corrections**

Working Capital Revolving Fund--to account for the income and expenses associated with the production by factories, farms, and service programs at several State correctional facilities for use by other State agencies.

#### **Department of Innovation and Technology**

Technology Management Revolving Fund--to account for the purchase, maintenance, and operation of electronic data processing and informational services used by State agencies. Revenues consist of charges from user agencies.

State of Illinois

Combining Statement of Net Position

Internal Service Funds

June 30, 2019 (Expressed in Thousands)

	Auditor General	Central	Corrections	Department of Innovation and Technology		
	Audit Expense	Management	Working Capital	Management	Other	Total
	Fund	Services	Revolving Fund	Revolving Fund		
<b>ASSETS</b>						
Cash equity with State Treasurer	\$ 35,161	\$ 92,467	\$ 2,041	\$ 23,068	\$ 2,434	\$ 155,171
Cash and cash equivalents		86,619				86,619
Securities lending collateral of State Treasurer		21,690			440	22,130
Receivables, net:						
Intergovernmental		5,703	6	3,503		9,212
Other		23,242	113	374	7,736	31,465
Due from other funds	18,239	2,619,382	35,504	305,910	7,684	2,986,719
Due from component units	950	10,834	23	780	316	12,903
Inventories		1,891	5,608		1,566	9,065
<b>Total current assets</b>	<b>54,350</b>	<b>2,861,828</b>	<b>43,295</b>	<b>333,635</b>	<b>20,176</b>	<b>3,313,284</b>
Capital assets not being depreciated		38,396		95,121		133,517
Capital assets being depreciated, net		130,825	2,397	56,590		189,812
<b>Total noncurrent assets</b>		<b>169,221</b>	<b>2,397</b>	<b>151,711</b>		<b>323,329</b>
<b>Total assets</b>	<b>54,350</b>	<b>3,031,049</b>	<b>45,692</b>	<b>485,346</b>	<b>20,176</b>	<b>3,636,613</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	6,704	2,069,082	11,021	263,290	3,661	2,353,758
Intergovernmental payables	1	3,124	28	11,155		14,308
Due to other funds	2	18,090	2,745	14,132	9,810	44,779
Due to component units		461	5			466
Unearned revenue		2,699		4,109	3	6,811
Obligations under securities lending of State Treasurer		21,690			440	22,130
Current portion of long-term liabilities		111,024	165	1,004		112,193
<b>Total current liabilities</b>	<b>6,707</b>	<b>2,226,170</b>	<b>13,964</b>	<b>293,690</b>	<b>13,914</b>	<b>2,554,445</b>
Noncurrent portion of long-term liabilities		489,807	784	8,009		498,600
<b>Total liabilities</b>	<b>6,707</b>	<b>2,715,977</b>	<b>14,748</b>	<b>301,699</b>	<b>13,914</b>	<b>3,053,045</b>
<b>NET POSITION</b>						
Net investment in capital assets		169,221	2,397	150,139		321,757
Unrestricted	47,643	145,851	28,547	33,508	6,262	261,811
<b>Total net position</b>	<b>\$ 47,643</b>	<b>\$ 315,072</b>	<b>\$ 30,944</b>	<b>\$ 183,647</b>	<b>\$ 6,262</b>	<b>\$ 583,568</b>

State of Illinois

Combining Statement of Revenues, Expenses  
and Changes in Net Position  
Internal Service Funds

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Auditor General		Central	Corrections	Department of Innovation and Technology		
	Audit Expense Fund		Management Services	Working Capital Revolving Fund	Technology Management Revolving Fund	Other	Total
<b>OPERATING REVENUES</b>							
Charges for sales and services	\$ 28,583	\$ 3,199,917		\$ 32,116	\$ 296,574	\$ 33,344	\$ 3,590,534
Other			42				42
<b>Total operating revenues</b>	<b>28,583</b>	<b>3,199,959</b>		<b>32,116</b>	<b>296,574</b>	<b>33,344</b>	<b>3,590,576</b>
<b>OPERATING EXPENSES</b>							
Cost of sales and services	24,593	248,079		27,669	303,539	34,309	638,189
Benefit payments and refunds		2,707,528					2,707,528
General and administrative		76,144		6,413		10	82,567
Depreciation		17,785		480	10,774		29,039
Other		10					10
<b>Total operating expenses</b>	<b>24,593</b>	<b>3,049,546</b>		<b>34,562</b>	<b>314,313</b>	<b>34,319</b>	<b>3,457,333</b>
<b>Operating income (loss)</b>	<b>3,990</b>	<b>150,413</b>		<b>(2,446)</b>	<b>(17,739)</b>	<b>(975)</b>	<b>133,243</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Interest and investment income		4,641				211	4,852
Interest expense		(165,556)		(617)	(20,243)		(186,416)
Federal government		4,750					4,750
Other revenues		20		714			734
Other expenses		(70)			(863)		(933)
<b>Income (loss) before contributions and transfers</b>	<b>3,990</b>	<b>(5,802)</b>		<b>(2,349)</b>	<b>(38,845)</b>	<b>(764)</b>	<b>(43,770)</b>
Contributions of capital assets		2,696			124		2,820
Transfers-in						800	800
<b>Change in net position</b>	<b>3,990</b>	<b>(3,106)</b>		<b>(2,349)</b>	<b>(38,721)</b>	<b>36</b>	<b>(40,150)</b>
Net position, July 1, 2018	43,653	318,178		33,293	222,368	6,226	623,718
<b>NET POSITION, JUNE 30, 2019</b>	<b>\$ 47,643</b>	<b>\$ 315,072</b>		<b>\$ 30,944</b>	<b>\$ 183,647</b>	<b>\$ 6,262</b>	<b>\$ 583,568</b>

State of Illinois

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Auditor General	Central	Corrections	Department of Innovation and Technology		
	Audit Expense	Management	Working Capital	Technology	Other	Total
	Fund	Services	Revolving Fund	Revolving Fund		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from sales and services	\$ 3,296	\$ 151,780	\$ 1,347	\$ 14,644		\$ 171,067
Cash received from transactions with other funds	25,305	3,223,245	37,339	258,701	\$ 35,215	3,579,805
Cash payments to suppliers for goods and services	(22,564)	(3,056,484)	(29,400)	(169,430)	(34,962)	(3,312,840)
Cash payments to employees for services	(1,260)	(55,895)	(7,853)	(116,403)	(1,548)	(182,959)
Cash payments for workers compensation		(93,836)				(93,836)
Cash receipts from other operating activities		72,019	682			72,701
Net cash provided (used) by operating activities	4,777	240,829	2,115	(12,488)	(1,295)	233,938
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Interest paid on other borrowings		(360,286)	(2,285)			(362,571)
Grants received		4,969				4,969
Transfers-in from other funds					500	500
Net cash provided (used) by noncapital financing activities		(355,317)	(2,285)		500	(357,102)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets		(17,937)	(529)	(6,867)		(25,333)
Principal paid on capital debt			(1)			(1)
Proceeds from sales of capital assets		650	32			682
Net cash provided (used) by capital and related financing activities		(17,287)	(498)	(6,867)		(24,652)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest and dividends on investments		4,662			211	4,873
Net cash provided (used) by investing activities		4,662			211	4,873
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,777</b>	<b>(127,113)</b>	<b>(668)</b>	<b>(19,355)</b>	<b>(584)</b>	<b>(142,943)</b>
Cash and cash equivalents, July 1, 2018	30,384	306,199	2,709	42,423	3,018	384,733
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2019</b>	<b>\$ 35,161</b>	<b>\$ 179,086</b>	<b>\$ 2,041</b>	<b>\$ 23,068</b>	<b>\$ 2,434</b>	<b>\$ 241,790</b>
<b>Reconciliation of cash and cash equivalents to the statement of net position:</b>						
Total cash and cash equivalents per statement of net position		\$ 86,619				\$ 86,619
Add: cash equity with State Treasurer	\$ 35,161	92,467	2,041	23,068	2,434	155,171
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2019</b>	<b>\$ 35,161</b>	<b>\$ 179,086</b>	<b>\$ 2,041</b>	<b>\$ 23,068</b>	<b>\$ 2,434</b>	<b>\$ 241,790</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
<b>OPERATING INCOME (LOSS)</b>	<b>\$ 3,990</b>	<b>\$ 150,413</b>	<b>\$ (2,446)</b>	<b>\$ (17,739)</b>	<b>\$ (975)</b>	<b>\$ 133,243</b>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation		17,785	480	10,774		29,039
Miscellaneous income			682			682
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable		(5,272)	29	(195)	2,036	(3,402)
(Increase) decrease in intergovernmental receivables		42	2	(1,911)		(1,867)
(Increase) decrease in due from other funds	(300)	175,982	6,544	(24,910)	(225)	157,091
(Increase) decrease in due from component units	318	2,659	(13)	70	87	3,121
(Increase) decrease in inventories		137	139		23	299
Increase (decrease) in accounts payable and accrued liabilities	768	(95,865)	(2,932)	16,153	(1,515)	(83,391)
Increase (decrease) in intergovernmental payables	1	(1,976)	(2)	(4,094)		(6,071)
Increase (decrease) in due to other funds		9,862	(383)	7,857	(726)	16,610
Increase (decrease) in due to component units		114	2	(19)		97
Increase (decrease) in unearned revenue		(5,234)		(475)		(5,709)
Increase (decrease) in other liabilities		(7,818)	13	2,001		(5,804)
Total adjustments	787	90,416	4,561	5,251	(320)	100,695
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 4,777</b>	<b>\$ 240,829</b>	<b>\$ 2,115</b>	<b>\$ (12,488)</b>	<b>\$ (1,295)</b>	<b>\$ 233,938</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>						
Cost of capital asset acquisitions financed by installment purchases				\$ 1,965		\$ 1,965
Gain (loss) on disposal of capital assets		\$ 20		(863)		(843)
Transfer of assets/liabilities from (to) other state funds	\$ (6)	2,626		124		2,744

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State of Illinois

Combining Statement of Net Position - Internal Service Funds

Central Management Services

June 30, 2019 (Expressed in Thousands)

	State Garage Revolving Fund	Facilities Management Revolving Fund	Professional Services Fund	Workers' Compensation Revolving Fund	Health Insurance Reserve Fund	Total
<b>ASSETS</b>						
Cash equity with State Treasurer	\$ 5,319	\$ 4,386	\$ 5,261	\$ 18,163	\$ 59,338	\$ 92,467
Cash and cash equivalents				7,836	78,783	86,619
Securities lending collateral of State Treasurer		1,738	1,799	3,131	15,022	21,690
Receivables, net:						
Intergovernmental	21				5,682	5,703
Other		12	12	21	23,197	23,242
Due from other funds	30,918	137,525	30,770	571,103	1,849,066	2,619,382
Due from component units		52			10,782	10,834
Inventories	1,891					1,891
<b>Total current assets</b>	<b>38,149</b>	<b>143,713</b>	<b>37,842</b>	<b>600,254</b>	<b>2,041,870</b>	<b>2,861,828</b>
Capital assets not being depreciated		38,396				38,396
Capital assets being depreciated, net	17,743	113,015	67			130,825
<b>Total noncurrent assets</b>	<b>17,743</b>	<b>151,411</b>	<b>67</b>			<b>169,221</b>
<b>Total assets</b>	<b>55,892</b>	<b>295,124</b>	<b>37,909</b>	<b>600,254</b>	<b>2,041,870</b>	<b>3,031,049</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	10,028	33,493	2,397	929	2,022,235	2,069,082
Intergovernmental payables	33	2,985	51	2	53	3,124
Due to other funds	2,342	10,245	1,197	32	4,274	18,090
Due to component units	53	408				461
Unearned revenue		2,699				2,699
Obligations under securities lending of State Treasurer		1,738	1,799	3,131	15,022	21,690
Current portion of long-term liabilities	189	329	117	110,339	50	111,024
<b>Total current liabilities</b>	<b>12,645</b>	<b>51,897</b>	<b>5,561</b>	<b>114,433</b>	<b>2,041,634</b>	<b>2,226,170</b>
Noncurrent portion of long-term liabilities	633	1,904	1,213	485,821	236	489,807
<b>Total liabilities</b>	<b>13,278</b>	<b>53,801</b>	<b>6,774</b>	<b>600,254</b>	<b>2,041,870</b>	<b>2,715,977</b>
<b>NET POSITION</b>						
Net investment in capital assets	17,743	151,411	67			169,221
Unrestricted	24,871	89,912	31,068			145,851
<b>Total net position</b>	<b>\$ 42,614</b>	<b>\$ 241,323</b>	<b>\$ 31,135</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 315,072</b>

State of Illinois

**Combining Statement of Revenues, Expenses  
and Changes in Net Position - Internal Service Funds  
Central Management Services**

For the Year Ended June 30, 2019 (Expressed in Thousands)

	State Garage Revolving Fund	Facilities Management Revolving Fund	Professional Services Fund	Workers' Compensation Revolving Fund	Health Insurance Reserve Fund	Total
<b>OPERATING REVENUES</b>						
Charges for sales and services	\$ 51,933	\$ 185,948	\$ 41,000	\$ 92,408	\$ 2,828,628	\$ 3,199,917
Other	42					42
<b>Total operating revenues</b>	<b>51,975</b>	<b>185,948</b>	<b>41,000</b>	<b>92,408</b>	<b>2,828,628</b>	<b>3,199,959</b>
<b>OPERATING EXPENSES</b>						
Cost of sales and services	35,421	174,952	37,706			248,079
Benefit payments and refunds				93,015	2,614,513	2,707,528
General and administrative	9,229	9,381			57,534	76,144
Depreciation	4,690	13,072	23			17,785
Other	10					10
<b>Total operating expenses</b>	<b>49,350</b>	<b>197,405</b>	<b>37,729</b>	<b>93,015</b>	<b>2,672,047</b>	<b>3,049,546</b>
<b>Operating income (loss)</b>	<b>2,625</b>	<b>(11,457)</b>	<b>3,271</b>	<b>(607)</b>	<b>156,581</b>	<b>150,413</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest and investment income		191	132	607	3,711	4,641
Interest expense	(158)	(302)	(54)		(165,042)	(165,556)
Federal government					4,750	4,750
Other revenues		20				20
Other expenses			(70)			(70)
<b>Income (loss) before contributions and transfers</b>	<b>2,467</b>	<b>(11,548)</b>	<b>3,279</b>	<b>-</b>	<b>-</b>	<b>(5,802)</b>
Contributions of capital assets		2,696				2,696
<b>Change in net position</b>	<b>2,467</b>	<b>(8,852)</b>	<b>3,279</b>	<b>-</b>	<b>-</b>	<b>(3,106)</b>
Net position, July 1, 2018	40,147	250,175	27,856			318,178
<b>NET POSITION, JUNE 30, 2019</b>	<b>\$ 42,614</b>	<b>\$ 241,323</b>	<b>\$ 31,135</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 315,072</b>

State of Illinois

Combining Statement of Cash Flows - Internal Service Funds

Central Management Services

For the Year Ended June 30, 2019 (Expressed in Thousands)

	State Garage Revolving Fund	Facilities Management Revolving Fund	Professional Services Fund	Workers' Compensation Revolving Fund	Health Insurance Reserve Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from sales and services	\$ 132	\$ 1,954			\$ 149,694	\$ 151,780
Cash received from transactions with other funds	52,224	185,517	\$ 33,901	\$ 93,671	2,857,932	3,223,245
Cash payments to suppliers for goods and services	(23,471)	(167,821)	(37,463)	(6,211)	(2,821,518)	(3,056,484)
Cash payments to employees for services	(18,464)	(32,794)			(4,637)	(55,895)
Cash payments for workers compensation				(93,836)		(93,836)
Cash receipts from other operating activities	42				71,977	72,019
Net cash provided (used) by operating activities	10,463	(13,144)	(3,562)	(6,376)	253,448	240,829
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Interest paid on other borrowings	(3)		(17)		(360,266)	(360,286)
Grants received					4,969	4,969
Net cash provided (used) by noncapital financing activities	(3)		(17)		(355,297)	(355,317)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets	(17,756)	(130)	(51)			(17,937)
Proceeds from the sale of capital assets		650				650
Net cash provided (used) by capital and related financing activities	(17,756)	520	(51)			(17,287)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest and dividends on investments		198	131	604	3,729	4,662
Net cash provided (used) by investing activities		198	131	604	3,729	4,662
<b>Net increase (decrease) in cash and cash equivalents</b>	(7,296)	(12,426)	(3,499)	(5,772)	(98,120)	(127,113)
Cash and cash equivalents, July 1, 2018	12,615	16,812	8,760	31,771	236,241	306,199
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2019</b>	<b>\$ 5,319</b>	<b>\$ 4,386</b>	<b>\$ 5,261</b>	<b>\$ 25,999</b>	<b>\$ 138,121</b>	<b>\$ 179,086</b>
<b>Reconciliation of cash and cash equivalents to the statement of net position:</b>						
Total cash and cash equivalents per statement of net position				\$ 7,836	\$ 78,783	\$ 86,619
Add: cash equity with State Treasurer	\$ 5,319	\$ 4,386	\$ 5,261	18,163	59,338	92,467
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2019</b>	<b>\$ 5,319</b>	<b>\$ 4,386</b>	<b>\$ 5,261</b>	<b>\$ 25,999</b>	<b>\$ 138,121</b>	<b>\$ 179,086</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
<b>OPERATING INCOME (LOSS)</b>	<b>\$ 2,625</b>	<b>\$ (11,457)</b>	<b>\$ 3,271</b>	<b>\$ (607)</b>	<b>\$ 156,581</b>	<b>\$ 150,413</b>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	4,690	13,072	23			17,785
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	15				(5,287)	(5,272)
(Increase) decrease in intergovernmental receivables	42					42
(Increase) decrease in due from other funds	401	4,466	(6,637)	1,328	176,424	175,982
(Increase) decrease in due from component units		(26)			2,685	2,659
(Increase) decrease in inventories	137					137
Increase (decrease) in accounts payable and accrued liabilities	2,057	(18,252)	342	369	(80,381)	(95,865)
Increase (decrease) in intergovernmental payables	(7)	(1,872)			(97)	(1,976)
Increase (decrease) in due to other funds	588	6,199	(431)	(68)	3,574	9,862
Increase (decrease) in due to component units	(10)	124				114
Increase (decrease) in unearned revenue		(5,234)				(5,234)
Increase (decrease) in other liabilities	(75)	(164)	(130)	(7,398)	(51)	(7,818)
Total adjustments	7,838	(1,687)	(6,833)	(5,769)	96,867	90,416
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 10,463</b>	<b>\$ (13,144)</b>	<b>\$ (3,562)</b>	<b>\$ (6,376)</b>	<b>\$ 253,448</b>	<b>\$ 240,829</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>						
Gain (loss) on disposal of capital assets		\$ 20				\$ 20
Transfer of assets from (to) other state funds		2,696	(70)			2,626



## **PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS**

The Pension (and Other Employee Benefit) Trust Funds are maintained to account for the resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, and other employee benefit plans.

### **PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS DESCRIPTIONS**

#### **Department of Central Management Services**

Deferred Compensation Plan--to account for the assets held in the State's Internal Revenue Code Section 457 Plan. All employees of the State are eligible to voluntarily elect to contribute a portion of their compensation to the Plan through payroll deductions.

Teacher Health Insurance Security--to provide health benefits for the Teachers' Retirement System recipient and dependent beneficiaries. Premiums are collected from retired and active teachers and the insurance plan is administered by private companies.

Community College Health Insurance Security--to provide health benefits for the retirees of community colleges in the State of Illinois and dependent beneficiaries. Premiums are collected from retired and active teachers and the insurance plan is administered by private companies.

#### **General Assembly Retirement System, Judges' Retirement System, State Employees' Retirement System, Teachers' Retirement System, and State Universities Retirement System**

See Note 16 for description of retirement systems.

State of Illinois

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

June 30, 2019 (Expressed in Thousands)

	Central Management Services					
	Deferred Compensation Plan	Teacher Health Insurance Security	Community College Health Insurance Security	General Assembly Retirement System	Judges' Retirement System	State Employees' Retirement System
<b>ASSETS</b>						
Cash equity with State Treasurer	\$ 2,986	\$ 25,642	\$ 2,947	\$ 4,144	\$ 27,068	\$ 211,289
Cash and cash equivalents	66,836	11,036	982			
Securities lending collateral of State Treasurer	855	4,834	497	863	5,630	43,142
Investments:						
Equities	3,856,570					
Fixed income	125,048					
Private equity						
Real estate						
Other	600,268					
Equity in Illinois State Board of Investments				54,604	1,040,124	18,025,048
Securities lending collateral						
Receivables, net:						
Members		7,775	236	76	91	30,571
Employers		5,769	236			
Investment income	6	33	3	6	38	294
Intergovernmental		1,224	172			
Pending investment sales						
Other	763	5,429	383			8,582
Due from other funds					73	113
Due from primary government funds		168,378		968	5,853	253,699
Prepaid expenses						
Loans and notes receivable, net	41,473					
Capital assets not being depreciated						971
Capital assets being depreciated, net				32	101	9,739
<b>Total assets</b>	<b>4,694,805</b>	<b>230,120</b>	<b>5,456</b>	<b>60,693</b>	<b>1,078,978</b>	<b>18,583,448</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	1,241	156,313	79,546		125	23,041
Intergovernmental payables	1	2				
Due to other funds				99	87	
Due to primary government funds	40	831	266			24,568
Obligations under securities lending of State Treasurer	855	4,834	497	863	5,630	43,142
Securities lending collateral						
Payable to brokers for unsettled trades						
Obligations under reverse repurchase agreements						
Long term obligations:						
Due within one year	16	16				79
Due subsequent to one year	99	60	3	11	32	730
<b>Total liabilities</b>	<b>2,252</b>	<b>162,056</b>	<b>80,312</b>	<b>973</b>	<b>5,874</b>	<b>91,560</b>
<b>NET POSITION</b>						
Restricted for pension	4,692,553	68,064		59,720	1,073,104	18,491,888
Unrestricted			(74,856)			
<b>Total net position</b>	<b>\$ 4,692,553</b>	<b>\$ 68,064</b>	<b>\$ (74,856)</b>	<b>\$ 59,720</b>	<b>\$ 1,073,104</b>	<b>\$ 18,491,888</b>

**State Universities Retirement  
System**

Teachers' Retirement System	Defined Benefit	Defined Contribution	Total
\$ 27,984			\$ 302,060
123,305	\$ 819,413		1,021,572
54,889			110,710
17,823,682	11,854,744	\$ 1,393,511	34,928,507
13,725,762	3,718,271	216,655	17,785,736
6,378,902			6,378,902
7,882,240	1,187,333	54,755	9,124,328
6,891,917	2,149,648	1,057,588	10,699,421
			19,119,776
2,485,824	878,206		3,364,030
55,257	12,385	4,683	111,074
8,215	6,419	2,415	23,054
344,551	47,227		392,158
			1,396
6,195,923	360,977		6,556,900
			15,157
			186
558,757	150,663		1,138,318
2,172	147		2,319
			41,473
238	4,255		5,464
2,619	5,541		18,032
62,562,237	21,195,229	2,729,607	111,140,573
			341,668
49,986	31,416		3
			186
265	1		25,971
54,889			110,710
2,485,796	876,551		3,362,347
6,706,535	483,349		7,189,884
	85,457		85,457
117	97		325
1,860	1,010		3,805
9,299,448	1,477,881		11,120,356
53,262,789	19,717,348	2,729,607	100,095,073
			(74,856)
<b>\$ 53,262,789</b>	<b>\$ 19,717,348</b>	<b>\$ 2,729,607</b>	<b>\$ 100,020,217</b>

State of Illinois

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

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Central Management Services			General Assembly Retirement System	Judges' Retirement System	State Employees' Retirement System
	Deferred Compensation Plan	Teacher Health Insurance Security	Community College Health Insurance Security			
<b>ADDITIONS</b>						
Contributions:						
Employer State		\$ 96,021	\$ 4,488	\$ 23,221	\$ 140,469	\$ 2,274,925
Members:						
Employees	\$ 161,273	130,068	4,488	1,350	14,660	275,675
Federal Medicare Part D		975	171			
Other	24,121	104				
<b>Total contributions</b>	<b>185,394</b>	<b>347,977</b>	<b>18,355</b>	<b>24,571</b>	<b>155,129</b>	<b>2,550,600</b>
Investment income:						
Interest and other investment income	22,371	397	48	954	17,212	297,232
Net increase (decrease) in fair value of investments	213,338			2,569	48,942	845,866
Reimbursements of expenses not separable from investment income	3,010					
Less investment expense	(484)			(74)	(1,413)	(24,669)
<b>Net investment income</b>	<b>238,235</b>	<b>397</b>	<b>48</b>	<b>3,449</b>	<b>64,741</b>	<b>1,118,429</b>
<b>Total additions</b>	<b>423,629</b>	<b>348,374</b>	<b>18,403</b>	<b>28,020</b>	<b>219,870</b>	<b>3,669,029</b>
<b>DEDUCTIONS</b>						
Benefit payments	303,153	260,652	24,800	24,558	157,350	2,601,306
Refunds	58			169	991	24,133
Depreciation				2	7	973
General and administrative	2,856	10,430	4,198	387	903	14,006
Other	3,454					
<b>Total deductions</b>	<b>309,521</b>	<b>271,082</b>	<b>28,998</b>	<b>25,116</b>	<b>159,251</b>	<b>2,640,418</b>
<b>Change in net position</b>						
Restricted for:						
Pension benefits				2,904	60,619	1,028,611
Retiree health insurance benefits (unrestricted deficit)		77,292	(10,595)			
Defined contribution	114,108					
Net position, July 1, 2018	4,578,445	(9,228)	(64,261)	56,816	1,012,485	17,463,277
<b>NET POSITION, JUNE 30, 2019</b>	<b>\$ 4,692,553</b>	<b>\$ 68,064</b>	<b>\$ (74,856)</b>	<b>\$ 59,720</b>	<b>\$ 1,073,104</b>	<b>\$ 18,491,888</b>

**State Universities Retirement  
System**

Teachers' Retirement System	Defined Benefit	Defined Contribution	Total
\$ 87,707	\$ 49,415	\$ 8,718	\$ 2,684,964
4,466,021	1,592,639	62,515	6,251,192
963,972	280,018	88,571	1,920,075
808			1,146
5,518,508	1,922,072	159,804	10,882,410
1,945,900	398,277		2,682,391
1,491,026	796,114	162,650	3,560,505
			3,010
(819,095)	(64,578)		(910,313)
2,617,831	1,129,813	162,650	5,335,593
8,136,339	3,051,885	322,454	16,218,003
6,745,544	2,558,990	58,207	12,734,560
73,216	80,538	34,513	213,618
875	642		2,499
23,462	15,442	579	72,263
			3,454
6,843,097	2,655,612	93,299	13,026,394
1,293,242	396,273		2,781,649
			66,697
		229,155	343,263
51,969,547	19,321,075	2,500,452	96,828,608
\$ 53,262,789	\$ 19,717,348	\$ 2,729,607	\$ 100,020,217

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## INVESTMENT TRUST FUNDS

Investment Trust Funds are maintained to account for the external portion of investment pools (the portion that belongs to legally separate entities that are not part of the sponsoring government's financial reporting entity).

### INVESTMENT TRUST FUNDS DESCRIPTIONS

#### **Treasurer**

Public Treasurers' External Investment Pool Fund--to enhance the investment opportunities available to custodians of public agency funds throughout the State of Illinois. The pool operates as an open-ended mutual fund.

Illinois Secure Choice Savings Program--to provide a state-administered retirement savings program for Illinois workers who do not have access to an employer-sponsored retirement plan.

State of Illinois

Combining Statement of Fiduciary Net Position  
Investment Trust Funds

June 30, 2019 (Expressed in Thousands)

	Treasurer		Total
	Public Treasurers' External Investment Pool Fund	Illinois Secure Choice Savings Program	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,826,132	\$ 414	\$ 1,826,546
Investments:			
Equities		2,769	2,769
Fixed income	1,865,011	10	1,865,021
Receivables, net:			
Investment income	7,379		7,379
Other		1	1
<b>Total assets</b>	<b>3,698,522</b>	<b>3,194</b>	<b>3,701,716</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	124	1	125
Due to primary government funds	444		444
Other liabilities		48	48
<b>Total liabilities</b>	<b>568</b>	<b>49</b>	<b>617</b>
<b>NET POSITION</b>			
Net position restricted for pool participants	\$ 3,697,954	\$ 3,145	\$ 3,701,099



State of Illinois

Combining Statement of Changes in Fiduciary Net Position  
Investment Trust Funds

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Treasurer		Total
	Public Treasurers' External Investment Pool Fund	Illinois Secure Choice Savings Program	
<b>ADDITIONS</b>			
Participant contributions		\$ 3,379	\$ 3,379
Total contributions		3,379	3,379
Investment income:			
Interest and other investment income	\$ 93,002	36	93,038
Net increase (decrease) in fair value of investments		77	77
Less investment expense	(3,455)	(6)	(3,461)
Net investment income	89,547	107	89,654
Capital share and individual account transactions:			
Shares sold	14,685,115		14,685,115
Reinvested distributions	89,547		89,547
Shares redeemed	(14,553,603)		(14,553,603)
Net capital share and individual account transactions	221,059		221,059
<b>Total additions</b>	<b>310,606</b>	<b>3,486</b>	<b>314,092</b>
<b>DEDUCTIONS</b>			
Distribution to pool investors	89,547		89,547
Payments to participants/beneficiaries		341	341
<b>Total deductions</b>	<b>89,547</b>	<b>341</b>	<b>89,888</b>
<b>Change in net position</b>	<b>221,059</b>	<b>3,145</b>	<b>224,204</b>
Net position, July 1, 2018	3,476,895		3,476,895
<b>NET POSITION, JUNE 30, 2019</b>	<b>\$ 3,697,954</b>	<b>\$ 3,145</b>	<b>\$ 3,701,099</b>

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## **PRIVATE-PURPOSE TRUST FUNDS**

Private-Purpose Trust Funds are maintained to account for resources legally held in trust for use by individuals, private organizations and other governments. There is no requirement that any portion of these resources be preserved as capital.

### **SIGNIFICANT PRIVATE-PURPOSE TRUST FUND DESCRIPTION**

#### **Treasurer**

College Savings Pool Fund--to account for assets held by the Bright Start and Bright Directions College Savings Programs, qualified State tuition programs under Section 529 of the Internal Revenue Code. The programs provide an opportunity for investors to invest on a tax-favored basis toward the qualified higher education expenses of a designated beneficiary associated with attending an institution of higher education.

State of Illinois

Combining Statement of Fiduciary Net Position

Private-Purpose Trust Funds

June 30, 2019 (Expressed in Thousands)

	Treasurer College Savings Pool Fund	Other	Total
<b>ASSETS</b>			
Cash equity with State Treasurer		\$ 12	\$ 12
Cash and cash equivalents	\$ 856,504	158	856,662
Securities lending collateral of State Treasurer		3	3
Investments:			
Equities	6,777,048	5,016	6,782,064
Fixed income	4,314,807	2,484	4,317,291
Receivables, net:			
Investment income	28,415		28,415
Other		8	8
Loans and notes receivable, net		38	38
<b>Total assets</b>	<b>11,976,774</b>	<b>7,719</b>	<b>11,984,493</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	23,505		23,505
Obligations under securities lending of State Treasurer		3	3
Other liabilities		8	8
<b>Total liabilities</b>	<b>23,505</b>	<b>11</b>	<b>23,516</b>
<b>NET POSITION</b>			
Net position restricted for individuals, organizations and other governments	\$ 11,953,269	\$ 7,708	\$ 11,960,977

State of Illinois

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

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Treasurer College Savings Pool Fund	Other	Total
<b>ADDITIONS</b>			
Contributions:			
Participants	\$ 1,477,458	\$ 4,170	\$ 1,481,628
Other		18	18
Total contributions	<u>1,477,458</u>	<u>4,188</u>	<u>1,481,646</u>
Investment income:			
Interest and other investment income	337,225	252	337,477
Net increase (decrease) in fair value of investments	270,717	30	270,747
Net investment income	<u>607,942</u>	<u>282</u>	<u>608,224</u>
<b>Total additions</b>	<u>2,085,400</u>	<u>4,470</u>	<u>2,089,870</u>
<b>DEDUCTIONS</b>			
Payments to participants/beneficiaries	883,456	844	884,300
General and administrative	29,173	11	29,184
Other		230	230
<b>Total deductions</b>	<u>912,629</u>	<u>1,085</u>	<u>913,714</u>
<b>Change in net position restricted for individuals, organizations and other governments</b>	1,172,771	3,385	1,176,156
Net position, July 1, 2018	<u>10,780,498</u>	<u>4,323</u>	<u>10,784,821</u>
<b>NET POSITION, JUNE 30, 2019</b>	<u>\$ 11,953,269</u>	<u>\$ 7,708</u>	<u>\$ 11,960,977</u>

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## AGENCY FUNDS

Agency funds are maintained to account for resources held by the State in a purely custodial capacity.

### SIGNIFICANT AGENCY FUNDS DESCRIPTIONS

#### **Department of Insurance**

Security Deposit Fund--to hold securities on deposit by domestic and certain foreign domiciled insurance companies in the State for protection of all policyholders, policy obligations, and creditors of the companies.

#### **Department of Healthcare and Family Services**

Child Support Enforcement Trust Fund--to account for collections of child support payments on behalf of non-TANF child support clients to the appropriate non-TANF recipient.

#### **Department of Revenue**

Non-Home Rule Municipal Retailers Occupation Tax Fund--to receive and record monies collected from a tax imposed upon all persons engaged in the business of selling tangible personal property at retail in municipalities with a population of less than 25,000.

Home Rule Municipal Retailers Occupation Tax Fund--to receive and record monies collected from a tax imposed upon all persons, in such municipality, in the business of selling tangible personal property.

Home Rule County Retailers Occupation Tax Fund--to receive and record monies collected from a tax imposed upon all persons, in such county, in the business of selling tangible personal property.

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

RTA Sales Tax Trust Fund--to receive and record deposits of the RTA Sales Tax.

State of Illinois

Combining Statement of Fiduciary Net Position  
Agency Funds

June 30, 2019 (Expressed in Thousands)

	Insurance	Healthcare and Family Services			
	Security Deposit Fund	Child Support Enforcement Trust Fund	Revenue	Other	Total
<b>ASSETS</b>					
Cash equity with State Treasurer		\$ 13,344	\$ 512,833	\$ 142,668	\$ 668,845
Cash and cash equivalents	\$ 633	304		39,840	40,777
Securities lending collateral of State Treasurer			107,153	4,940	112,093
Investments	908,169			27,920	936,089
Receivables, net:					
Taxes			138,163	29,875	168,038
Intergovernmental				520	520
Other		195,025	732	959	196,716
Due from primary government funds			38,123	2,903	41,026
Other assets				137	137
<b>Total assets</b>	<b>\$ 908,802</b>	<b>\$ 208,673</b>	<b>\$ 797,004</b>	<b>\$ 249,762</b>	<b>\$ 2,164,241</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities		\$ 14,489		\$ 22,679	\$ 37,168
Intergovernmental payables			\$ 689,851	157,033	846,884
Due to component units				16	16
Obligations under securities lending of State Treasurer			107,153	4,940	112,093
Depository and other liabilities	\$ 908,802	194,184		65,094	1,168,080
<b>Total liabilities</b>	<b>\$ 908,802</b>	<b>\$ 208,673</b>	<b>\$ 797,004</b>	<b>\$ 249,762</b>	<b>\$ 2,164,241</b>



State of Illinois

Combining Statement of Changes in Assets and Liabilities  
Agency Funds

For the Year Ended June 30, 2019 (Expressed in Thousands)

Agency/Fund	Balance at July 1, 2018	Additions	Deletions	Balance at June 30, 2019
<b>Insurance:</b>				
<b>Security Deposit Fund</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 6,421	\$ 30,152	\$ 35,940	\$ 633
Investments	892,865	342,927	327,623	908,169
<b>Total assets</b>	<b>\$ 899,286</b>	<b>\$ 373,079</b>	<b>\$ 363,563</b>	<b>\$ 908,802</b>
<b>Liabilities</b>				
Depository and other liabilities	\$ 899,286	\$ 373,079	\$ 363,563	\$ 908,802
<b>Total liabilities</b>	<b>\$ 899,286</b>	<b>\$ 373,079</b>	<b>\$ 363,563</b>	<b>\$ 908,802</b>
<b>Healthcare and Family Services:</b>				
<b>Child Support Enforcement Trust Fund</b>				
<b>Assets</b>				
Cash equity with State Treasurer	\$ 16,105	\$ 129,634	\$ 132,395	\$ 13,344
Cash and cash equivalents	279	79,125	79,100	304
Other receivables, net	196,707	127,952	129,634	195,025
<b>Total assets</b>	<b>\$ 213,091</b>	<b>\$ 336,711</b>	<b>\$ 341,129</b>	<b>\$ 208,673</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 16,132	\$ 3,362	\$ 5,005	\$ 14,489
Depository and other liabilities	196,959	203,715	206,490	194,184
<b>Total liabilities</b>	<b>\$ 213,091</b>	<b>\$ 207,077</b>	<b>\$ 211,495</b>	<b>\$ 208,673</b>
<b>Revenue:</b>				
<b>Assets</b>				
Cash equity with State Treasurer	\$ 539,120	\$ 3,480,754	\$ 3,507,041	\$ 512,833
Securities lending collateral of State Treasurer	198,059	3,431,492	3,522,398	107,153
Taxes receivable, net	148,475	3,316,781	3,327,093	138,163
Other receivables, net	792	9,080	9,140	732
Due from primary government funds	36,471	146,173	144,521	38,123
<b>Total assets</b>	<b>\$ 922,917</b>	<b>\$ 10,384,280</b>	<b>\$ 10,510,193</b>	<b>\$ 797,004</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ 724,858	\$ 3,472,034	\$ 3,507,041	\$ 689,851
Obligations under securities lending of State Treasurer	198,059	3,431,492	3,522,398	107,153
<b>Total liabilities</b>	<b>\$ 922,917</b>	<b>\$ 6,903,526</b>	<b>\$ 7,029,439</b>	<b>\$ 797,004</b>
<b>Other:</b>				
<b>Assets</b>				
Cash equity with State Treasurer	\$ 145,532	\$ 1,150,619	\$ 1,153,483	\$ 142,668
Cash and cash equivalents	30,462	1,237,213	1,227,835	39,840
Securities lending collateral of State Treasurer	8,624	170,442	174,126	4,940
Investments	28,494	7,180	7,754	27,920
Taxes receivable, net	24,923	824,543	819,591	29,875
Intergovernmental receivables, net	1,042	2,218	2,740	520
Other receivables, net	1,227	11,572	11,840	959
Due from primary government funds	4,081	7,449	8,627	2,903
Other assets	102	35		137
<b>Total assets</b>	<b>\$ 244,487</b>	<b>\$ 3,411,271</b>	<b>\$ 3,405,996</b>	<b>\$ 249,762</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 24,338	\$ 1,388,093	\$ 1,389,752	\$ 22,679
Intergovernmental payables	152,612	833,160	828,739	157,033
Due to component units	80	434	498	16
Obligations under securities lending of State Treasurer	8,624	170,442	174,126	4,940
Depository and other liabilities	58,833	153,681	147,420	65,094
<b>Total liabilities</b>	<b>\$ 244,487</b>	<b>\$ 2,545,810</b>	<b>\$ 2,540,535</b>	<b>\$ 249,762</b>

**State of Illinois**

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

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Balance at July 1, 2018	Additions	Deletions	Balance at June 30, 2019
<b>Total - All Funds</b>				
<b>Assets</b>				
Cash equity with State Treasurer	\$ 700,757	\$ 4,761,007	\$ 4,792,919	\$ 668,845
Cash and cash equivalents	37,162	1,346,490	1,342,875	40,777
Securities lending collateral of State Treasurer	206,683	3,601,934	3,696,524	112,093
Investments	921,359	350,107	335,377	936,089
Taxes receivable, net	173,398	4,141,324	4,146,684	168,038
Intergovernmental receivables, net	1,042	2,218	2,740	520
Other receivables, net	198,726	148,604	150,614	196,716
Due from primary government funds	40,552	153,622	153,148	41,026
Other assets	102	35		137
<b>Total assets</b>	<b>\$ 2,279,781</b>	<b>\$ 14,505,341</b>	<b>\$ 14,620,881</b>	<b>\$ 2,164,241</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 40,470	\$ 1,391,455	\$ 1,394,757	\$ 37,168
Intergovernmental payables	877,470	4,305,194	4,335,780	846,884
Due to component units	80	434	498	16
Obligations under securities lending of State Treasurer	206,683	3,601,934	3,696,524	112,093
Depository and other liabilities	1,155,078	730,475	717,473	1,168,080
<b>Total liabilities</b>	<b>\$ 2,279,781</b>	<b>\$ 10,029,492</b>	<b>\$ 10,145,032</b>	<b>\$ 2,164,241</b>

State of Illinois

Combining Statement of Fiduciary Net Position - Agency Funds  
 Revenue

June 30, 2019 (Expressed in Thousands)

	Non-Home Rule Municipal Retailers Occupation Tax Fund	Home Rule Municipal Retailers Occupation Tax Fund	Home Rule County Retailers Occupation Tax Fund	Metropolitan Pier and Exposition Authority Trust Fund	RTA Sales Tax Trust Fund	Total
<b>ASSETS</b>						
Cash equity with State Treasurer	\$ 31,997	\$ 163,774	\$ 117,398	\$ 25,350	\$ 174,314	\$ 512,833
Securities lending collateral of State Treasurer	6,871	32,778	22,356	3,913	41,235	107,153
Receivables, net:						
Taxes	7,602	50,086	31,591	16,365	32,519	138,163
Other	47	224	153	27	281	732
Due from primary government funds					38,123	38,123
<b>Total assets</b>	<b>\$ 46,517</b>	<b>\$ 246,862</b>	<b>\$ 171,498</b>	<b>\$ 45,655</b>	<b>\$ 286,472</b>	<b>\$ 797,004</b>
<b>LIABILITIES</b>						
Intergovernmental payables	\$ 39,646	\$ 214,084	\$ 149,142	\$ 41,742	\$ 245,237	\$ 689,851
Obligations under securities lending of State Treasurer	6,871	32,778	22,356	3,913	41,235	107,153
<b>Total liabilities</b>	<b>\$ 46,517</b>	<b>\$ 246,862</b>	<b>\$ 171,498</b>	<b>\$ 45,655</b>	<b>\$ 286,472</b>	<b>\$ 797,004</b>

State of Illinois

Combining Statement of Changes in Assets and Liabilities

Agency Funds - Revenue

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Balance at July 1, 2018	Additions	Deletions	Balance at June 30, 2019
<b>Non-Home Rule Municipal Retailers</b>				
<b>Occupation Tax Fund</b>				
<b>Assets</b>				
Cash equity with State Treasurer	\$ 28,355	\$ 149,196	\$ 145,554	\$ 31,997
Securities lending collateral of State Treasurer	8,993	194,847	196,969	6,871
Taxes receivable, net	6,399	149,905	148,702	7,602
Other receivables, net	36	505	494	47
<b>Total assets</b>	<b>\$ 43,783</b>	<b>\$ 494,453</b>	<b>\$ 491,719</b>	<b>\$ 46,517</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ 34,790	\$ 150,410	\$ 145,554	\$ 39,646
Obligations under securities lending of State Treasurer	8,993	194,847	196,969	6,871
<b>Total liabilities</b>	<b>\$ 43,783</b>	<b>\$ 345,257</b>	<b>\$ 342,523</b>	<b>\$ 46,517</b>
<b>Home Rule Municipal Retailers</b>				
<b>Occupation Tax Fund</b>				
<b>Assets</b>				
Cash equity with State Treasurer	\$ 164,664	\$ 1,070,737	\$ 1,071,627	\$ 163,774
Securities lending collateral of State Treasurer	47,174	1,002,320	1,016,716	32,778
Taxes receivable, net	40,649	1,077,604	1,068,167	50,086
Other receivables, net	189	2,605	2,570	224
<b>Total assets</b>	<b>\$ 252,676</b>	<b>\$ 3,153,266</b>	<b>\$ 3,159,080</b>	<b>\$ 246,862</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ 205,502	\$ 1,080,209	\$ 1,071,627	\$ 214,084
Obligations under securities lending of State Treasurer	47,174	1,002,320	1,016,716	32,778
<b>Total liabilities</b>	<b>\$ 252,676</b>	<b>\$ 2,082,529</b>	<b>\$ 2,088,343</b>	<b>\$ 246,862</b>
<b>Home Rule County Retailers</b>				
<b>Occupation Tax Fund</b>				
<b>Assets</b>				
Cash equity with State Treasurer	\$ 115,719	\$ 785,766	\$ 784,087	\$ 117,398
Securities lending collateral of State Treasurer	50,850	815,083	843,577	22,356
Taxes receivable, net	33,951	781,178	783,538	31,591
Other receivables, net	203	2,178	2,228	153
<b>Total assets</b>	<b>\$ 200,723</b>	<b>\$ 2,384,205</b>	<b>\$ 2,413,430</b>	<b>\$ 171,498</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ 149,873	\$ 783,356	\$ 784,087	\$ 149,142
Obligations under securities lending of State Treasurer	50,850	815,083	843,577	22,356
<b>Total liabilities</b>	<b>\$ 200,723</b>	<b>\$ 1,598,439</b>	<b>\$ 1,627,664</b>	<b>\$ 171,498</b>
<b>Metropolitan Pier and Exposition Authority Trust Fund</b>				
<b>Assets</b>				
Cash equity with State Treasurer	\$ 77,322	\$ 157,217	\$ 209,189	\$ 25,350
Securities lending collateral of State Treasurer	27,315	129,801	153,203	3,913
Taxes receivable, net	16,662	156,418	156,715	16,365
Other receivables, net	109	420	502	27
<b>Total assets</b>	<b>\$ 121,408</b>	<b>\$ 443,856</b>	<b>\$ 519,609</b>	<b>\$ 45,655</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ 94,093	\$ 156,838	\$ 209,189	\$ 41,742
Obligations under securities lending of State Treasurer	27,315	129,801	153,203	3,913
<b>Total liabilities</b>	<b>\$ 121,408</b>	<b>\$ 286,639</b>	<b>\$ 362,392</b>	<b>\$ 45,655</b>
<b>RTA Sales Tax Trust Fund</b>				
<b>Assets</b>				
Cash equity with State Treasurer	\$ 153,060	\$ 1,317,838	\$ 1,296,584	\$ 174,314
Securities lending collateral of State Treasurer	63,727	1,289,441	1,311,933	41,235
Taxes receivable, net	50,814	1,151,676	1,169,971	32,519
Other receivables, net	255	3,372	3,346	281
Due from primary government funds	36,471	146,173	144,521	38,123
<b>Total assets</b>	<b>\$ 304,327</b>	<b>\$ 3,908,500</b>	<b>\$ 3,926,355</b>	<b>\$ 286,472</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ 240,600	\$ 1,301,221	\$ 1,296,584	\$ 245,237
Obligations under securities lending of State Treasurer	63,727	1,289,441	1,311,933	41,235
<b>Total liabilities</b>	<b>\$ 304,327</b>	<b>\$ 2,590,662</b>	<b>\$ 2,608,517</b>	<b>\$ 286,472</b>

State of Illinois

Combining Statement of Changes in Assets and Liabilities

Agency Funds - Revenue

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Balance at July 1, 2018	Additions	Deletions	Balance at June 30, 2019
<b>Total - All Funds</b>				
<b>Assets</b>				
Cash equity with State Treasurer	\$ 539,120	\$ 3,480,754	\$ 3,507,041	\$ 512,833
Securities lending collateral of State Treasurer	198,059	3,431,492	3,522,398	107,153
Taxes receivable, net	148,475	3,316,781	3,327,093	138,163
Other receivables, net	792	9,080	9,140	732
Due from primary government funds	36,471	146,173	144,521	38,123
<b>Total assets</b>	<b>\$ 922,917</b>	<b>\$ 10,384,280</b>	<b>\$ 10,510,193</b>	<b>\$ 797,004</b>
<b>Liabilities</b>				
Intergovernmental payables	\$ 724,858	\$ 3,472,034	\$ 3,507,041	\$ 689,851
Obligations under securities lending of State Treasurer	198,059	3,431,492	3,522,398	107,153
<b>Total liabilities</b>	<b>\$ 922,917</b>	<b>\$ 6,903,526</b>	<b>\$ 7,029,439</b>	<b>\$ 797,004</b>

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## COMPONENT UNITS

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

### NONMAJOR COMPONENT UNITS DESCRIPTIONS

#### NONMAJOR AUTHORITIES

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

Illinois Finance Authority--to provide economic development to the public and private institutions in Illinois that create and retain jobs and to improve the quality of life in Illinois by providing access to capital.

Illinois Medical District Commission--to combine the resources of diverse medical institutions to promote low cost medical care in the City of Chicago, accelerate scientific research, improve diagnostic methods and train health care professionals.

Southwestern Illinois Development Authority--to promote and enhance economic development in St. Clair and Madison counties in southwestern Illinois.

Upper Illinois River Valley Development Authority--to promote and enhance economic development within the State's Upper Illinois River Valley.

#### NONMAJOR UNIVERSITIES

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

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

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

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

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

**State of Illinois**

**Combining Statement of Net Position  
Component Units - Other Authorities**

June 30, 2019 (Expressed in Thousands)

	Comprehensive Health Insurance Plan Board	Illinois Finance Authority	Illinois Medical District Commission	Southwestern Illinois Development Authority
<b>ASSETS</b>				
Cash and cash equivalents	\$ 18,026	\$ 1,398	\$ 8,585	\$ 3,536
Securities lending collateral of State Treasurer Investments		5,053		
		49,604		
Receivables, net:				
Other		516	237	2
Due from component units		770	22,012	
Due from primary government		1,140,331	342	
Prepaid expenses	2	46	26	
Loans and notes receivable, net		12,869		1,550
Restricted assets:				
Cash equity with State Treasurer		18,752		
Cash and cash equivalents		197,453	122	
Investments		430,128		996
Other receivables, net		453		
Loans and notes receivable, net		17,247		
Other assets			288	
Capital assets not being depreciated			34,929	100
Capital assets being depreciated, net		53	22,579	251
<b>Total assets</b>	<b>18,028</b>	<b>1,874,673</b>	<b>89,120</b>	<b>6,435</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources - unamortized deferred amounts on bond refundings		155		
Deferred outflows of resources - pensions	166		201	132
Deferred outflows of resources - OPEB	13			
<b>Total deferred outflows of resources</b>	<b>179</b>	<b>155</b>	<b>201</b>	<b>132</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	70	30,521	497	15
Due to primary government	2	8,160		
Unearned revenue	143	103	25	3
Obligations under securities lending collateral of State Treasurer		5,053		
Assets held for others		4		
Other liabilities	880			
Long-term obligations:				
Due within one year	13	99,567	1,466	
Due subsequent to one year	2,387	1,608,025	32,851	90
<b>Total liabilities</b>	<b>3,495</b>	<b>1,751,433</b>	<b>34,839</b>	<b>108</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - pensions	3,686		91	60
Deferred inflows of resources - OPEB	3,647			
<b>Total deferred inflows of resources</b>	<b>7,333</b>		<b>91</b>	<b>60</b>
<b>NET POSITION</b>				
Net investment in capital assets		53	42,321	351
Restricted for:				
Other expendable purposes	7,379	59,258	32	
Unrestricted		64,084	12,038	6,048
<b>Total net position</b>	<b>\$ 7,379</b>	<b>\$ 123,395</b>	<b>\$ 54,391</b>	<b>\$ 6,399</b>



**Upper Illinois  
River Valley  
Development  
Authority**

**Total**

	Authority	Total
	\$ 783	\$ 32,328
		5,053
	56	49,660
		755
		22,782
		1,140,673
		74
		14,419
		18,752
		197,575
		431,124
		453
		17,247
		288
		35,029
		22,883
	839	1,989,095
		155
		499
		13
		667
		31,103
		8,162
		274
		5,053
		4
		880
		101,046
		1,643,353
		1,789,875
		3,837
		3,647
		7,484
		42,725
		66,669
	839	83,009
	\$ 839	\$ 192,403

**State of Illinois**

**Combining Statement of Activities**

**Component Units - Other Authorities**

For the Year Ended June 30, 2019 (Expressed in Thousands)

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program revenues</b>	
		<b>Charges for services</b>	<b>Net (expense) revenue</b>
Comprehensive Health Insurance Plan Board	\$ 1,951	\$ 1,619	\$ (332)
Illinois Finance Authority	34,427	27,246	(7,181)
Illinois Medical District Commission	6,531	4,939	(1,592)
Southwestern Illinois Development Authority	609	82	(527)
Upper Illinois River Valley Development Authority	230	573	343
Total	<u>\$ 43,748</u>	<u>\$ 34,459</u>	<u>\$ (9,289)</u>

<b>General revenues</b>					
<b>Interest and investment income</b>	<b>Other</b>	<b>Total general revenues</b>	<b>Change in net position</b>	<b>Net position, July 1, 2018</b>	<b>Net position, June 30, 2019</b>
\$ 379	\$ 3,846	\$ 4,225	\$ 3,893	\$ 3,486	\$ 7,379
8,283	449	8,732	1,551	121,844	123,395
1,028	25	1,053	(539)	54,930	54,391
50	36	86	(441)	6,840	6,399
			343	496	839
<u>\$ 9,740</u>	<u>\$ 4,356</u>	<u>\$ 14,096</u>	<u>\$ 4,807</u>	<u>\$ 187,596</u>	<u>\$ 192,403</u>

State of Illinois

Combining Statement of Net Position

Component Units - Other Universities

June 30, 2019 (Expressed in Thousands)

	Chicago State University	Eastern Illinois University	Governors State University	Northeastern Illinois University
<b>ASSETS</b>				
Cash equity with State Treasurer	\$ 557			
Cash and cash equivalents	26,765	\$ 26,358	\$ 55,913	\$ 62,091
Securities lending collateral of State Treasurer	181			
Investments		2,717	3,958	1,397
Receivables, net:				
Intergovernmental			950	4,925
Other	4,474	14,404	5,283	10,709
Due from component units	5	23		1
Due from primary government	1,444	319	1,408	230
Inventories	14	1,422	61	12
Prepaid expenses	596	611	286	1,063
Unamortized bond insurance costs		8	659	
Loans and notes receivable, net	413	5,396	2,364	685
Restricted assets:				
Cash and cash equivalents	4,009	21,721	1,091	3,941
Investments	6,068	89,647	12,997	13,287
Other receivables, net		623		
Loans and notes receivables, net				
Other assets	484			
Other assets		266	5	982
Capital assets not being depreciated	22,843	6,069	5,887	33,459
Capital assets being depreciated, net	119,790	241,843	106,074	150,341
<b>Total assets</b>	<b>187,643</b>	<b>411,427</b>	<b>196,936</b>	<b>283,123</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources - unamortized deferred amounts on bond refundings				
Deferred outflows of resources - unamortized deferred amounts on certificates of participation refundings				
Deferred outflows of resources - pensions	202	108	108	982
Deferred outflows of resources - OPEB	121	592	191	1,120
<b>Total deferred outflows of resources</b>	<b>323</b>	<b>700</b>	<b>299</b>	<b>2,102</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	6,845	7,891	7,625	8,554
Intergovernmental payables			2,979	
Due to component units	32			5
Due to primary government				209
Unearned revenue	2,349	3,579	2,842	1,587
Obligations under securities lending collateral of State Treasurer	181			
Assets held for others		178		824
Other liabilities		5,796		
Long-term obligations:				
Due within one year	2,382	7,013	2,570	4,219
Due subsequent to one year	15,257	88,608	57,348	93,004
<b>Total liabilities</b>	<b>27,046</b>	<b>113,065</b>	<b>73,364</b>	<b>108,402</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - irrevocable split-interest agreements		465		
Deferred inflows of resources - service concession arrangements				30,705
Deferred inflows of resources - OPEB	8,191	3,087	23,571	4,985
<b>Total deferred inflows of resources</b>	<b>8,191</b>	<b>3,552</b>	<b>23,571</b>	<b>35,690</b>
<b>NET POSITION</b>				
Net investment in capital assets	134,447	169,319	80,377	106,186
Restricted for:				
Debt service		2,503	755	2,180
Capital projects	450			
Nonexpendable purposes	3,024	37,683	2,337	12,772
Other expendable purposes	5,192	73,817	1,745	8,671
Unrestricted	9,616	12,188	15,086	11,324
<b>Total net position</b>	<b>\$ 152,729</b>	<b>\$ 295,510</b>	<b>\$ 100,300</b>	<b>\$ 141,133</b>

<b>Western Illinois</b>		
<b>University</b>	<b>Total</b>	
	\$ 557	
\$ 25,190	196,317	
	181	
16,569	24,641	
	5,875	
9,562	44,432	
2	31	
2,171	5,572	
1,085	2,594	
347	2,903	
34	701	
74	8,932	
25,692	56,454	
50,234	172,233	
2,252	2,875	
1,147	1,147	
5,419	5,903	
611	1,864	
11,185	79,443	
194,395	812,443	
345,969	1,425,098	
196	196	
341	341	
419	1,819	
374	2,398	
1,330	4,754	
15,402	46,317	
	2,979	
20	57	
84	293	
4,874	15,231	
	181	
	1,002	
1,654	7,450	
9,581	25,765	
82,536	336,753	
114,151	436,028	
	465	
	30,705	
5,012	44,846	
5,012	76,016	
137,418	627,747	
	5,438	
	450	
36,528	92,344	
55,753	145,178	
(1,563)	46,651	
\$ 228,136	\$ 917,808	

State of Illinois

**Combining Statement of Activities**  
**Component Units - Other Universities**  
For the Year Ended June 30, 2019 (Expressed in Thousands)

Functions/Programs	Expenses	Program revenues		Net (expense) revenue
		Charges for services	Operating grants and contributions	
Chicago State University	\$ 110,333	\$ 26,979	\$ 16,899	\$ (66,455)
Eastern Illinois University	168,752	61,604	23,432	(83,716)
Governors State University	97,289	40,027	21,822	(35,440)
Northeastern Illinois University	172,460	55,362	43,450	(73,648)
Western Illinois University	247,015	89,835	47,400	(109,780)
Total	<u>\$ 795,849</u>	<u>\$ 273,807</u>	<u>\$ 153,003</u>	<u>\$ (369,039)</u>

General revenues				Additions to permanent endowments	Total general revenues and additions to permanent endowments	Change in net position	Net position, July 1, 2018	Net position, June 30, 2019
Pension and OPEB revenue recognized	State appropriations	Interest and investment income	Other					
\$ 26,772	\$ 35,280	\$ 901	\$ 1,087		\$ 64,040	\$ (2,415)	\$ 155,144	\$ 152,729
30,487	40,536	1,352	2,355	\$ 1,474	76,204	(7,512)	303,022	295,510
23,637	22,206	1,487	256	178	47,764	12,324	87,976	100,300
41,137	34,029	1,631	857	-	77,654	4,006	137,127	141,133
49,931	47,340	4,316	613	901	103,101	(6,679)	234,815	228,136
<u>\$ 171,964</u>	<u>\$ 179,391</u>	<u>\$ 9,687</u>	<u>\$ 5,168</u>	<u>\$ 2,553</u>	<u>\$ 368,763</u>	<u>\$ (276)</u>	<u>\$ 918,084</u>	<u>\$ 917,808</u>

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## Budgetary Schedules

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

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

As the attached schedules are presented on the budgetary basis and not the GAAP basis of accounting, all budgeted funds of the State, including those presented as required supplemental information, are presented. The schedules presented as required supplemental information classify certain major governmental funds differently for GAAP reporting purposes than the following budgetary presentation. Below is a summary of those differences:

GAAP Basis	Budgetary Basis Includes
General Fund	All General Funds Highway Funds: 1 fund included as an other highway fund Special State Funds: Income Tax Refund Fund County Provider Trust Fund Long-Term Care Provider Fund Hospital Provider Fund Drug Rebate Fund Healthcare Provider Relief Fund Public Transportation Fund and 51 funds included as other special state funds Debt Service Funds: Capital Projects Fund Federal Trust Funds: 2 funds included as other federal trust funds State Trust Funds: Public Assistance Recoveries Trust Fund and 4 funds included as an other state trust funds

State of Illinois

**Combined Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
All Budgeted Fund Groups**

For the Year Ended June 30, 2019 (Expressed in Thousands)

	General Funds			Highway Funds		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes	\$ 20,151,000	\$ 21,624,881	\$ 1,473,881			
Sales taxes	8,110,000	8,409,328	299,328			
Motor fuel taxes				\$ 1,293,514	\$ 1,276,272	\$ (17,242)
Public utility taxes	868,000	862,834	(5,166)			
Federal government	3,684,000	3,530,834	(153,166)	1,669,186	1,349,489	(319,697)
Other	2,719,012	2,665,387	(53,625)	1,602,860	1,597,167	(5,693)
Less:						
Refunds	5,816	4,904	(912)	24,575	17,150	(7,425)
<b>Total revenues</b>	<b>35,526,196</b>	<b>37,088,360</b>	<b>1,562,164</b>	<b>4,540,985</b>	<b>4,205,778</b>	<b>(335,207)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	13,988,479	13,255,387	(733,092)			
Education	16,455,097	16,431,760	(23,337)			
General government	4,091,077	4,040,877	(50,200)	197,596	192,608	(4,988)
Employment and economic development	90,609	70,076	(20,533)	4,000	4,000	-
Transportation	6,468	5,692	(776)	3,765,616	3,452,466	(313,150)
Public protection and justice	2,485,957	2,458,211	(27,746)			
Environment and business regulation	83,405	78,566	(4,839)	23,000	23,000	-
Debt service:						
Principal						
Interest						
Capital outlays	16,799	15,555	(1,244)	105,283	104,787	(496)
<b>Total expenditures</b>	<b>37,217,891</b>	<b>36,356,124</b>	<b>(861,767)</b>	<b>4,095,495</b>	<b>3,776,861</b>	<b>(318,634)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,691,695)</b>	<b>732,236</b>	<b>2,423,931</b>	<b>445,490</b>	<b>428,917</b>	<b>(16,573)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Proceeds from general and special obligation bond issues						
Operating transfers-in	10,088,314	10,088,314	-	1,568,294	1,568,294	-
Operating transfers-out	(10,835,840)	(10,835,840)	-	(2,163,026)	(2,163,026)	-
<b>Total other sources (uses) of financial resources</b>	<b>(747,526)</b>	<b>(747,526)</b>	<b>-</b>	<b>(594,732)</b>	<b>(594,732)</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(4)</b>	<b>(4)</b>	<b>-</b>			
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>(2,439,225)</b>	<b>(15,294)</b>	<b>2,423,931</b>	<b>(149,242)</b>	<b>(165,815)</b>	<b>(16,573)</b>
Budgetary fund balances (deficits), July 1, 2018, as previously reported	(5,697,823)	(5,697,823)	-	1,257,709	1,257,709	-
Reclassifications between budgetary/nonbudgetary funds-net						
Budgetary fund balances (deficits), July 1, 2018, as reclassified	(5,697,823)	(5,697,823)	-	1,257,709	1,257,709	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ (8,137,048)</b>	<b>\$ (5,713,117)</b>	<b>\$ 2,423,931</b>	<b>\$ 1,108,467</b>	<b>\$ 1,091,894</b>	<b>\$ (16,573)</b>

Special State Funds			Bond Financed Funds			Debt Service Funds		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 4,354,288	\$ 5,703,625	\$ 1,349,337						
1,645,417	1,789,276	143,859				\$ 60,091	\$ 60,091	\$ -
71,991	74,236	2,245						
591,081	612,728	21,647						
10,062,026	9,734,555	(327,471)				47,721	47,493	(228)
10,690,236	11,270,413	580,177	\$ 56	\$ 56	\$ -	863,763	906,061	42,298
2,478,216	2,464,622	(13,594)						
24,936,823	26,720,211	1,783,388	56	56	-	971,575	1,013,645	42,070
17,298,314	13,801,414	(3,496,900)	1,092		(1,092)			
414,910	374,525	(40,385)	10,557	9,078	(1,479)			
9,291,118	7,682,670	(1,608,448)	78,179	70,813	(7,366)			
960,397	594,943	(365,454)	509,392	8,302	(501,090)			
1,005,443	743,595	(261,848)	373,493	297,252	(76,241)			
567,565	386,712	(180,853)						
1,439,571	1,174,340	(265,231)	51,662	33,874	(17,788)			
						4,269,833	4,231,133	(38,700)
						1,579,966	1,529,311	(50,655)
28,816	18,747	(10,069)	153,379	154,505	1,126			
31,006,134	24,776,946	(6,229,188)	1,177,754	573,824	(603,930)	5,849,799	5,760,444	(89,355)
(6,069,311)	1,943,265	8,012,576	(1,177,698)	(573,768)	603,930	(4,878,224)	(4,746,799)	131,425
278,063	278,063	-	558,286	558,286	-	1,168,591	1,168,591	-
2,394,190	2,394,190	-				4,487,575	4,487,575	-
(3,631,045)	(3,631,045)	-				(1,141,204)	(1,141,204)	-
(958,792)	(958,792)	-	558,286	558,286	-	4,514,962	4,514,962	-
(38,185)	(38,185)	-						
(7,066,288)	946,288	8,012,576	(619,412)	(15,482)	603,930	(363,262)	(231,837)	131,425
740,040	740,040	-	1,306,981	1,306,981	-	2,143,995	2,143,995	-
740,040	740,040	-	1,306,981	1,306,981	-	2,143,995	2,143,995	-
\$ (6,326,248)	\$ 1,686,328	\$ 8,012,576	\$ 687,569	\$ 1,291,499	\$ 603,930	\$ 1,780,733	\$ 1,912,158	\$ 131,425

(continued)

State of Illinois

**Combined Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
All Budgeted Fund Groups**

For the Year Ended June 30, 2019 (Expressed in Thousands)

(continued)

	Federal Trust Funds			Revolving Funds		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes						
Sales taxes						
Motor fuel taxes						
Public utility taxes						
Federal government	\$ 4,536,594	\$ 4,499,423	\$ (37,171)	\$ 456	\$ 407	\$ (49)
Other	185,104	200,418	15,314	880,760	665,639	(215,121)
Less:						
Refunds	321	1	(320)	6	1	(5)
<b>Total revenues</b>	<b>4,721,377</b>	<b>4,699,840</b>	<b>(21,537)</b>	<b>881,210</b>	<b>666,045</b>	<b>(215,165)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	2,248,755	1,497,024	(751,731)			
Education	3,978,266	2,366,822	(1,611,444)			
General government	19,522	9,616	(9,906)	1,159,210	658,491	(500,719)
Employment and economic development	997,687	468,609	(529,078)			
Transportation	95,469	81,968	(13,501)	250	69	(181)
Public protection and justice	497,601	128,981	(368,620)	42,881	34,329	(8,552)
Environment and business regulation	242,090	143,704	(98,386)			
Debt service:						
Principal						
Interest						
Capital outlays	8,128	2,316	(5,812)	14,762	12,459	(2,303)
<b>Total expenditures</b>	<b>8,087,518</b>	<b>4,699,040</b>	<b>(3,388,478)</b>	<b>1,217,103</b>	<b>705,348</b>	<b>(511,755)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(3,366,141)</b>	<b>800</b>	<b>3,366,941</b>	<b>(335,893)</b>	<b>(39,303)</b>	<b>296,590</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Proceeds from general and special obligation bond issues						
Operating transfers-in	112,291	112,291	-	143,354	143,354	-
Operating transfers-out	(70,499)	(70,499)	-	(2,733)	(2,733)	-
<b>Total other sources (uses) of financial resources</b>	<b>41,792</b>	<b>41,792</b>	<b>-</b>	<b>140,621</b>	<b>140,621</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(21,380)</b>	<b>(21,380)</b>	<b>-</b>			
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>(3,345,729)</b>	<b>21,212</b>	<b>3,366,941</b>	<b>(195,272)</b>	<b>101,318</b>	<b>296,590</b>
Budgetary fund balances (deficits), July 1, 2018, as previously reported	(171,766)	(171,766)	-	(16,498)	(16,498)	-
Reclassifications between budgetary/nonbudgetary funds-net	55	55	-			
Budgetary fund balances (deficits), July 1, 2018, as reclassified	(171,711)	(171,711)	-	(16,498)	(16,498)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ (3,517,440)</b>	<b>\$ (150,499)</b>	<b>\$ 3,366,941</b>	<b>\$ (211,770)</b>	<b>\$ 84,820</b>	<b>\$ 296,590</b>

State Trust Funds			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 24,505,288	\$ 27,328,506	\$ 2,823,218
			9,815,508	10,258,695	443,187
			1,365,505	1,350,508	(14,997)
\$ 588	\$ 183,245	\$ 182,657	1,459,669	1,658,807	199,138
138,333	290,635	152,302	20,138,316	19,452,836	(685,480)
3,600,676	4,522,887	922,211	20,542,467	21,828,028	1,285,561
312	190	(122)	2,509,246	2,486,868	(22,378)
3,739,285	4,996,577	1,257,292	75,317,507	79,390,512	4,073,005
445,797	314,471	(131,326)	33,982,437	28,868,296	(5,114,141)
17,909	11,212	(6,697)	20,876,739	19,193,397	(1,683,342)
135,929	111,429	(24,500)	14,972,631	12,766,504	(2,206,127)
5,427	1,596	(3,831)	2,567,512	1,147,526	(1,419,986)
			5,246,739	4,581,042	(665,697)
17,500	5,120	(12,380)	3,611,504	3,013,353	(598,151)
18,391	8,497	(9,894)	1,858,119	1,461,981	(396,138)
			4,269,833	4,231,133	(38,700)
			1,579,966	1,529,311	(50,655)
9,043	8,259	(784)	336,210	316,628	(19,582)
649,996	460,584	(189,412)	89,301,690	77,109,171	(12,192,519)
3,089,289	4,535,993	1,446,704	(13,984,183)	2,281,341	16,265,524
			2,004,940	2,004,940	-
89,964	89,964	-	18,883,982	18,883,982	-
(536,190)	(536,190)	-	(18,380,537)	(18,380,537)	-
(446,226)	(446,226)	-	2,508,385	2,508,385	-
(4,042,357)	(4,042,357)	-	(4,101,926)	(4,101,926)	-
(1,399,294)	47,410	1,446,704	(15,577,724)	687,800	16,265,524
603,777	603,777	-	166,415	166,415	-
25,521	25,521	-	25,576	25,576	-
629,298	629,298	-	191,991	191,991	-
\$ (769,996)	\$ 676,708	\$ 1,446,704	\$ (15,385,733)	\$ 879,791	\$ 16,265,524

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, 2019 (Expressed in Thousands)

	General Revenue			Common School Special Account		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes	\$ 17,210,000	\$ 18,469,105	\$ 1,259,105			
Sales taxes	5,979,000	6,198,994	219,994	\$ 2,131,000	\$ 2,210,334	\$ 79,334
Public utility taxes	807,000	801,850	(5,150)			
Federal government	3,684,000	3,530,834	(153,166)			
Other	2,642,000	2,587,244	(54,756)			
Less:						
Refunds	5,816	4,904	(912)			
<b>Total revenues</b>	<b>30,316,184</b>	<b>31,583,123</b>	<b>1,266,939</b>	<b>2,131,000</b>	<b>2,210,334</b>	<b>79,334</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	13,378,479	12,656,647	(721,832)			
Education	5,952,331	5,929,977	(22,354)			
General government	4,089,719	4,039,524	(50,195)			
Transportation	6,468	5,692	(776)			
Employment and economic development	90,609	70,076	(20,533)			
Public protection and justice	2,485,957	2,458,211	(27,746)			
Environment and business	83,405	78,566	(4,839)			
Capital outlays	16,365	15,121	(1,244)			
<b>Total expenditures</b>	<b>26,103,333</b>	<b>25,253,814</b>	<b>(849,519)</b>			
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>4,212,851</b>	<b>6,329,309</b>	<b>2,116,458</b>	<b>2,131,000</b>	<b>2,210,334</b>	<b>79,334</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	2,161,150	2,161,150	-			
Operating transfers-out	(8,628,139)	(8,628,139)	-	(2,194,621)	(2,194,621)	-
<b>Total other sources (uses) of financial resources</b>	<b>(6,466,989)</b>	<b>(6,466,989)</b>	<b>-</b>	<b>(2,194,621)</b>	<b>(2,194,621)</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(4)</b>	<b>(4)</b>	<b>-</b>			
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources and budgetary funds-non-budgeted accounts</b>	<b>(2,254,142)</b>	<b>(137,684)</b>	<b>2,116,458</b>	<b>(63,621)</b>	<b>15,713</b>	<b>79,334</b>
Budgetary fund balances (deficits), July 1, 2018	(5,364,728)	(5,364,728)	-	29,833	29,833	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ (7,618,870)</b>	<b>\$ (5,502,412)</b>	<b>\$ 2,116,458</b>	<b>\$ (33,788)</b>	<b>\$ 45,546</b>	<b>\$ 79,334</b>

Education Assistance			Common School			Fund for the Advancement of Education		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 1,563,000	\$ 1,676,903	\$ 113,903				\$ 689,000	\$ 739,409	\$ 50,409
			\$ 61,000	\$ 60,984	\$ (16)			
	372	372	77,000	77,685	685			
1,563,000	1,677,275	114,275	138,000	138,669	669	689,000	739,409	50,409
1,943,473	1,942,553	(920)	7,917,793	7,917,793	-	641,500	641,437	(63)
118	118	-						
434	434	-						
1,944,025	1,943,105	(920)	7,917,793	7,917,793	-	641,500	641,437	(63)
(381,025)	(265,830)	115,195	(7,779,793)	(7,779,124)	669	47,500	97,972	50,472
268,641	268,641	-	7,655,022	7,655,022	-	1	1	-
(8,762)	(8,762)	-	(434)	(434)	-	(131)	(131)	-
259,879	259,879	-	7,654,588	7,654,588	-	(130)	(130)	-
(121,146)	(5,951)	115,195	(125,205)	(124,536)	669	47,370	97,842	50,472
7,362	7,362	-	(431,125)	(431,125)	-	29,426	29,426	-
\$ (113,784)	\$ 1,411	\$ 115,195	\$ (556,330)	\$ (555,661)	\$ 669	\$ 76,796	\$ 127,268	\$ 50,472

(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) General Funds**

For the Year Ended June 30, 2019 (Expressed in Thousands)

(continued)

	Commitment to Human Services			Budget Stabilization		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes	\$ 689,000	\$ 739,464	\$ 50,464			
Sales taxes						
Public utility taxes						
Federal government						
Other		74	74	\$ 12	\$ 12	\$ -
Less:						
Refunds						
<b>Total revenues</b>	<b>689,000</b>	<b>739,538</b>	<b>50,538</b>	<b>12</b>	<b>12</b>	<b>-</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	610,000	598,740	(11,260)			
Education						
General government	1,238	1,238	-	2	(3)	(5)
Transportation						
Employment and economic development						
Public protection and justice						
Environment and business						
Capital outlays						
<b>Total expenditures</b>	<b>611,238</b>	<b>599,978</b>	<b>(11,260)</b>	<b>2</b>	<b>(3)</b>	<b>(5)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>77,762</b>	<b>139,560</b>	<b>61,798</b>	<b>10</b>	<b>15</b>	<b>5</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				3,500	3,500	-
Operating transfers-out	(122)	(122)	-	(3,631)	(3,631)	-
<b>Total other sources (uses) of financial resources</b>	<b>(122)</b>	<b>(122)</b>	<b>-</b>	<b>(131)</b>	<b>(131)</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>						
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>77,640</b>	<b>139,438</b>	<b>61,798</b>	<b>(121)</b>	<b>(116)</b>	<b>5</b>
Budgetary fund balances (deficits), July 1, 2018	27,735	27,735	-	3,674	3,674	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ 105,375</b>	<b>\$ 167,173</b>	<b>\$ 61,798</b>	<b>\$ 3,553</b>	<b>\$ 3,558</b>	<b>\$ 5</b>



Total		
Final Budget	Actual	Variance Over (Under)
\$ 20,151,000	\$ 21,624,881	\$ 1,473,881
8,110,000	8,409,328	299,328
868,000	862,834	(5,166)
3,684,000	3,530,834	(153,166)
2,719,012	2,665,387	(53,625)
5,816	4,904	(912)
35,526,196	37,088,360	1,562,164
13,988,479	13,255,387	(733,092)
16,455,097	16,431,760	(23,337)
4,091,077	4,040,877	(50,200)
6,468	5,692	(776)
90,609	70,076	(20,533)
2,485,957	2,458,211	(27,746)
83,405	78,566	(4,839)
16,799	15,555	(1,244)
37,217,891	36,356,124	(861,767)
(1,691,695)	732,236	2,423,931
10,088,314	10,088,314	-
(10,835,840)	(10,835,840)	-
(747,526)	(747,526)	-
(4)	(4)	-
(2,439,225)	(15,294)	2,423,931
(5,697,823)	(5,697,823)	-
\$ (8,137,048)	\$ (5,713,117)	\$ 2,423,931

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, 2019 (Expressed in Thousands)

	Road			Motor Fuel Tax - State		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Motor fuel taxes				\$ 1,293,514	\$ 1,276,272	\$ (17,242)
Federal government	\$ 1,669,186	\$ 1,349,489	\$ (319,697)			
Other	1,095,251	1,089,573	(5,678)	1,131	1,116	(15)
Less:						
Refunds	2,575	1,767	(808)	22,000	15,383	(6,617)
<b>Total revenues</b>	<b>2,761,862</b>	<b>2,437,295</b>	<b>(324,567)</b>	<b>1,272,645</b>	<b>1,262,005</b>	<b>(10,640)</b>
<b>EXPENDITURES:</b>						
Current:						
General government	119,450	118,199	(1,251)	78,146	74,409	(3,737)
Employment and economic development	4,000	4,000	-			
Transportation	2,481,255	2,215,225	(266,030)	18,941	16,679	(2,262)
Environment and business regulation				23,000	23,000	-
Capital outlays	105,229	104,777	(452)	54	10	(44)
<b>Total expenditures</b>	<b>2,709,934</b>	<b>2,442,201</b>	<b>(267,733)</b>	<b>120,141</b>	<b>114,098</b>	<b>(6,043)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>51,928</b>	<b>(4,906)</b>	<b>(56,834)</b>	<b>1,152,504</b>	<b>1,147,907</b>	<b>(4,597)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	406,347	406,347	-			
Operating transfers-out	(694,679)	(694,679)	-	(1,145,239)	(1,145,239)	-
<b>Total other sources (uses) of financial resources</b>	<b>(288,332)</b>	<b>(288,332)</b>	<b>-</b>	<b>(1,145,239)</b>	<b>(1,145,239)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(236,404)</b>	<b>(293,238)</b>	<b>(56,834)</b>	<b>7,265</b>	<b>2,668</b>	<b>(4,597)</b>
Budgetary fund balances (deficits), July 1, 2018	546,963	546,963	-	100,347	100,347	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ 310,559</b>	<b>\$ 253,725</b>	<b>\$ (56,834)</b>	<b>\$ 107,612</b>	<b>\$ 103,015</b>	<b>\$ (4,597)</b>

Motor Fuel Tax - Municipalities			State Construction Account			Other		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 506,478	\$ 506,478	\$ -			
			506,478	506,478	-			
\$ 302,375	\$ 281,804	\$ (20,571)	629,769	628,635	(1,134)	\$ 333,276	\$ 310,123	\$ (23,153)
302,375	281,804	(20,571)	629,769	628,635	(1,134)	333,276	310,123	(23,153)
(302,375)	(281,804)	20,571	(123,291)	(122,157)	1,134	(333,276)	(310,123)	23,153
282,711	282,711	-	493,228	493,228	-	386,008	386,008	-
			(270,106)	(270,106)	-	(53,002)	(53,002)	-
282,711	282,711	-	223,122	223,122	-	333,006	333,006	-
(19,664)	907	20,571	99,831	100,965	1,134	(270)	22,883	23,153
(21,573)	(21,573)	-	580,587	580,587	-	51,385	51,385	-
\$ (41,237)	\$ (20,666)	\$ 20,571	\$ 680,418	\$ 681,552	\$ 1,134	\$ 51,115	\$ 74,268	\$ 23,153

(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, 2019 (Expressed in Thousands)

(continued)

	Total		Variance Over (Under)
	Final Budget	Actual	
<b>REVENUES:</b>			
Motor fuel taxes	\$ 1,293,514	\$ 1,276,272	\$ (17,242)
Federal government	1,669,186	1,349,489	(319,697)
Other	1,602,860	1,597,167	(5,693)
Less:			
Refunds	24,575	17,150	(7,425)
<b>Total revenues</b>	<b>4,540,985</b>	<b>4,205,778</b>	<b>(335,207)</b>
<b>EXPENDITURES:</b>			
Current:			
General government	197,596	192,608	(4,988)
Employment and economic development	4,000	4,000	-
Transportation	3,765,616	3,452,466	(313,150)
Environment and business regulation	23,000	23,000	-
Capital outlays	105,283	104,787	(496)
<b>Total expenditures</b>	<b>4,095,495</b>	<b>3,776,861</b>	<b>(318,634)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>445,490</b>	<b>428,917</b>	<b>(16,573)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>			
Operating transfers-in	1,568,294	1,568,294	-
Operating transfers-out	(2,163,026)	(2,163,026)	-
<b>Total other sources (uses) of financial resources</b>	<b>(594,732)</b>	<b>(594,732)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(149,242)</b>	<b>(165,815)</b>	<b>(16,573)</b>
Budgetary fund balances (deficits), July 1, 2018	1,257,709	1,257,709	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ 1,108,467</b>	<b>\$ 1,091,894</b>	<b>\$ (16,573)</b>

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State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds**

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Elected Officials			Code Departments		
	Treasurer			Final Budget	Actual	Variance Over (Under)
	State Pensions					
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	
<b>REVENUES:</b>						
Income taxes				\$ 4,351,471	\$ 5,696,739	\$ 1,345,268
Sales taxes				1,226,459	1,344,154	117,695
Motor fuel taxes						
Public utility taxes				212,889	243,602	30,713
Federal government				8,620,133	8,489,375	(130,758)
Other		\$ 2	\$ 2	8,292,878	8,918,367	625,489
Less:						
Refunds				2,458,217	2,449,388	(8,829)
<b>Total revenues</b>		2	2	20,245,613	22,242,849	1,997,236
<b>EXPENDITURES:</b>						
Current:						
Health and social services				15,343,746	12,438,832	(2,904,914)
Education	\$ 215,000	214,861	(139)	125,460	124,689	(771)
General government	25,134	23,868	(1,266)	8,514,862	7,040,511	(1,474,351)
Employment and economic development						
Transportation				555,360	474,930	(80,430)
Public protection and justice				1,096	789	(307)
Environment and business regulation						
Capital outlays				47	2	(45)
<b>Total expenditures</b>	240,134	238,729	(1,405)	24,540,571	20,079,753	(4,460,818)
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(240,134)	(238,727)	1,407	(4,294,958)	2,163,096	6,458,054
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Proceeds from general and special obligation bond issues						
Operating transfers-in	250,019	250,019	-	1,542,102	1,542,102	-
Operating transfers-out	(500)	(500)	-	(2,798,042)	(2,798,042)	-
<b>Total other sources (uses) of financial resources</b>	249,519	249,519	-	(1,255,940)	(1,255,940)	-
<b>Budgetary funds-nonbudgeted accounts</b>				(18,504)	(18,504)	-
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	9,385	10,792	1,407	(5,569,402)	888,652	6,458,054
Budgetary fund balances (deficits), July 1, 2018	3,549	3,549	-	(852,595)	(852,595)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	\$ 12,934	\$ 14,341	\$ 1,407	\$ (6,421,997)	\$ 36,057	\$ 6,458,054

Agencies, Boards & Commissions			Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 2,817	\$ 6,886	\$ 4,069	\$ 4,354,288	\$ 5,703,625	\$ 1,349,337
			418,958	445,122	26,164	1,645,417	1,789,276	143,859
			71,991	74,236	2,245	71,991	74,236	2,245
			378,192	369,126	(9,066)	591,081	612,728	21,647
\$ 130,702	\$ 144,437	\$ 13,735	1,311,191	1,100,743	(210,448)	10,062,026	9,734,555	(327,471)
835,291	687,722	(147,569)	1,562,067	1,664,322	102,255	10,690,236	11,270,413	580,177
50	15	(35)	19,949	15,219	(4,730)	2,478,216	2,464,622	(13,594)
965,943	832,144	(133,799)	3,725,267	3,645,216	(80,051)	24,936,823	26,720,211	1,783,388
1,030	837	(193)	1,953,538	1,361,745	(591,793)	17,298,314	13,801,414	(3,496,900)
			74,450	34,975	(39,475)	414,910	374,525	(40,385)
154,193	131,159	(23,034)	596,929	487,132	(109,797)	9,291,118	7,682,670	(1,608,448)
			960,397	594,943	(365,454)	960,397	594,943	(365,454)
			450,083	268,665	(181,418)	1,005,443	743,595	(261,848)
			566,469	385,923	(180,546)	567,565	386,712	(180,853)
743,801	678,823	(64,978)	695,770	495,517	(200,253)	1,439,571	1,174,340	(265,231)
50	20	(30)	28,719	18,725	(9,994)	28,816	18,747	(10,069)
899,074	810,839	(88,235)	5,326,355	3,647,625	(1,678,730)	31,006,134	24,776,946	(6,229,188)
66,869	21,305	(45,564)	(1,601,088)	(2,409)	1,598,679	(6,069,311)	1,943,265	8,012,576
278,063	278,063	-			-	278,063	278,063	-
			602,069	602,069	-	2,394,190	2,394,190	-
(337,032)	(337,032)	-	(495,471)	(495,471)	-	(3,631,045)	(3,631,045)	-
(58,969)	(58,969)	-	106,598	106,598	-	(958,792)	(958,792)	-
			(19,681)	(19,681)	-	(38,185)	(38,185)	-
7,900	(37,664)	(45,564)	(1,514,171)	84,508	1,598,679	(7,066,288)	946,288	8,012,576
155,892	155,892	-	1,433,194	1,433,194	-	740,040	740,040	-
\$ 163,792	\$ 118,228	\$ (45,564)	\$ (80,977)	\$ 1,517,702	\$ 1,598,679	\$ (6,326,248)	\$ 1,686,328	\$ 8,012,576

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, 2019 (Expressed in Thousands)

	Central Management Services			Healthcare and Family Services		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes						
Sales taxes						
Public utility taxes						
Federal government	\$ 4,942	\$ 5,788	\$ 846	\$ 8,135,377	\$ 8,041,266	\$ (94,111)
Other	2,500,791	2,975,848	475,057	4,075,669	4,440,454	364,785
Less:						
Refunds				8,750	11	(8,739)
<b>Total revenues</b>	<b>2,505,733</b>	<b>2,981,636</b>	<b>475,903</b>	<b>12,202,296</b>	<b>12,481,709</b>	<b>279,413</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services				14,915,113	12,050,443	(2,864,670)
Education						
General government	4,000,000	3,151,867	(848,133)	3,818	2	(3,816)
Transportation						
Public protection and justice						
Capital outlays						
<b>Total expenditures</b>	<b>4,000,000</b>	<b>3,151,867</b>	<b>(848,133)</b>	<b>14,918,931</b>	<b>12,050,445</b>	<b>(2,868,486)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,494,267)</b>	<b>(170,231)</b>	<b>1,324,036</b>	<b>(2,716,635)</b>	<b>431,264</b>	<b>3,147,899</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				731,078	731,078	-
Operating transfers-out				(395,144)	(395,144)	-
<b>Total other sources (uses) of financial resources</b>				<b>335,934</b>	<b>335,934</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>						
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>(1,494,267)</b>	<b>(170,231)</b>	<b>1,324,036</b>	<b>(2,380,701)</b>	<b>767,198</b>	<b>3,147,899</b>
Budgetary fund balances (deficits), July 1, 2018	(1,260,311)	(1,260,311)	-	(370,064)	(370,064)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ (2,754,578)</b>	<b>\$ (1,430,542)</b>	<b>\$ 1,324,036</b>	<b>\$ (2,750,765)</b>	<b>\$ 397,134</b>	<b>\$ 3,147,899</b>



Revenue			Transportation			Other		
Final Budget	Actual	Variance Over (Under)	Public Transportation			Other Code Departments		
			Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 4,351,471	\$ 5,696,739	\$ 1,345,268						
965,972	1,065,797	99,825	\$ 260,487	\$ 278,357	\$ 17,870			
212,889	243,602	30,713						
89,499	89,499	-				\$ 390,315	\$ 352,822	\$ (37,493)
172,158	172,415	257				1,544,260	1,329,650	(214,610)
2,449,367	2,449,367	-				100	10	(90)
3,342,622	4,818,685	1,476,063	260,487	278,357	17,870	1,934,475	1,682,462	(252,013)
18,099	18,090	(9)				410,534	370,299	(40,235)
125,460	124,689	(771)						
3,254,105	3,239,328	(14,777)	1,611	1,105	(506)	1,255,328	648,209	(607,119)
1,096	789	(307)	555,360	474,930	(80,430)			
37	2	(35)				10		(10)
3,398,797	3,382,898	(15,899)	556,971	476,035	(80,936)	1,665,872	1,018,508	(647,364)
(56,175)	1,435,787	1,491,962	(296,484)	(197,678)	98,806	268,603	663,954	395,351
581,860	581,860	-	229,146	229,146	-	18	18	-
(1,670,131)	(1,670,131)	-	(91)	(91)	-	(732,676)	(732,676)	-
(1,088,271)	(1,088,271)	-	229,055	229,055	-	(732,658)	(732,658)	-
						(18,504)	(18,504)	-
(1,144,446)	347,516	1,491,962	(67,429)	31,377	98,806	(482,559)	(87,208)	395,351
667,013	667,013	-	16,041	16,041	-	94,726	94,726	-
\$ (477,433)	\$ 1,014,529	\$ 1,491,962	\$ (51,388)	\$ 47,418	\$ 98,806	\$ (387,833)	\$ 7,518	\$ 395,351

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, 2019 (Expressed in Thousands)

	Final Budget	Total Actual	Variance Over (Under)
<b>REVENUES:</b>			
Income taxes	\$ 4,351,471	\$ 5,696,739	\$ 1,345,268
Sales taxes	1,226,459	1,344,154	117,695
Public utility taxes	212,889	243,602	30,713
Federal government	8,620,133	8,489,375	(130,758)
Other	8,292,878	8,918,367	625,489
Less:			
Refunds	2,458,217	2,449,388	(8,829)
<b>Total revenues</b>	<u>20,245,613</u>	<u>22,242,849</u>	<u>1,997,236</u>
<b>EXPENDITURES:</b>			
Current:			
Health and social services	15,343,746	12,438,832	(2,904,914)
Education	125,460	124,689	(771)
General government	8,514,862	7,040,511	(1,474,351)
Transportation	555,360	474,930	(80,430)
Public protection and justice	1,096	789	(307)
Capital outlays	47	2	(45)
<b>Total expenditures</b>	<u>24,540,571</u>	<u>20,079,753</u>	<u>(4,460,818)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(4,294,958)</u>	<u>2,163,096</u>	<u>6,458,054</u>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>			
Operating transfers-in	1,542,102	1,542,102	-
Operating transfers-out	(2,798,042)	(2,798,042)	-
<b>Total other sources (uses) of financial resources</b>	<u>(1,255,940)</u>	<u>(1,255,940)</u>	<u>-</u>
<b>Budgetary funds-nonbudgeted accounts</b>	<u>(18,504)</u>	<u>(18,504)</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<u>(5,569,402)</u>	<u>888,652</u>	<u>6,458,054</u>
Budgetary fund balances (deficits), July 1, 2018	(852,595)	(852,595)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<u>\$ (6,421,997)</u>	<u>\$ 36,057</u>	<u>\$ 6,458,054</u>

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State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Healthcare and Family Services**

For the Year Ended June 30, 2019 (Expressed in Thousands)

	County Provider Trust			Long Term Care Provider		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 1,209,149	\$ 1,274,989	\$ 65,840	\$ 216,385	\$ 172,412	\$ (43,973)
Other	760,839	780,685	19,846	198,430	183,145	(15,285)
Less:						
Refunds	1,000		(1,000)	2,750	11	(2,739)
<b>Total revenues</b>	<b>1,968,988</b>	<b>2,055,674</b>	<b>86,686</b>	<b>412,065</b>	<b>355,546</b>	<b>(56,519)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	2,525,000	2,109,275	(415,725)	553,324	347,959	(205,365)
General government						
<b>Total expenditures</b>	<b>2,525,000</b>	<b>2,109,275</b>	<b>(415,725)</b>	<b>553,324</b>	<b>347,959</b>	<b>(205,365)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(556,012)</b>	<b>(53,601)</b>	<b>502,411</b>	<b>(141,259)</b>	<b>7,587</b>	<b>148,846</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				30,000	30,000	-
Operating transfers-out				(20,007)	(20,007)	-
<b>Total other sources (uses) of financial resources</b>				<b>9,993</b>	<b>9,993</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(556,012)</b>	<b>(53,601)</b>	<b>502,411</b>	<b>(131,266)</b>	<b>17,580</b>	<b>148,846</b>
Budgetary fund balances (deficits), July 1, 2018	16,969	16,969	-	(38,456)	(38,456)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ (539,043)</b>	<b>\$ (36,632)</b>	<b>\$ 502,411</b>	<b>\$ (169,722)</b>	<b>\$ (20,876)</b>	<b>\$ 148,846</b>

Hospital Provider			Drug Rebate Fund			Healthcare Provider Relief		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 1,838,585	\$ 1,957,219	\$ 118,634	\$ 600,000	\$ 603,245	\$ 3,245	\$ 4,271,258	\$ 4,033,401	\$ (237,857)
1,402,398	1,539,015	136,617	77	1,923	1,846	1,713,925	1,935,686	221,761
5,000		(5,000)						
3,235,983	3,496,234	260,251	600,077	605,168	5,091	5,985,183	5,969,087	(16,096)
3,350,000	2,997,270	(352,730)	1,100,000	1,049,553	(50,447)	7,386,789	5,546,386	(1,840,403)
						3,818	2	(3,816)
3,350,000	2,997,270	(352,730)	1,100,000	1,049,553	(50,447)	7,390,607	5,546,388	(1,844,219)
(114,017)	498,964	612,981	(499,923)	(444,385)	55,538	(1,405,424)	422,699	1,828,123
1	1	-	376,075	376,075	-	325,002	325,002	-
(375,044)	(375,044)	-	(22)	(22)	-	(71)	(71)	-
(375,043)	(375,043)	-	376,053	376,053	-	324,931	324,931	-
(489,060)	123,921	612,981	(123,870)	(68,332)	55,538	(1,080,493)	747,630	1,828,123
156,697	156,697	-	138,839	138,839	-	(644,113)	(644,113)	-
\$ (332,363)	\$ 280,618	\$ 612,981	\$ 14,969	\$ 70,507	\$ 55,538	\$(1,724,606)	\$ 103,517	\$ 1,828,123

(continued)

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Healthcare and Family Services**

For the Year Ended June 30, 2019 (Expressed in Thousands)

(continued)

	Final Budget	Total Actual	Variance Over (Under)
<b>REVENUES:</b>			
Federal government	\$ 8,135,377	\$ 8,041,266	\$ (94,111)
Other	4,075,669	4,440,454	364,785
Less:			
Refunds	8,750	11	(8,739)
<b>Total revenues</b>	<u>12,202,296</u>	<u>12,481,709</u>	<u>279,413</u>
<b>EXPENDITURES:</b>			
Current:			
Health and social services	14,915,113	12,050,443	(2,864,670)
General government	3,818	2	(3,816)
<b>Total expenditures</b>	<u>14,918,931</u>	<u>12,050,445</u>	<u>(2,868,486)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,716,635)</u>	431,264	3,147,899
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>			
Operating transfers-in	731,078	731,078	-
Operating transfers-out	(395,144)	(395,144)	-
<b>Total other sources (uses) of financial resources</b>	<u>335,934</u>	<u>335,934</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<u>(2,380,701)</u>	767,198	3,147,899
Budgetary fund balances (deficits), July 1, 2018	(370,064)	(370,064)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<u>\$ (2,750,765)</u>	<u>\$ 397,134</u>	<u>\$ 3,147,899</u>

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State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Revenue**

For the Year Ended June 30, 2019 (Expressed in Thousands)

	State and Local Sales Tax Reform			Income Tax Refund		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes				\$ 2,924,271	\$ 2,927,882	\$ 3,611
Sales taxes	\$ 443,127	\$ 542,952	\$ 99,825			
Public utility taxes						
Federal government				89,499	89,499	-
Other				16,760	16,760	-
Less:						
Refunds				2,449,367	2,449,367	-
<b>Total revenues</b>	<b>443,127</b>	<b>542,952</b>	<b>99,825</b>	<b>581,163</b>	<b>584,774</b>	<b>3,611</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services						
Education						
General government	113,200	105,778	(7,422)			
Public protection and justice						
Capital outlays						
<b>Total expenditures</b>	<b>113,200</b>	<b>105,778</b>	<b>(7,422)</b>			
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>329,927</b>	<b>437,174</b>	<b>107,247</b>	<b>581,163</b>	<b>584,774</b>	<b>3,611</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				232,366	232,366	-
Operating transfers-out	(398,006)	(398,006)	-	(527,301)	(527,301)	-
<b>Total other sources (uses) of financial resources</b>	<b>(398,006)</b>	<b>(398,006)</b>	<b>-</b>	<b>(294,935)</b>	<b>(294,935)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(68,079)</b>	<b>39,168</b>	<b>107,247</b>	<b>286,228</b>	<b>289,839</b>	<b>3,611</b>
Budgetary fund balances (deficits), July 1, 2018	34,953	34,953	-	327,125	327,125	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ (33,126)</b>	<b>\$ 74,121</b>	<b>\$ 107,247</b>	<b>\$ 613,353</b>	<b>\$ 616,964</b>	<b>\$ 3,611</b>



Local Government Distributive			Personal Property Tax Replacement			Build Illinois		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
	\$ 1,341,656	\$ 1,341,656	\$ 1,427,200	\$ 1,427,201	\$ 1	\$ 522,845	\$ 522,845	\$ -
			212,889	243,602	30,713			
			1,779	2,036	257	153,619	153,619	-
	1,341,656	1,341,656	1,641,868	1,672,839	30,971	676,464	676,464	-
			18,099	18,090	(9)			
\$ 1,651,036	1,649,596	(1,440)	125,460	124,689	(771)			
			1,489,869	1,483,954	(5,915)			
			1,096	789	(307)			
			37	2	(35)			
1,651,036	1,649,596	(1,440)	1,634,561	1,627,524	(7,037)			
(1,651,036)	(307,940)	1,343,096	7,307	45,315	38,008	676,464	676,464	-
309,448	309,448	-	580	580	-	39,466	39,466	-
(113)	(113)	-	(28,782)	(28,782)	-	(715,929)	(715,929)	-
309,335	309,335	-	(28,202)	(28,202)	-	(676,463)	(676,463)	-
(1,341,701)	1,395	1,343,096	(20,895)	17,113	38,008	1	1	-
66,341	66,341	-	238,593	238,593	-	1	1	-
\$ (1,275,360)	\$ 67,736	\$ 1,343,096	\$ 217,698	\$ 255,706	\$ 38,008	\$ 2	\$ 2	\$ -

(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, 2019 (Expressed in Thousands)

(continued)

	Final Budget	Total Actual	Variance Over (Under)
<b>REVENUES:</b>			
Income taxes	\$ 4,351,471	\$ 5,696,739	\$ 1,345,268
Sales taxes	965,972	1,065,797	99,825
Public utility taxes	212,889	243,602	30,713
Federal government	89,499	89,499	-
Other	172,158	172,415	257
Less:			
Refunds	2,449,367	2,449,367	-
<b>Total revenues</b>	<u>3,342,622</u>	<u>4,818,685</u>	<u>1,476,063</u>
<b>EXPENDITURES:</b>			
Current:			
Health and social services	18,099	18,090	(9)
Education	125,460	124,689	(771)
General government	3,254,105	3,239,328	(14,777)
Public protection and justice	1,096	789	(307)
Capital outlays	37	2	(35)
<b>Total expenditures</b>	<u>3,398,797</u>	<u>3,382,898</u>	<u>(15,899)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(56,175)</u>	<u>1,435,787</u>	<u>1,491,962</u>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>			
Operating transfers-in	581,860	581,860	-
Operating transfers-out	(1,670,131)	(1,670,131)	-
<b>Total other sources (uses) of financial resources</b>	<u>(1,088,271)</u>	<u>(1,088,271)</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<u>(1,144,446)</u>	<u>347,516</u>	<u>1,491,962</u>
Budgetary fund balances (deficits), July 1, 2018	667,013	667,013	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<u>\$ (477,433)</u>	<u>\$ 1,014,529</u>	<u>\$ 1,491,962</u>

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State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State - Other Code Departments**

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Children and Family Services DCFS Children's Services			State Lottery State Lottery Fund		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 390,315	\$ 352,822	\$ (37,493)			
Other	6,380	3,019	(3,361)	\$ 1,537,880	\$ 1,326,631	\$ (211,249)
Less:						
Refunds				100	10	(90)
<b>Total revenues</b>	<b>396,695</b>	<b>355,841</b>	<b>(40,854)</b>	<b>1,537,780</b>	<b>1,326,621</b>	<b>(211,159)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	410,534	370,299	(40,235)			
General government	1,996	1,619	(377)	1,253,332	646,590	(606,742)
Capital outlays				10		(10)
<b>Total expenditures</b>	<b>412,530</b>	<b>371,918</b>	<b>(40,612)</b>	<b>1,253,342</b>	<b>646,590</b>	<b>(606,752)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(15,835)</b>	<b>(16,077)</b>	<b>(242)</b>	<b>284,438</b>	<b>680,031</b>	<b>395,593</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				18	18	-
Operating transfers-out	(1,210)	(1,210)	-	(731,466)	(731,466)	-
<b>Total other sources (uses) of financial resources</b>	<b>(1,210)</b>	<b>(1,210)</b>	<b>-</b>	<b>(731,466)</b>	<b>(731,448)</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>				<b>(18,504)</b>	<b>(18,504)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-non-budgeted accounts</b>	<b>(17,045)</b>	<b>(17,287)</b>	<b>(242)</b>	<b>(465,532)</b>	<b>(69,921)</b>	<b>395,593</b>
Budgetary fund balances (deficits), July 1, 2018	57,232	57,232	-	37,494	37,494	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ 40,187</b>	<b>\$ 39,945</b>	<b>\$ (242)</b>	<b>\$ (428,038)</b>	<b>\$ (32,427)</b>	<b>\$ 395,593</b>

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	Total		
Final Budget	Actual	Variance	Over (Under)
\$ 390,315	\$ 352,822	\$ (37,493)	
1,544,260	1,329,650	(214,610)	
100	10	(90)	
1,934,475	1,682,462	(252,013)	

410,534	370,299	(40,235)	
1,255,328	648,209	(607,119)	
10	-	(10)	
1,665,872	1,018,508	(647,364)	
268,603	663,954	395,351	

18	18	-	
(732,676)	(732,676)	-	
(732,658)	(732,658)	-	
(18,504)	(18,504)	-	

(482,559)	(87,208)	395,351	
94,726	94,726	-	
\$ (387,833)	\$ 7,518	\$ 395,351	

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State - Agencies, Boards and Commissions**

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Illinois Gaming Board State Gaming Fund			Environmental Protection Agency Water Revolving Fund		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government				\$ 130,702	\$ 144,437	\$ 13,735
Other	\$ 475,323	\$ 459,388	\$ (15,935)	359,968	228,334	(131,634)
Less:						
Refunds	50	15	(35)			
<b>Total revenues</b>	<b>475,273</b>	<b>459,373</b>	<b>(15,900)</b>	<b>490,670</b>	<b>372,771</b>	<b>(117,899)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	1,030	837	(193)			
General government	154,193	131,159	(23,034)			
Environment and business regulation				743,801	678,823	(64,978)
Capital outlays	50	20	(30)			
<b>Total expenditures</b>	<b>155,273</b>	<b>132,016</b>	<b>(23,257)</b>	<b>743,801</b>	<b>678,823</b>	<b>(64,978)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>320,000</b>	<b>327,357</b>	<b>7,357</b>	<b>(253,131)</b>	<b>(306,052)</b>	<b>(52,921)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Bond proceeds				278,063	278,063	-
Operating transfers-out	(337,032)	(337,032)	-			
<b>Total other sources (uses) of financial resources</b>	<b>(337,032)</b>	<b>(337,032)</b>	<b>-</b>	<b>278,063</b>	<b>278,063</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(17,032)</b>	<b>(9,675)</b>	<b>7,357</b>	<b>24,932</b>	<b>(27,989)</b>	<b>(52,921)</b>
Budgetary fund balances (deficits), July 1, 2018	21,530	21,530	-	134,362	134,362	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ 4,498</b>	<b>\$ 11,855</b>	<b>\$ 7,357</b>	<b>\$ 159,294</b>	<b>\$ 106,373</b>	<b>\$ (52,921)</b>

	Total		
	Final Budget	Actual	Variance Over (Under)
\$	130,702	\$ 144,437	\$ 13,735
	835,291	687,722	(147,569)
	50	15	(35)
	965,943	832,144	(133,799)

	1,030	837	(193)
	154,193	131,159	(23,034)
	743,801	678,823	(64,978)
	50	20	(30)
	899,074	810,839	(88,235)
	66,869	21,305	(45,564)

	278,063	278,063	-
	(337,032)	(337,032)	-
	(58,969)	(58,969)	-

	7,900	(37,664)	(45,564)
	155,892	155,892	-
\$	163,792	\$ 118,228	\$ (45,564)

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, 2019 (Expressed in Thousands)

	General Obligation Bond, Retirement, and Interest			Capital Projects		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Sales taxes				\$ 60,091	\$ 60,091	\$ -
Federal government	\$ 47,721	\$ 47,493	\$ (228)			
Other	30,473	72,557	42,084	833,203	833,203	-
<b>Total revenues</b>	<b>78,194</b>	<b>120,050</b>	<b>41,856</b>	<b>893,294</b>	<b>893,294</b>	<b>-</b>
<b>EXPENDITURES:</b>						
Debt service:						
Principal	3,715,103	3,708,103	(7,000)			
Interest	1,579,966	1,529,311	(50,655)			
<b>Total expenditures</b>	<b>5,295,069</b>	<b>5,237,414</b>	<b>(57,655)</b>			
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(5,216,875)</b>	<b>(5,117,364)</b>	<b>99,511</b>	<b>893,294</b>	<b>893,294</b>	<b>-</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Proceeds from general and special obligation bonds	1,168,591	1,168,591	-			
Operating transfers-in	3,960,645	3,960,645	-			
Operating transfers-out				(1,141,204)	(1,141,204)	-
<b>Total other sources (uses) of financial resources</b>	<b>5,129,236</b>	<b>5,129,236</b>	<b>-</b>	<b>(1,141,204)</b>	<b>(1,141,204)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(87,639)</b>	<b>11,872</b>	<b>99,511</b>	<b>(247,910)</b>	<b>(247,910)</b>	<b>-</b>
Budgetary fund balances (deficits), July 1, 2018	3,441,108	3,441,108	-	(1,314,621)	(1,314,621)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ 3,353,469</b>	<b>\$ 3,452,980</b>	<b>\$ 99,511</b>	<b>\$(1,562,531)</b>	<b>\$(1,562,531)</b>	<b>\$ -</b>



Build Illinois Bond, Retirement, and Interest			Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
						\$ 60,091	\$ 60,091	\$ -
						47,721	47,493	(228)
\$ 87	\$ 301	\$ 214				863,763	906,061	42,298
87	301	214				971,575	1,013,645	42,070
540,230	508,596	(31,634)	\$ 14,500	\$ 14,434	\$ (66)	4,269,833	4,231,133	(38,700)
						1,579,966	1,529,311	(50,655)
540,230	508,596	(31,634)	14,500	14,434	(66)	5,849,799	5,760,444	(89,355)
(540,143)	(508,295)	31,848	(14,500)	(14,434)	66	(4,878,224)	(4,746,799)	131,425
						1,168,591	1,168,591	-
512,343	512,343	-	14,587	14,587	-	4,487,575	4,487,575	-
						(1,141,204)	(1,141,204)	-
512,343	512,343	-	14,587	14,587	-	4,514,962	4,514,962	-
(27,800)	4,048	31,848	87	153	66	(363,262)	(231,837)	131,425
9,464	9,464	-	8,044	8,044	-	2,143,995	2,143,995	-
\$ (18,336)	\$ 13,512	\$ 31,848	\$ 8,131	\$ 8,197	\$ 66	\$ 1,780,733	\$ 1,912,158	\$ 131,425

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds**

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Code Departments			Agencies, Boards & Commissions		
	Human Services			State Board of Education		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 627,500	\$ 584,621	\$ (42,879)	\$ 2,176,255	\$ 2,237,474	\$ 61,219
Other						
Less:						
Refunds						
<b>Total revenues</b>	<b>627,500</b>	<b>584,621</b>	<b>(42,879)</b>	<b>2,176,255</b>	<b>2,237,474</b>	<b>61,219</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	904,336	612,452	(291,884)			
Education				3,641,786	2,204,921	(1,436,865)
General government	10	10	-	28	28	-
Employment and economic development						
Transportation						
Public protection and justice						
Environment and business regulation						
Capital outlays				989	67	(922)
<b>Total expenditures</b>	<b>904,346</b>	<b>612,462</b>	<b>(291,884)</b>	<b>3,642,803</b>	<b>2,205,016</b>	<b>(1,437,787)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(276,846)</b>	<b>(27,841)</b>	<b>249,005</b>	<b>(1,466,548)</b>	<b>32,458</b>	<b>1,499,006</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	14,591	14,591	-			
Operating transfers-out				(16,671)	(16,671)	-
<b>Total other sources (uses) of financial resources</b>	<b>14,591</b>	<b>14,591</b>	<b>-</b>	<b>(16,671)</b>	<b>(16,671)</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(491)</b>	<b>(491)</b>	<b>-</b>	<b>(1,704)</b>	<b>(1,704)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>(262,746)</b>	<b>(13,741)</b>	<b>249,005</b>	<b>(1,484,923)</b>	<b>14,083</b>	<b>1,499,006</b>
Budgetary fund balances (deficits), July 1, 2018, as previously reported	15,150	15,150	-	(339,456)	(339,456)	-
Reclassifications between budgetary/nonbudgetary funds-net						
Budgetary fund balances (deficits), July 1, 2018, as reclassified	15,150	15,150	-	(339,456)	(339,456)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ (247,596)</b>	<b>\$ 1,409</b>	<b>\$ 249,005</b>	<b>\$ (1,824,379)</b>	<b>\$ (325,373)</b>	<b>\$ 1,499,006</b>

	Other			Total		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$	1,732,839	\$ 1,677,328	\$ (55,511)	\$ 4,536,594	\$ 4,499,423	\$ (37,171)
	185,104	200,418	15,314	185,104	200,418	15,314
	321	1	(320)	321	1	(320)
	1,917,622	1,877,745	(39,877)	4,721,377	4,699,840	(21,537)
	1,344,419	884,572	(459,847)	2,248,755	1,497,024	(751,731)
	336,480	161,901	(174,579)	3,978,266	2,366,822	(1,611,444)
	19,484	9,578	(9,906)	19,522	9,616	(9,906)
	997,687	468,609	(529,078)	997,687	468,609	(529,078)
	95,469	81,968	(13,501)	95,469	81,968	(13,501)
	497,601	128,981	(368,620)	497,601	128,981	(368,620)
	242,090	143,704	(98,386)	242,090	143,704	(98,386)
	7,139	2,249	(4,890)	8,128	2,316	(5,812)
	3,540,369	1,881,562	(1,658,807)	8,087,518	4,699,040	(3,388,478)
	(1,622,747)	(3,817)	1,618,930	(3,366,141)	800	3,366,941
	97,700	97,700	-	112,291	112,291	-
	(53,828)	(53,828)	-	(70,499)	(70,499)	-
	43,872	43,872	-	41,792	41,792	-
	(19,185)	(19,185)	-	(21,380)	(21,380)	-
	(1,598,060)	20,870	1,618,930	(3,345,729)	21,212	3,366,941
	152,540	152,540	-	(171,766)	(171,766)	-
	55	55	-	55	55	-
	152,595	152,595	-	(171,711)	(171,711)	-
\$	(1,445,465)	\$ 173,465	\$ 1,618,930	\$ (3,517,440)	\$ (150,499)	\$ 3,366,941

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - Department of Human Services**

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Employment & Training			DHS Special Purpose Trust		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 391,000	\$ 263,135	\$ (127,865)	\$ 236,500	\$ 321,486	\$ 84,986
<b>Total revenues</b>	<b>391,000</b>	<b>263,135</b>	<b>(127,865)</b>	<b>236,500</b>	<b>321,486</b>	<b>84,986</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	485,000	285,238	(199,762)	419,336	327,214	(92,122)
General government	4	4	-	6	6	-
<b>Total expenditures</b>	<b>485,004</b>	<b>285,242</b>	<b>(199,762)</b>	<b>419,342</b>	<b>327,220</b>	<b>(92,122)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(94,004)</b>	<b>(22,107)</b>	<b>71,897</b>	<b>(182,842)</b>	<b>(5,734)</b>	<b>177,108</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				14,591	14,591	-
<b>Total other sources (uses) of financial resources</b>				<b>14,591</b>	<b>14,591</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>				<b>(491)</b>	<b>(491)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>(94,004)</b>	<b>(22,107)</b>	<b>71,897</b>	<b>(168,742)</b>	<b>8,366</b>	<b>177,108</b>
Budgetary fund balances (deficits), July 1, 2018	(27,831)	(27,831)	-	42,981	42,981	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ (121,835)</b>	<b>\$ (49,938)</b>	<b>\$ 71,897</b>	<b>\$ (125,761)</b>	<b>\$ 51,347</b>	<b>\$ 177,108</b>

Total		
Final Budget	Actual	Variance Over (Under)
\$ 627,500	\$ 584,621	\$ (42,879)
627,500	584,621	(42,879)
904,336	612,452	(291,884)
10	10	-
904,346	612,462	(291,884)
(276,846)	(27,841)	249,005
14,591	14,591	-
14,591	14,591	-
(491)	(491)	-
(262,746)	(13,741)	249,005
15,150	15,150	-
\$ (247,596)	\$ 1,409	\$ 249,005

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Federal Trust Funds - State Board of Education**

For the Year Ended June 30, 2019 (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)
<b>REVENUES:</b>						
Federal government	\$ 732,817	\$ 781,887	\$ 49,070	\$ 1,443,438	\$ 1,455,587	\$ 12,149
<b>Total revenues</b>	<b>732,817</b>	<b>781,887</b>	<b>49,070</b>	<b>1,443,438</b>	<b>1,455,587</b>	<b>12,149</b>
<b>EXPENDITURES:</b>						
Current:						
Education	1,082,095	782,574	(299,521)	2,559,691	1,422,347	(1,137,344)
General government				28	28	-
Capital outlays	310	38	(272)	679	29	(650)
<b>Total expenditures</b>	<b>1,082,405</b>	<b>782,612</b>	<b>(299,793)</b>	<b>2,560,398</b>	<b>1,422,404</b>	<b>(1,137,994)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(349,588)</b>	<b>(725)</b>	<b>348,863</b>	<b>(1,116,960)</b>	<b>33,183</b>	<b>1,150,143</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-out				(16,671)	(16,671)	-
<b>Total other sources (uses) of financial resources</b>				<b>(16,671)</b>	<b>(16,671)</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(1,179)</b>	<b>(1,179)</b>	<b>-</b>	<b>(525)</b>	<b>(525)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>(350,767)</b>	<b>(1,904)</b>	<b>348,863</b>	<b>(1,134,156)</b>	<b>15,987</b>	<b>1,150,143</b>
Budgetary fund balances (deficits), July 1, 2018	(36,084)	(36,084)	-	(303,372)	(303,372)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ (386,851)</b>	<b>\$ (37,988)</b>	<b>\$ 348,863</b>	<b>\$ (1,437,528)</b>	<b>\$ (287,385)</b>	<b>\$ 1,150,143</b>

	Total		
Final Budget	Actual	Variance Over (Under)	
\$ 2,176,255	\$ 2,237,474	\$ 61,219	
2,176,255	2,237,474	61,219	
3,641,786	2,204,921	(1,436,865)	
28	28	-	
989	67	(922)	
3,642,803	2,205,016	(1,437,787)	
(1,466,548)	32,458	1,499,006	
(16,671)	(16,671)	-	
(16,671)	(16,671)	-	
(1,704)	(1,704)	-	
(1,484,923)	14,083	1,499,006	
(339,456)	(339,456)	-	
\$ (1,824,379)	\$ (325,373)	\$ 1,499,006	

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) State Trust Funds**

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Code Departments			State Employees' Retirement System		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Public utility taxes						
Federal government	\$ 56,000	\$ 187,612	\$ 131,612			
Other	457,757	1,136,808	679,051	\$ 2,807,251	\$ 2,810,634	\$ 3,383
Less:						
Refunds						
<b>Total revenues</b>	<b>513,757</b>	<b>1,324,420</b>	<b>810,663</b>	<b>2,807,251</b>	<b>2,810,634</b>	<b>3,383</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	162,936	115,281	(47,655)			
Education						
General government	6	6	-	7		(7)
Employment and Economic Development						
Public protection and justice						
Environment and business regulation						
Capital outlays	874	90	(784)			
<b>Total expenditures</b>	<b>163,816</b>	<b>115,377</b>	<b>(48,439)</b>	<b>7</b>		<b>(7)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>349,941</b>	<b>1,209,043</b>	<b>859,102</b>	<b>2,807,244</b>	<b>2,810,634</b>	<b>3,390</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in						
Operating transfers-out	(481,784)	(481,784)	-	(87)	(87)	-
<b>Total other sources (uses) of financial resources</b>	<b>(481,784)</b>	<b>(481,784)</b>	<b>-</b>	<b>(87)</b>	<b>(87)</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(753,183)</b>	<b>(753,183)</b>	<b>-</b>	<b>(2,778,291)</b>	<b>(2,778,291)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>	<b>(885,026)</b>	<b>(25,924)</b>	<b>859,102</b>	<b>28,866</b>	<b>32,256</b>	<b>3,390</b>
Budgetary fund balances (deficits), July 1, 2018, as previously reported	107,823	107,823	-	223,017	223,017	
Reclassifications between budgetary/nonbudgetary funds-net	29,065	29,065	-			-
Budgetary fund balances (deficits), July 1, 2018, as reclassified	136,888	136,888	-	223,017	223,017	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ (748,138)</b>	<b>\$ 110,964</b>	<b>\$ 859,102</b>	<b>\$ 251,883</b>	<b>\$ 255,273</b>	<b>\$ 3,390</b>



Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 588	\$ 183,245	\$ 182,657	\$ 588	\$ 183,245	\$ 182,657
82,333	103,023	20,690	138,333	290,635	152,302
335,668	575,445	239,777	3,600,676	4,522,887	922,211
312	190	(122)	312	190	(122)
418,277	861,523	443,246	3,739,285	4,996,577	1,257,292
282,861	199,190	(83,671)	445,797	314,471	(131,326)
17,909	11,212	(6,697)	17,909	11,212	(6,697)
135,916	111,423	(24,493)	135,929	111,429	(24,500)
5,427	1,596	(3,831)	5,427	1,596	(3,831)
17,500	5,120	(12,380)	17,500	5,120	(12,380)
18,391	8,497	(9,894)	18,391	8,497	(9,894)
8,169	8,169	-	9,043	8,259	(784)
486,173	345,207	(140,966)	649,996	460,584	(189,412)
(67,896)	516,316	584,212	3,089,289	4,535,993	1,446,704
89,964	89,964	-	89,964	89,964	-
(54,319)	(54,319)	-	(536,190)	(536,190)	-
35,645	35,645	-	(446,226)	(446,226)	-
(510,883)	(510,883)	-	(4,042,357)	(4,042,357)	-
(543,134)	41,078	584,212	(1,399,294)	47,410	1,446,704
272,937	272,937	-	603,777	603,777	-
(3,544)	(3,544)	-	25,521	25,521	-
269,393	269,393	-	629,298	629,298	-
\$ (273,741)	\$ 310,471	\$ 584,212	\$ (769,996)	\$ 676,708	\$ 1,446,704

State of Illinois

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) State Trust Funds - Code Departments**

For the Year Ended June 30, 2019 (Expressed in Thousands)

	Central Management Services			Healthcare and Family Services		
	Teacher Health Security			Public Aid Recoveries Trust		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government				\$ 56,000	\$ 187,612	\$ 131,612
Other				457,757	1,136,808	679,051
<b>Total revenues</b>				<b>513,757</b>	<b>1,324,420</b>	<b>810,663</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services				162,936	115,281	(47,655)
General government				6	6	-
Capital outlays				874	90	(784)
<b>Total expenditures</b>				<b>163,816</b>	<b>115,377</b>	<b>(48,439)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>				<b>349,941</b>	<b>1,209,043</b>	<b>859,102</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-out				(481,784)	(481,784)	-
<b>Total other sources (uses) of financial resources</b>				<b>(481,784)</b>	<b>(481,784)</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>				<b>(753,183)</b>	<b>(753,183)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources, and budgetary funds-nonbudgeted accounts</b>				<b>(885,026)</b>	<b>(25,924)</b>	<b>859,102</b>
Budgetary fund balances (deficits), July 1, 2018, as previously reported	\$ (29,065)	\$ (29,065)	\$ -	136,888	136,888	-
Reclassifications between budgetary/nonbudgetary funds-net	29,065	29,065	-			
Budgetary fund balances (deficits), July 1, 2018, as reclassified	-	-	-	136,888	136,888	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2019</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (748,138)</b>	<b>\$ 110,964</b>	<b>\$ 859,102</b>

Total		
Final Budget	Actual	Variance Over (Under)
\$ 56,000	\$ 187,612	\$ 131,612
457,757	1,136,808	679,051
513,757	1,324,420	810,663

162,936	115,281	(47,655)
6	6	-
874	90	(784)
163,816	115,377	(48,439)

349,941	1,209,043	859,102
(481,784)	(481,784)	-
(481,784)	(481,784)	-
(753,183)	(753,183)	-

(885,026)	(25,924)	859,102
107,823	107,823	-
29,065	29,065	-

136,888	136,888	-
\$ (748,138)	\$ 110,964	\$ 859,102

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# Statistical Section

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## **STATISTICAL SECTION**

This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
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### **Financial Trends**

These schedules contain trend information to help the reader understand how the State's financial performance and well-being have changed over time.	350
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### **Revenue Capacity**

These schedules contain information to help the reader assess the State's most significant revenue sources: the personal income tax and the sales tax.	360
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### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the State's current levels of outstanding debt and the State's ability to issue additional debt in the future.	366
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### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.	374
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### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the State's financial report relates to the services the State provides and the activities it performs.	376
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**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

State of Illinois

Net Position by Component

Last Ten Fiscal Year Ends

(Accrual Basis of Accounting, Amounts in Thousands)

	For the Fiscal Year				
	2019	2018	2017	2016	2015
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 16,161,889	\$ 16,205,052	\$ 15,992,970	\$ 15,583,035	\$ 15,180,555
Restricted	4,304,948	4,658,844	3,585,489	3,436,636	3,440,869
Unrestricted	<u>(213,546,660)</u>	<u>(209,932,970)</u>	<u>(161,239,415)</u>	<u>(150,588,893)</u>	<u>(143,928,601)</u>
<b>Total governmental activities net position</b>	<u>(193,079,823)</u>	<u>(189,069,074)</u>	<u>(141,660,956)</u>	<u>(131,569,222)</u>	<u>(125,307,177)</u>
<b>Business-type Activities</b>					
Net investment in capital assets	3,210	3,651	4,205	4,803	5,748
Restricted	6,384,660	5,705,891	5,450,934	5,371,256	5,240,507
Unrestricted	<u>(999,847)</u>	<u>(654,207)</u>	<u>(381,994)</u>	<u>(533,887)</u>	<u>(921,900)</u>
<b>Total business-type activities net position</b>	<u>5,388,023</u>	<u>5,055,335</u>	<u>5,073,145</u>	<u>4,842,172</u>	<u>4,324,355</u>
<b>Primary Government</b>					
Net investment in capital assets	16,165,099	16,208,703	15,997,175	15,587,838	15,186,303
Restricted	10,689,608	10,364,735	9,036,423	8,807,892	8,681,376
Unrestricted	<u>(214,546,507)</u>	<u>(210,587,177)</u>	<u>(161,621,409)</u>	<u>(151,122,780)</u>	<u>(144,850,501)</u>
<b>Total primary government net position</b>	<u><u>\$ (187,691,800)</u></u>	<u><u>\$ (184,013,739)</u></u>	<u><u>\$ (136,587,811)</u></u>	<u><u>\$ (126,727,050)</u></u>	<u><u>\$ (120,982,822)</u></u>

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

The deficit balance of net position increased significantly in 2015 due to the implementation of GASB Statement No. 68.

The deficit balance of net position increased significantly in 2018 due to the implementation of GASB Statement No. 75.



Schedule 1

Ended June 30,				
2014	2013	2012	2011	2010
\$ 15,097,043	\$ 14,805,078	\$ 14,990,452	\$ 14,696,923	\$ 14,770,681
4,142,084	3,753,003	3,568,812	3,447,715	1,257,062
(68,297,390)	(66,410,019)	(65,144,723)	(61,753,364)	(53,562,848)
(49,058,263)	(47,851,938)	(46,585,459)	(43,608,726)	(37,535,105)
6,532	5,628	4,673	3,890	3,791
4,911,161	4,291,086	2,253,093	2,362,947	2,182,492
(1,094,605)	(1,271,930)	(422,682)	(1,129,243)	(1,227,648)
3,823,088	3,024,784	1,835,084	1,237,594	958,635
15,103,575	14,810,706	14,995,125	14,700,813	14,774,472
9,053,245	8,044,089	5,821,905	5,810,662	3,439,554
(69,391,995)	(67,681,949)	(65,567,405)	(62,882,607)	(54,790,496)
<u>\$ (45,235,175)</u>	<u>\$ (44,827,154)</u>	<u>\$ (44,750,375)</u>	<u>\$ (42,371,132)</u>	<u>\$ (36,576,470)</u>

State of Illinois

Fund Balances, Governmental Funds

Last Ten Fiscal Year Ends

(Modified Accrual Basis of Accounting, Amounts in Thousands)

	For the Fiscal Year				
	2019	2018	2017	2016	2015
<b>General fund (per GASB 54)</b>					
Nonspendable	\$ 23,221	\$ 27,948	\$ 26,718	\$ 28,074	\$ 28,301
Restricted	69,038	89,798	52,233	79,294	45,569
Committed	2,537,792	1,923,096	1,946,730	1,139,048	1,311,460
Unassigned	(10,146,648)	(9,804,135)	(16,637,294)	(10,837,635)	(8,238,260)
<b>General fund (prior to GASB 54)</b>					
Reserved					
Unreserved					
<b>Total general fund</b>	<u>(7,516,597)</u>	<u>(7,763,293)</u>	<u>(14,611,613)</u>	<u>(9,591,219)</u>	<u>(6,852,930)</u>
<b>All other governmental funds (per GASB 54)</b>					
Nonspendable	161,091	149,962	134,400	121,976	120,025
Restricted	3,989,269	4,316,394	3,160,928	3,570,351	2,987,518
Committed	3,369,048	3,432,121	3,753,708	2,958,892	3,110,300
Assigned	-	-	1,658	9,835	1,227
Unassigned	(743,877)	(867,408)	(1,159,331)	(1,370,410)	(1,374,629)
<b>All other governmental funds (prior to GASB 54)</b>					
Reserved					
Unreserved, reported in:					
Special revenue funds					
Debt service funds					
Capital projects funds					
Permanent funds					
<b>Total all other governmental funds</b>	<u>6,775,531</u>	<u>7,031,069</u>	<u>5,891,363</u>	<u>5,290,644</u>	<u>4,844,441</u>
<b>Total governmental funds</b>	<u>\$ (741,066)</u>	<u>\$ (732,224)</u>	<u>\$ (8,720,250)</u>	<u>\$ (4,300,575)</u>	<u>\$ (2,008,489)</u>

Notes: Balances have been restated for prior period adjustments, corrections, and reclassifications when practical. Additionally, due to the implementation of GASB Statement No. 54 in fiscal year 2011, fund balances have been classified as Nonspendable, Restricted, Committed, Assigned, and Unassigned. For fiscal years prior to 2011, fund balances were classified as Reserved or Unreserved according to GASB Statement No. 34.

**Schedule 2**

<b>Ended June 30,</b>				
<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
\$ 30,567	\$ 32,395	\$ 34,652	\$ 32,108	
58,852	65,729	40,572	37,247	
1,138,836	739,161	917,589	1,132,322	
(7,906,594)	(8,171,762)	(10,070,984)	(9,211,633)	
				\$ 44,002
				(8,861,844)
(6,678,339)	(7,334,477)	(9,078,171)	(8,009,956)	(8,817,842)
101,255	108,746	85,281	78,447	
3,623,415	3,347,699	3,248,413	3,192,381	
5,480,900	3,408,438	3,783,223	3,437,839	
10,007	9,265	7,959	20,984	
(1,230,375)	(1,432,956)	(1,553,553)	(1,698,486)	
				501,514
				1,287,511
				1,061,585
				2,036,453
				13,648
7,985,202	5,441,192	5,571,323	5,031,165	4,900,711
\$ 1,306,863	\$ (1,893,285)	\$ (3,506,848)	\$ (2,978,791)	\$ (3,917,131)

**State of Illinois**

**Changes in Net Position**

**Last Ten Fiscal Years**

**(Accrual Basis of Accounting, Amounts in Thousands)**

	<b>For the Fiscal Year</b>				
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Governmental Activities:</b>					
<b>Expenses</b>					
Health and social services	\$ 31,068,488	\$ 29,207,200	\$ 30,271,727	\$ 28,910,642	\$ 29,744,877
Education	24,238,730	25,359,053	22,330,561	19,277,492	19,302,465
General government	3,202,284	2,892,134	2,907,779	2,826,077	2,717,269
Employment and economic development	906,153	756,026	962,010	834,844	1,251,097
Transportation	4,496,926	4,625,352	5,282,459	4,702,430	5,132,636
Public protection and justice	4,281,070	4,416,348	4,522,776	3,931,125	3,600,577
Environment and business regulation	1,000,741	778,045	927,409	801,393	1,104,370
Intergovernmental-revenue sharing	6,357,667	5,917,915	6,145,598	5,905,841	5,956,535
Interest	1,771,247	1,986,119	1,872,321	1,761,607	1,709,219
<b>Total governmental activities expenses</b>	<b>77,323,306</b>	<b>75,938,192</b>	<b>75,222,640</b>	<b>68,951,451</b>	<b>70,519,045</b>
<b>Program revenues</b>					
Charges for services:					
Health and social services	152,953	144,921	515,062	332,674	236,140
Education	10,391	10,726	10,599	10,156	9,446
General government	2,272,405	2,233,439	2,243,389	2,150,695	2,170,928
Employment and economic development	24,584	17,959	31,282	76,595	27,622
Transportation	54,189	52,404	110,920	53,133	16,082
Public protection and justice	151,038	147,209	148,115	154,511	145,548
Environment and business regulation	421,971	460,043	431,116	437,622	416,124
Operating grants and contributions	21,612,198	21,347,390	23,176,771	20,956,206	21,882,386
Capital grants and contributions	1,272,045	1,302,747	1,503,916	1,531,259	1,524,107
<b>Total governmental activities program revenues</b>	<b>25,971,774</b>	<b>25,716,838</b>	<b>28,171,170</b>	<b>25,702,851</b>	<b>26,428,383</b>
<b>Total governmental activities net program expense</b>	<b>(51,351,532)</b>	<b>(50,221,354)</b>	<b>(47,051,470)</b>	<b>(43,248,600)</b>	<b>(44,090,662)</b>
<b>General revenues and other changes in net position</b>					
Taxes					
Income taxes	24,923,946	22,431,277	16,427,074	16,897,452	19,881,531
Sales taxes	12,242,861	11,850,090	11,332,134	11,165,310	10,997,205
Motor fuel taxes	1,317,925	1,323,577	1,303,773	1,322,372	1,292,178
Public utility taxes	1,470,176	1,443,513	1,439,332	1,427,368	1,460,558
Riverboat taxes	453,985	469,363	475,299	485,024	498,309
Medical providers assessment taxes	1,720,775	1,562,007	1,565,845	1,376,128	1,400,813
Other taxes	3,047,878	2,967,862	2,803,658	2,742,805	2,843,428
Interest and investment income	396,133	123,627	96,389	72,294	64,104
Other revenues	990,304	880,645	759,553	762,820	777,298
Gain on capital assets traded-in	-	-	-	-	-
Special items	-	-	-	-	-
Transfers	776,800	749,264	756,679	734,982	779,330
<b>Total general revenues and other changes in net position</b>	<b>47,340,783</b>	<b>43,801,225</b>	<b>36,959,736</b>	<b>36,986,555</b>	<b>39,994,754</b>
<b>Total governmental activities change in net position</b>	<b>(4,010,749)</b>	<b>(6,420,129)</b>	<b>(10,091,734)</b>	<b>(6,262,045)</b>	<b>(4,095,908)</b>

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

Revenue from income taxes increased significantly beginning in 2011 as the State legislatures voted to raise the individual income tax rate from 3% to 5% and the corporate income tax rate from 4.8% to 7.0%. In January 2015, the individual income tax rate dropped from 5% to 3.75% and the corporate income tax rate dropped from 7% to 5.25%.

Revenue from income taxes increased significantly beginning in 2018 as the State legislatures voted to raise the individual income tax rate from 3.75% to 4.95% and the corporate income tax rate from 5.25% to 7.0%.

**Schedule 3**

**Ended June 30,**

2014	2013	2012	2011	2010
\$ 27,341,750	\$ 25,885,439	\$ 26,021,677	\$ 24,972,973	\$ 24,444,776
19,049,547	18,363,509	17,703,469	17,839,554	17,255,748
2,449,947	2,771,340	2,575,789	1,755,142	1,478,124
1,271,862	1,318,453	1,332,412	1,581,353	1,258,762
5,103,505	5,007,079	4,471,245	4,867,065	4,852,940
3,394,190	3,460,726	3,621,072	3,579,498	3,391,692
1,050,615	910,189	1,033,428	1,055,309	1,033,959
5,669,666	5,397,613	5,329,498	5,191,373	4,205,934
1,783,172	1,518,871	1,608,440	1,368,509	1,183,995
<u>67,114,254</u>	<u>64,633,219</u>	<u>63,697,030</u>	<u>62,210,776</u>	<u>59,105,930</u>

402,880	298,154	175,218	228,431	173,099
8,251	8,378	6,666	4,886	5,222
2,110,376	2,177,257	2,177,712	2,195,738	1,891,921
13,046	18,468	17,107	22,681	29,567
124,869	45,358	27,096	45,553	117,720
146,781	125,859	131,729	121,456	107,568
441,445	388,894	446,925	316,821	436,716
19,928,670	18,650,189	18,378,500	19,734,925	20,733,921
1,673,267	1,344,794	1,555,210	1,586,140	964,434
<u>24,849,585</u>	<u>23,057,351</u>	<u>22,916,163</u>	<u>24,256,631</u>	<u>24,460,168</u>

<u>(42,264,669)</u>	<u>(41,575,868)</u>	<u>(40,780,867)</u>	<u>(37,954,145)</u>	<u>(34,645,762)</u>
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20,992,371	21,259,064	19,585,251	14,407,585	10,186,345
10,585,448	10,213,130	9,800,153	9,619,503	8,840,841
1,272,818	1,253,806	1,269,484	1,302,295	1,295,473
1,469,128	1,475,677	1,487,570	1,572,930	1,558,036
521,092	583,699	495,055	457,865	483,091
1,672,787	1,165,644	964,307	942,557	969,933
2,306,427	2,288,341	2,341,243	1,800,980	1,715,169
61,354	46,900	53,597	62,254	52,233
1,342,507	1,134,424	1,029,051	1,019,165	803,293
-	-	-	-	19
-	64,598	-	-	-
<u>834,412</u>	<u>824,106</u>	<u>778,423</u>	<u>695,390</u>	<u>667,986</u>

<u>41,058,344</u>	<u>40,309,389</u>	<u>37,804,134</u>	<u>31,880,524</u>	<u>26,572,419</u>
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<u>(1,206,325)</u>	<u>(1,266,479)</u>	<u>(2,976,733)</u>	<u>(6,073,621)</u>	<u>(8,073,343)</u>
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**State of Illinois**

**Changes in Net Position**

**Last Ten Fiscal Years**

**(Accrual Basis of Accounting, Amounts in Thousands)**

(continued)

	For the Fiscal Year				
	2019	2018	2017	2016	2015
<b>Business-Type Activities:</b>					
<b>Expenses</b>					
Unemployment compensation trust	1,656,403	1,727,817	1,846,247	1,904,271	1,842,424
Water revolving	69,517	63,234	46,947	39,200	43,880
Prepaid tuition program	47,674	43,558	157,576	57,776	27,931
Lottery	2,238,331	2,280,857	2,129,455	2,150,110	2,138,677
Designated account purchase program	11,251	5,264	10,030	13,960	14,821
Federal student loans	93,006	116,629	131,593	132,955	133,205
Student loan operation fund	8,133	28,948	22,507	17,166	26,772
Other	86,626	109,991	90,266	87,067	83,895
<b>Total business-type activities expenses</b>	<b>4,210,941</b>	<b>4,376,298</b>	<b>4,434,621</b>	<b>4,402,505</b>	<b>4,311,605</b>
<b>Program revenues</b>					
Charges for services:					
Unemployment compensation trust	1,776,554	1,899,802	1,987,231	2,206,079	2,397,199
Water revolving	77,487	70,908	61,059	51,881	46,568
Prepaid tuition program	33,052	49,622	86,303	60,993	67,762
Lottery	2,981,315	2,932,921	2,850,445	2,862,056	2,850,711
Designated account purchase program	17,818	17,462	17,822	19,563	22,253
Federal student loans	8,511	14,405	20,909	28,748	27,456
Student loan operation fund	9,612	14,070	11,363	10,458	11,134
Other	103,455	99,079	98,539	94,894	87,167
Operating grants and contributions	237,338	181,675	262,654	238,119	270,208
<b>Total business-type activities program revenues</b>	<b>5,245,142</b>	<b>5,279,944</b>	<b>5,396,325</b>	<b>5,572,791</b>	<b>5,780,458</b>
<b>Total business-type activities net program revenue (expense)</b>	<b>1,034,201</b>	<b>903,646</b>	<b>961,704</b>	<b>1,170,286</b>	<b>1,468,853</b>
<b>General revenues and other changes in net position</b>					
Interest and investment income	75,287	37,092	25,948	64,737	50,713
Other revenues	-	-	-	-	-
Special items	-	-	-	-	-
Transfers	(776,800)	(749,264)	(756,679)	(734,982)	(779,330)
<b>Total business-type activities general revenues and other changes in net position</b>	<b>(701,513)</b>	<b>(712,172)</b>	<b>(730,731)</b>	<b>(670,245)</b>	<b>(728,617)</b>
<b>Total business-type activities change in net position</b>	<b>332,688</b>	<b>191,474</b>	<b>230,973</b>	<b>500,041</b>	<b>740,236</b>
<b>Total primary government change in net position</b>	<b>\$ (3,678,061)</b>	<b>\$ (6,228,655)</b>	<b>\$ (9,860,761)</b>	<b>\$ (5,762,004)</b>	<b>\$ (3,355,672)</b>

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

**Schedule 3**

<b>Ended June 30,</b>				
<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
2,758,692	3,594,082	5,087,631	6,424,471	8,259,960
37,355	45,840	85,366	84,114	113,383
25,595	94,691	193,523	94,405	86,447
2,084,750	2,097,604	1,941,324	1,601,387	1,544,196
17,769	38,197	41,617	58,376	57,250
167,595	177,412	189,251	212,839	214,905
28,494	31,158	61,292	25,668	28,170
75,671	85,124	114,742	169,082	112,161
<u>5,195,921</u>	<u>6,164,108</u>	<u>7,714,746</u>	<u>8,670,342</u>	<u>10,416,472</u>
2,643,598	3,209,935	3,216,031	2,626,928	1,849,486
43,823	43,516	42,958	44,393	44,940
138,703	126,025	35,294	170,250	90,249
2,868,500	2,902,357	2,682,379	2,269,675	2,196,315
25,371	29,858	36,110	45,434	55,073
33,716	29,797	23,688	19,458	22,451
10,085	13,848	14,172	11,721	12,704
86,875	90,174	108,607	214,655	106,428
<u>943,403</u>	<u>1,724,991</u>	<u>2,891,670</u>	<u>4,196,904</u>	<u>5,086,516</u>
<u>6,794,074</u>	<u>8,170,501</u>	<u>9,050,909</u>	<u>9,599,418</u>	<u>9,464,162</u>
<u>1,598,153</u>	<u>2,006,393</u>	<u>1,336,163</u>	<u>929,076</u>	<u>(952,310)</u>
34,563	7,413	39,750	41,959	4,785
-	-	-	3,314	-
-	-	-	-	-
<u>(834,412)</u>	<u>(824,106)</u>	<u>(778,423)</u>	<u>(695,390)</u>	<u>(667,986)</u>
<u>(799,849)</u>	<u>(816,693)</u>	<u>(738,673)</u>	<u>(650,117)</u>	<u>(663,201)</u>
<u>798,304</u>	<u>1,189,700</u>	<u>597,490</u>	<u>278,959</u>	<u>(1,615,511)</u>
<u>\$ (408,021)</u>	<u>\$ (76,779)</u>	<u>\$ (2,379,243)</u>	<u>\$ (5,794,662)</u>	<u>\$ (9,688,854)</u>

**State of Illinois**

**Changes in Fund Balances, Governmental Funds**

**Last Ten Fiscal Years**

**(Modified Accrual Basis of Accounting, Amounts in Thousands)**

	<b>For the Fiscal Year</b>				
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Revenues</b>					
Income taxes	\$ 25,006,384	\$ 22,386,421	\$ 16,428,810	\$ 16,907,923	\$ 19,909,259
Sales taxes	12,244,809	11,850,683	11,354,547	11,162,605	11,006,405
Motor fuel taxes	1,318,993	1,322,392	1,304,523	1,322,727	1,291,139
Public utility taxes	1,478,828	1,414,502	1,443,797	1,431,179	1,461,807
Riverboat taxes	453,985	469,363	475,299	485,024	498,309
Medical providers assessment taxes	1,694,988	1,586,240	1,545,511	1,375,891	1,412,493
Other taxes	3,076,520	2,911,995	2,790,400	2,782,600	2,756,193
Federal government	21,372,784	23,314,354	21,921,955	21,763,831	21,981,451
Licenses and fees	2,788,424	2,767,206	2,809,879	2,737,014	2,706,962
Interest and other investment income	390,624	118,206	93,372	70,194	62,298
Other revenues	2,484,373	2,093,230	2,623,837	2,216,198	2,284,297
<b>Total revenues</b>	<b>72,310,712</b>	<b>70,234,592</b>	<b>62,791,930</b>	<b>62,255,186</b>	<b>65,370,613</b>
<b>Expenditures</b>					
Health and social services	29,970,452	28,835,515	29,299,969	28,274,261	29,029,974
Education	20,059,454	20,176,344	16,929,930	16,361,980	17,159,014
General government	2,909,113	2,531,734	2,351,867	2,479,319	2,375,648
Employment and economic development	855,666	770,706	882,272	762,998	1,223,773
Transportation	3,385,476	3,158,258	3,812,951	3,341,966	3,807,979
Public protection and justice	3,376,858	3,374,279	3,199,854	3,070,350	3,062,535
Environment and business regulation	848,982	753,444	761,369	739,662	956,821
Debt service:					
Principal	2,884,108	2,337,107	2,322,844	1,999,951	2,405,138
Interest	1,681,940	1,612,438	1,523,395	1,576,845	1,677,217
Capital outlay	1,344,935	1,365,606	1,504,609	1,867,445	1,829,993
Intergovernmental	6,357,667	5,917,915	6,145,598	5,905,841	5,956,535
<b>Total expenditures</b>	<b>73,674,651</b>	<b>70,833,346</b>	<b>68,734,658</b>	<b>66,380,618</b>	<b>69,484,627</b>
<b>Deficiency of revenues (under) expenditures</b>	<b>(1,363,939)</b>	<b>(598,754)</b>	<b>(5,942,728)</b>	<b>(4,125,432)</b>	<b>(4,114,014)</b>
<b>Other Financing Sources (Uses)</b>					
General and special obligation and revenue bonds issued	550,000	7,250,000	690,035	1,030,000	-
Premiums on general and special obligation and revenue bonds issued	12,206	559,670	54,443	60,939	-
Discounts on general obligation bonds issued	(418)	-	-	-	-
General and special obligation and revenue refunding bonds issued	1,106,050	670,965	1,641,900	-	-
Premiums on general and special obligation and revenue refunding bonds issued	67,449	90,805	152,800	-	-
Transfers-in	6,770,458	7,000,154	6,100,888	6,011,305	7,182,740
Transfers-out	(5,994,458)	(6,251,374)	(5,344,060)	(5,273,483)	(6,403,418)
Payment to refunded bond escrow agent	(1,168,591)	(756,954)	(1,782,885)	-	-
Capital lease financing	5,857	9,283	1,757	3,181	3,451
<b>Total other financing sources (uses)</b>	<b>1,348,553</b>	<b>8,572,549</b>	<b>1,514,878</b>	<b>1,831,942</b>	<b>782,773</b>
<b>Special Items</b>	-	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ (15,386)</b>	<b>\$ 7,973,795</b>	<b>\$ (4,427,850)</b>	<b>\$ (2,293,490)</b>	<b>\$ (3,331,241)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>6.31%</b>	<b>5.69%</b>	<b>5.72%</b>	<b>5.54%</b>	<b>6.03%</b>

Notes: Balances have been reclassified for prior period adjustments, corrections, and reclassifications when practical.

Revenue from income taxes increased significantly beginning in 2011 as the State legislatures voted to raise the individual income tax rate from 3% to 5% and the corporate income tax rate from 4.8% to 7.0%. In January 2015, the individual income tax rate dropped from 5% to 3.75% and the corporate income tax rate dropped from 7% to 5.25%.

Revenue from income taxes increased significantly beginning in 2018 as the State legislatures voted to raise the individual income tax rate from 3.75% to 4.95% and the corporate income tax rate from 5.25% to 7.0%.



**Schedule 4**

<b>Ended June 30,</b>				
<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
\$ 20,948,992	\$ 21,094,432	\$ 19,597,757	\$ 14,410,452	\$ 10,132,945
10,602,973	10,218,389	9,794,571	9,627,310	8,820,201
1,273,009	1,254,260	1,275,042	1,299,397	1,302,000
1,472,798	1,463,308	1,495,251	1,578,941	1,564,966
521,092	583,699	495,055	457,865	483,091
1,677,667	1,149,310	961,546	944,635	970,164
2,346,081	2,306,255	2,168,203	1,815,470	1,923,107
20,573,411	19,605,267	18,213,961	20,389,879	21,084,394
2,649,213	2,491,802	2,587,031	2,406,475	2,294,068
59,328	45,082	52,495	51,462	52,094
<u>2,873,794</u>	<u>2,260,237</u>	<u>2,095,164</u>	<u>2,175,221</u>	<u>1,975,536</u>
<u>64,998,358</u>	<u>62,472,041</u>	<u>58,736,076</u>	<u>55,157,107</u>	<u>50,602,566</u>
27,024,378	25,403,862	25,643,420	24,571,136	24,130,047
17,424,910	16,190,331	15,064,753	15,681,944	15,525,027
2,286,984	2,243,536	2,214,383	1,383,859	1,316,201
1,291,102	1,291,834	1,298,303	1,534,519	1,193,374
3,830,329	3,696,646	3,272,768	3,617,622	3,698,028
2,966,836	2,937,295	3,180,977	3,043,677	3,003,370
948,652	808,257	930,414	945,980	944,869
2,038,117	1,899,704	1,819,303	1,975,685	925,276
1,608,331	1,570,741	1,576,539	1,353,275	1,073,432
1,776,463	1,600,425	1,916,674	2,024,842	1,882,840
5,669,666	5,397,613	5,329,498	5,191,373	4,205,934
<u>66,865,768</u>	<u>63,040,244</u>	<u>62,247,032</u>	<u>61,323,912</u>	<u>57,898,398</u>
<u>(1,867,410)</u>	<u>(568,203)</u>	<u>(3,510,956)</u>	<u>(6,166,805)</u>	<u>(7,295,832)</u>
4,077,000	1,150,000	2,100,040	6,403,460	6,698,015
169,216	41,540	80,268	6,607	42,840
-	-	-	(90)	-
-	604,110	1,797,740	-	1,956,380
-	85,084	165,789	-	157,131
5,844,706	6,057,771	6,099,132	9,694,259	11,375,512
(5,010,303)	(5,233,178)	(5,334,744)	(9,068,773)	(10,691,690)
-	(686,236)	(1,934,435)	-	(2,090,772)
2,006	1,006	2,788	1,282	1,001
<u>5,082,625</u>	<u>2,020,097</u>	<u>2,976,578</u>	<u>7,036,745</u>	<u>7,448,417</u>
-	165,001	-	-	-
<u>\$ 3,215,215</u>	<u>\$ 1,616,895</u>	<u>\$ (534,378)</u>	<u>\$ 869,940</u>	<u>\$ 152,585</u>
<u>5.60%</u>	<u>5.65%</u>	<u>5.63%</u>	<u>5.61%</u>	<u>3.57%</u>

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

	<b>For the Calendar Year</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Farm earnings	\$ 2,973,406	\$ 2,268,388	\$ 2,676,310	\$ 544,780	\$ 3,628,875
Agricultural/forestry, fishing, and other	497,075	474,619	457,914	468,694	436,321
Mining	1,133,186	1,032,928	849,603	1,214,117	1,324,490
Construction/utilities	30,854,457	29,664,776	28,253,330	27,375,387	25,578,492
Manufacturing	56,717,825	54,322,935	52,595,510	53,069,158	52,794,291
Transportation and public utilities	24,621,148	22,972,326	22,511,271	21,342,677	21,451,974
Wholesale trade	32,392,982	31,655,103	30,496,169	30,769,174	29,858,938
Retail trade	25,296,470	24,748,633	24,628,379	24,852,771	24,063,170
Finance, insurance, and real estate	57,626,300	54,823,670	53,337,727	50,527,865	44,770,850
Services	221,913,481	212,319,888	206,299,285	197,547,421	190,303,344
Federal, civilian	9,236,963	8,936,533	8,757,354	8,693,584	8,393,521
Military	2,720,496	2,500,750	2,343,051	2,352,968	2,357,223
State and local government	59,218,763	57,985,955	57,412,919	55,910,008	55,514,507
Other	198,986,559	186,017,289	182,910,105	178,016,641	168,307,279
<b>Total personal income</b>	<b>\$ 724,189,111</b>	<b>\$ 689,723,793</b>	<b>\$ 673,528,927</b>	<b>\$ 652,685,245</b>	<b>\$ 628,783,275</b>
<b>Tax liability</b>	<b>\$ 17,163,176</b>	<b>\$ 14,232,641</b>	<b>\$ 11,531,400</b>	<b>\$ 11,758,489</b>	<b>\$ 15,532,205</b>
<b>Average effective rate</b>	<b>2.37%</b>	<b>2.06%</b>	<b>1.71%</b>	<b>1.80%</b>	<b>2.47%</b>

Note: The total direct rate for personal income is not available.

Average effective rate equals tax collections divided by income.

Source: U.S. Bureau of Economic Analysis

**Schedule 5**

<b>Ended December 31,</b>				
<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
\$ 8,062,715	\$ 3,210,000	\$ 5,532,292	\$ 2,682,784	\$ 3,675,328
361,331	397,219	334,697	400,042	337,430
1,273,964	1,271,440	1,259,647	1,055,190	958,850
23,606,891	21,354,976	21,977,275	22,168,867	23,583,056
51,552,196	52,943,137	47,835,270	44,739,656	44,218,451
20,974,737	19,826,411	18,671,925	15,909,648	15,504,381
29,164,197	28,424,193	26,825,228	24,751,332	24,685,079
23,654,210	23,084,384	22,108,376	21,188,835	21,193,604
38,591,892	34,985,114	33,124,647	41,170,325	40,564,313
183,000,050	179,180,906	170,633,157	161,269,661	159,690,997
8,269,453	8,477,026	8,651,107	8,688,814	8,013,486
2,483,026	2,591,007	2,665,531	2,933,969	2,901,517
54,771,010	53,511,408	53,141,184	52,870,403	50,758,390
155,016,980	158,343,942	149,532,130	141,431,602	135,560,354
<u>\$ 600,782,652</u>	<u>\$ 587,601,163</u>	<u>\$ 562,292,466</u>	<u>\$ 541,261,128</u>	<u>\$ 531,645,236</u>
<u>\$ 14,701,925</u>	<u>\$ 15,703,310</u>	<u>\$ 12,855,244</u>	<u>\$ 8,131,062</u>	<u>\$ 7,812,307</u>
<u>2.45%</u>	<u>2.67%</u>	<u>2.29%</u>	<u>1.50%</u>	<u>1.47%</u>

**State of Illinois****Taxable Sales by Industry  
Last Ten Fiscal Years  
(Amounts in Thousands)**

	For the Fiscal Year				
	2019	2018	2017	2016	2015
General merchandise	\$ 22,718,473	\$ 22,784,722	\$ 21,555,470	\$ 18,840,242	\$ 20,525,330
Food	23,013,962	22,436,327	21,355,215	22,385,459	21,908,129
Drinking and eating places	25,957,118	25,000,446	24,041,077	21,770,507	22,062,665
Apparel	8,374,492	8,075,480	7,966,678	7,130,282	7,420,636
Furniture, household, and radio	10,412,402	10,557,835	10,294,696	9,681,795	9,641,594
Lumber, building, and hardware	10,903,988	10,707,149	10,026,817	9,415,743	9,462,798
Automotive and filling stations	43,765,261	43,036,870	40,559,261	39,773,435	40,196,438
Drugs and other retail	40,199,756	37,771,600	36,526,231	30,733,251	29,927,521
Agriculture and extractives	33,571,231	30,754,927	28,195,889	25,603,217	27,431,997
Manufacturing	7,141,907	6,515,236	6,238,983	5,693,816	5,476,697
<b>Total</b>	<b>\$ 226,058,590</b>	<b>\$ 217,640,592</b>	<b>\$ 206,760,317</b>	<b>\$ 191,027,747</b>	<b>\$ 194,053,805</b>
Direct sales tax rate:					
Qualifying food, drugs, and medical appliances	1.00%	1.00%	1.00%	1.00%	1.00%
General merchandise	6.25%	6.25%	6.25%	6.25%	6.25%

Source: Department of Revenue

Schedule 6

Ended June 30,				
2014	2013	2012	2011	2010
\$ 20,909,371	\$ 20,984,402	\$ 21,379,802	\$ 12,406,368	\$ 12,014,343
20,659,706	19,927,008	20,602,149	19,700,141	18,932,808
20,728,370	19,171,381	19,377,805	18,408,341	16,857,284
7,001,093	6,600,261	6,601,677	14,736,097	13,560,264
9,327,989	8,827,231	9,201,686	8,833,159	8,249,837
8,976,058	8,503,130	8,593,170	8,332,430	8,040,005
34,835,154	36,601,135	35,771,184	33,575,575	29,714,908
28,062,832	26,806,067	27,458,332	25,180,327	23,792,285
26,517,679	23,787,602	24,608,599	24,720,332	21,475,741
4,772,007	4,308,047	4,308,079	4,294,155	3,980,846
<u>\$ 181,790,259</u>	<u>\$ 175,516,264</u>	<u>\$ 177,902,483</u>	<u>\$ 170,186,925</u>	<u>\$ 156,618,321</u>

1.00%	1.00%	1.00%	1.00%	1.00%
6.25%	6.25%	6.25%	6.25%	6.25%

**Personal Income Tax Filers and Liability by Income Level**  
**Calendar Years 2018 and 2009**  
**(Amounts in Thousands)**

**For the Calendar Year Ended December 31, 2018**

<u>Income Level</u>	<u>Number of Filers</u>	<u>Percentage of Total</u>	<u>Personal Income Tax Liability</u>	<u>Percentage of Total</u>
\$500,001 and higher	61,722	1.10%	\$ 3,588,954	20.91%
\$100,001 - \$500,000	1,153,522	20.48%	7,681,921	44.76%
\$50,001 - \$100,000	1,361,458	24.17%	3,503,599	20.41%
\$25,001 - \$50,000	1,277,053	22.68%	1,705,011	9.93%
\$25,000 and less	1,777,966	31.57%	683,691	3.99%
Total	<u>5,631,721</u>	<u>100.00%</u>	<u>\$ 17,163,176</u>	<u>100.00%</u>

**For the Calendar Year Ended December 31, 2009**

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

Note: Generally, the tax liability for a filer (an individual or married couple) is calculated by taking the filer's federal adjusted gross income and subtracting the number of exemptions and multiplying the result by the State's income tax rate. The State exemption amount was \$2,000 for calendar year 2009 and \$2,225 for calendar year 2018. An exemption is allowed on a return for each filer and dependent. Additional exemptions are allowed for each filer who is 65 or older and for each filer who is legally blind.

Source: Department of Revenue

**Sales Tax Revenue Payers by Industry**  
**Fiscal Years 2019 and 2010**  
**(Amounts in Thousands)**

	For the Fiscal Year Ended June 30, 2019			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
General merchandise	2,278	0.17%	\$ 1,442,692	9.25%
Food	6,414	0.49%	1,002,521	6.43%
Drinking and eating places	28,498	2.16%	2,306,070	14.79%
Apparel	10,140	0.77%	703,891	4.51%
Furniture, household, and radio	11,414	0.86%	851,294	5.46%
Lumber, building, and hardware	11,765	0.89%	946,328	6.07%
Automotive and filling stations	1,098,027	83.19%	3,076,689	19.74%
Drugs and other retail	65,171	4.94%	2,287,940	14.67%
Agriculture and extractives	71,061	5.38%	2,395,229	15.36%
Manufacturing	15,233	1.15%	580,017	3.72%
<b>Total</b>	<b>1,320,001</b>	<b>100.00%</b>	<b>\$ 15,592,671</b>	<b>100.00%</b>

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

Note: Due to confidentiality issues, the names of the ten largest sales tax revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's sales tax revenue.

Source: Department of Revenue

**State of Illinois**

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
(Amounts in Thousands)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>For the Fiscal 2015</u>
<b>Governmental activities</b>					
General obligation bonds	\$ 28,598,365	\$ 30,926,818	\$ 25,230,528	\$ 26,795,531	\$ 27,421,318
Special obligation bonds	2,427,260	2,409,970	2,658,088	2,650,435	2,912,003
Revenue bonds	951,869	1,054,679	1,071,621	1,156,699	1,237,731
Capital leases	10,356	9,614	5,862	7,580	7,244
Installment purchases	1,572	-	-	36	442
Certificates of participation	2,745	5,335	15,150	24,370	33,060
<b>Total governmental activities</b>	<u>31,992,167</u>	<u>34,406,416</u>	<u>28,981,249</u>	<u>30,634,651</u>	<u>31,611,798</u>
<b>Business-type activities</b>					
Revenue bonds	137,620	161,391	192,133	622,017	925,265
Capital leases	37	57	9	26	26
<b>Total business-type activities</b>	<u>137,657</u>	<u>161,448</u>	<u>192,142</u>	<u>622,043</u>	<u>925,291</u>
<b>Total primary government</b>	<u>\$ 32,129,824</u>	<u>\$ 34,567,864</u>	<u>\$ 29,173,391</u>	<u>\$ 31,256,694</u>	<u>\$ 32,537,089</u>
<b>Total primary government debt as a percentage of personal income</b>	<u>4.44%</u>	<u>5.01%</u>	<u>4.33%</u>	<u>4.79%</u>	<u>5.17%</u>
<b>Total amount of primary government debt per capita</b>	<u>\$ 2.522</u>	<u>\$ 2.704</u>	<u>\$ 2.274</u>	<u>\$ 2.430</u>	<u>\$ 2.524</u>

Notes: Details regarding the State's debt can be found in Notes 9, 10, 11, and 13 of the financial statements.

Due to the implementation of GASB 65 in fiscal year 2014, deferred amounts on refundings are now reported as deferred inflows/outflows of resources on the statement of net position and are no longer included as liabilities. For fiscal years prior to 2014, deferred amounts on refundings are included in the amounts reported as outstanding debt.



**Schedule 9**

<b>Year Ended June 30,</b>				
<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
\$ 29,543,582	\$ 27,398,638	\$ 28,141,980	\$ 28,256,367	\$ 25,136,941
3,181,684	3,000,345	2,934,527	2,394,597	2,591,591
1,314,929	1,386,166	1,450,094	1,509,846	-
6,073	6,818	7,648	6,632	6,477
808	1,155	3,412	8,109	14,158
41,265	49,020	58,190	66,870	75,095
<u>34,088,341</u>	<u>31,842,142</u>	<u>32,595,851</u>	<u>32,242,421</u>	<u>27,824,262</u>
1,457,745	1,822,051	590,704	704,284	1,019,701
-	-	-	4	7
<u>1,457,745</u>	<u>1,822,051</u>	<u>590,704</u>	<u>704,288</u>	<u>1,019,708</u>
<u>\$ 35,546,086</u>	<u>\$ 33,664,193</u>	<u>\$ 33,186,555</u>	<u>\$ 32,946,709</u>	<u>\$ 28,843,970</u>
<u>5.92%</u>	<u>5.73%</u>	<u>5.90%</u>	<u>6.09%</u>	<u>5.43%</u>
<u>\$ 2.758</u>	<u>\$ 2.616</u>	<u>\$ 2.580</u>	<u>\$ 2.566</u>	<u>\$ 2.254</u>

**State of Illinois**

**Ratios of General Bonded Debt Outstanding and Debt Limitations**

**Last Ten Fiscal Years**

**(Amounts in Thousands)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>For the Fiscal 2015</u>
<b>General bonded debt</b>					
General obligation bonds	\$ 28,598,365	\$ 30,926,818	\$ 25,230,528	\$ 26,795,531	\$ 27,421,318
Special obligation bonds	2,427,260	2,409,970	2,658,088	2,650,435	2,912,003
	<u>\$ 31,025,625</u>	<u>\$ 33,336,788</u>	<u>\$ 27,888,616</u>	<u>\$ 29,445,966</u>	<u>\$ 30,333,321</u>
Less: Amounts restricted for debt service	1,384,033	1,750,450	1,398,090	1,513,092	1,407,540
<b>Net total general bonded debt</b>	<u>\$ 29,641,592</u>	<u>\$ 31,586,338</u>	<u>\$ 26,490,526</u>	<u>\$ 27,932,874</u>	<u>\$ 28,925,781</u>
<b>Total general bonded debt as a percentage of personal income</b>	<u>4.09%</u>	<u>4.58%</u>	<u>3.93%</u>	<u>4.28%</u>	<u>4.60%</u>
<b>Total general bonded debt as a percentage of taxable sales</b>	<u>13.11%</u>	<u>14.51%</u>	<u>12.81%</u>	<u>14.62%</u>	<u>14.91%</u>
<b>Total amount of general obligation debt per capita</b>	<u>\$ 2.326</u>	<u>\$ 2.470</u>	<u>\$ 2.065</u>	<u>\$ 2.171</u>	<u>\$ 2.244</u>
<b>Authorized general bonded debt</b>					
General obligation bonds	\$ 86,794,865	\$ 65,255,951	\$ 58,455,951	\$ 58,455,951	\$ 57,855,951
Special obligation bonds	9,684,681	6,446,009	6,446,009	6,446,009	6,446,009
<b>Total authorized general bonded debt</b>	<u>\$ 96,479,546</u>	<u>\$ 71,701,960</u>	<u>\$ 64,901,960</u>	<u>\$ 64,901,960</u>	<u>\$ 64,301,960</u>
<b>Issued general bonded debt</b>					
General obligation bonds	\$ 65,877,241	\$ 64,471,191	\$ 57,221,190	\$ 55,438,046	\$ 54,408,046
Special obligation bonds	9,153,362	5,722,228	5,722,228	5,512,193	5,512,193
<b>Total issued general bonded debt</b>	<u>\$ 75,030,603</u>	<u>\$ 70,193,419</u>	<u>\$ 62,943,418</u>	<u>\$ 60,950,239</u>	<u>\$ 59,920,239</u>
<b>General bonded debt margin (Authorized but unissued debt)</b>					
General obligation bonds	\$ 27,554,824	\$ 6,990,234	\$ 7,011,954	\$ 8,397,243	\$ 9,013,252
Special obligation bonds	3,872,431	877,884	872,215	1,076,761	1,072,806
<b>Total general bonded debt margin</b>	<u>\$ 31,427,255</u>	<u>\$ 7,868,118</u>	<u>\$ 7,884,169</u>	<u>\$ 9,474,004</u>	<u>\$ 10,086,058</u>
<b>Issued bonded debt to authorized bonded debt ratio</b>					
General obligation bonds	75.90%	98.80%	97.89%	94.84%	94.04%
Special obligation bonds	94.51%	88.77%	88.77%	85.51%	85.51%
<b>Total issued bonded debt to authorized bonded debt ratio</b>	77.77%	97.90%	96.98%	93.91%	93.19%

Note: Details regarding the State's general obligation bonds can be found in Note 9 of the financial statements.  
 Details regarding the State's special obligation bonds can be found in Note 10 of the financial statements.

Due to the implementation of GASB 65 in fiscal year 2014, deferred amounts on refundings are now reported as deferred inflows/outflows of resources on the statement of net position and are no longer included as liabilities. For fiscal years prior to 2014, deferred amounts on refundings are included in the amounts reported as outstanding debt.

The State's authorized bonded debt limits are established by the General Obligation Bond Act (30 ILCS 330), the Metropolitan Civic Center Support Act (30 ILCS 355), and the Build Illinois Bond Act (30 ILCS 425).

## Schedule 10

Year Ended June 30,				
2014	2013	2012	2011	2010
\$ 29,543,582	\$ 27,398,638	\$ 28,141,980	\$ 28,256,367	\$ 25,136,941
3,181,684	3,000,345	2,934,527	2,394,597	2,591,591
<u>\$ 32,725,266</u>	<u>\$ 30,398,983</u>	<u>\$ 31,076,507</u>	<u>\$ 30,650,964</u>	<u>\$ 27,728,532</u>
1,804,967	1,615,537	1,478,072	1,366,885	1,071,220
<u>\$ 30,920,299</u>	<u>\$ 28,783,446</u>	<u>\$ 29,598,435</u>	<u>\$ 29,284,079</u>	<u>\$ 26,657,312</u>
<u>5.15%</u>	<u>4.90%</u>	<u>5.26%</u>	<u>5.41%</u>	<u>5.01%</u>
<u>17.01%</u>	<u>16.40%</u>	<u>16.64%</u>	<u>17.21%</u>	<u>17.02%</u>
<u>\$ 2.399</u>	<u>\$ 2.236</u>	<u>\$ 2.301</u>	<u>\$ 2.281</u>	<u>\$ 2.083</u>
\$ 57,855,951	\$ 55,630,951	\$ 54,014,151	\$ 54,014,151	\$ 45,755,802
6,446,009	5,903,509	5,903,509	4,815,509	4,815,509
<u>\$ 64,301,960</u>	<u>\$ 61,534,460</u>	<u>\$ 59,917,660</u>	<u>\$ 58,829,660</u>	<u>\$ 50,571,311</u>
\$ 54,408,046	\$ 50,733,045	\$ 49,883,046	\$ 46,710,306	\$ 41,810,306
5,512,193	5,110,193	4,810,193	4,085,153	4,085,153
<u>\$ 59,920,239</u>	<u>\$ 55,843,238</u>	<u>\$ 54,693,239</u>	<u>\$ 50,795,459</u>	<u>\$ 45,895,459</u>
\$ 7,981,693	\$ 8,983,350	\$ 7,852,278	\$ 10,481,559	\$ 6,900,602
1,069,091	925,101	1,221,821	852,891	852,891
<u>\$ 9,050,784</u>	<u>\$ 9,908,451</u>	<u>\$ 9,074,099</u>	<u>\$ 11,334,450</u>	<u>\$ 7,753,493</u>
94.04%	91.20%	92.35%	86.48%	91.38%
85.51%	86.56%	81.48%	84.83%	84.83%
93.19%	90.75%	91.28%	86.34%	90.75%

## Pledged Revenue Coverage

## Last Ten Fiscal Years

(Amounts in Thousands)

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
<b>PRIMARY GOVERNMENT</b>							
<b>Build Illinois Bond Fund - Pledged revenue of portion of sales tax collections</b>							
2019	\$ 679,557	\$ -	\$ 679,557	\$ 214,615	\$ 104,185	\$ 318,800	2.13
2018	632,465	-	632,465	217,005	105,811	322,816	1.96
2017	627,357	-	627,357	219,410	109,316	328,726	1.91
2016	614,099	-	614,099	234,430	119,231	353,661	1.74
2015	604,324	-	604,324	240,995	128,985	369,980	1.63
2014	570,824	-	570,824	218,619	133,039	351,658	1.62
2013	553,946	-	553,946	212,379	129,518	341,897	1.62
2012	530,664	-	530,664	180,589	118,942	299,531	1.77
2011	509,368	-	509,368	180,565	118,598	299,163	1.70
2010	473,452	-	473,452	157,180	117,552	274,732	1.72
<b>Civic Center Bond Fund - Pledged revenue of portion of sales tax collections</b>							
2019	\$ 19,000	\$ -	\$ 19,000	\$ 13,630	\$ 804	\$ 14,434	1.32
2018	19,000	-	19,000	13,340	1,093	14,433	1.32
2017	19,000	-	19,000	13,070	1,365	14,435	1.32
2016	19,000	-	19,000	12,020	1,830	13,850	1.37
2015	19,000	-	19,000	11,415	2,492	13,907	1.37
2014	19,000	-	19,000	10,705	3,112	13,817	1.38
2013	19,000	-	19,000	10,095	3,690	13,785	1.38
2012	19,000	-	19,000	9,555	4,242	13,797	1.38
2011	19,000	-	19,000	9,085	4,761	13,846	1.37
2010	19,000	-	19,000	8,595	5,253	13,848	1.37
<b>Illinois Student Assistance Commission - Pledged revenue of loans receivable repayments (a)</b>							
2019	\$ 17,288	\$ 7,329	\$ 9,959	\$ 23,979	\$ 5,407	\$ 29,386	0.34
2018	17,462	1,604	15,858	30,950	4,361	35,311	0.45
2017	17,822	5,925	11,897	34,836	3,897	38,733	0.31
2016	19,563	9,440	10,123	43,844	1,563	45,407	0.22
2015	22,253	9,103	13,150	54,134	3,848	57,982	0.23
2014	25,371	15,256	10,115	52,047	4,527	56,574	0.18
2013	29,858	18,899	10,959	92,362	6,765	99,127	0.11
2012	36,110	26,091	10,019	109,497	8,530	118,027	0.08
2011	45,434	35,211	10,223	982,105	11,416	993,521	0.01
2010	55,073	32,859	22,214	96,100	10,516	106,616	0.21
<b>Railsplitter Tobacco Settlement Authority - Pledged revenue of tobacco settlement funds (b)</b>							
2019	\$ 259,126	\$ 128,086	\$ 131,040	\$ 93,620	\$ 48,925	\$ 142,545	0.92
2018	334,538	180,183	154,355	89,040	54,240	143,280	1.08
2017	237,743	95,685	142,058	84,700	64,184	148,884	0.95
2016	280,797	130,634	150,163	80,655	68,028	148,683	1.01
2015	261,917	114,350	147,567	76,820	71,869	148,689	0.99
2014	270,085	123,917	146,168	70,860	74,938	145,798	1.00
2013	273,681	131,267	142,414	63,550	77,480	141,030	1.01
2012	275,468	133,160	142,308	59,375	79,599	138,974	1.02
2011	402,666	248,429	154,237	-	38,252	38,252	4.03

(a) The Commission redeemed \$59.950 million of principal by the sale of a portion of their student loan portfolio during fiscal year 2013.

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

**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**  
**(Amounts in Thousands)**

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
<b>MAJOR COMPONENT UNITS</b>							
<b>Illinois Housing Development Authority - Pledged revenue of loans receivable repayments</b>							
2019	\$ 99,347	\$ 10,734	\$ 88,613	\$ 150,127	\$ 33,797	\$ 183,924	0.48
2018	47,153	8,757	38,396	122,927	29,852	152,779	0.25
2017	56,876	12,452	44,424	256,702	31,839	288,541	0.15
2016	62,512	5,523	56,989	183,750	34,377	218,127	0.26
2015	56,126	9,493	46,633	336,936	41,163	378,099	0.12
2014	66,045	10,675	55,370	218,678	49,851	268,529	0.21
2013	65,062	9,584	55,478	349,020	60,467	409,487	0.14
2012	81,132	11,933	69,199	267,187	57,897	325,084	0.21
2011	74,874	6,483	68,391	243,050	58,716	301,766	0.23
2010	83,711	5,861	77,850	231,650	66,863	298,513	0.26
<b>Illinois State Toll Highway Authority - Pledged revenue of toll fees (d)</b>							
2018	\$ 1,485,997	\$ 402,010	\$ 1,083,987	\$ 113,160	\$ 298,597	\$ 411,757	2.63
2017	1,427,700	402,691	1,025,009	88,860	297,005	385,865	2.66
2016	1,325,311	393,588	931,723	170,525	286,437	456,962	2.04
2015	1,325,455	350,740	974,715	97,795	246,651	344,446	2.83
2014	1,100,033	314,538	785,495	92,855	240,893	333,748	2.35
2013	1,068,367	296,793	771,574	56,365	211,314	267,679	2.88
2012	995,573	269,094	726,479	53,040	206,323	259,363	2.80
2011	728,578	266,506	462,072	49,910	211,493	261,403	1.77
2010	706,445	277,282	429,163	1,065	204,881	205,946	2.08
2009	785,593	283,106	502,487	97,150	174,821	271,971	1.85
<b>Illinois State University - Pledged revenue of usage fees and rental income</b>							
2019	\$ 98,209	\$ 63,302	\$ 34,907	\$ 6,015	\$ 5,212	\$ 11,227	3.11
2018	88,390	66,605	21,785	28,145	3,482	31,627	0.69
2017	85,221	52,329	32,892	4,095	3,404	7,499	4.39
2016	88,044	54,846	33,198	7,195	3,644	10,839	3.06
2015	87,449	58,231	29,218	7,160	3,683	10,843	2.69
2014	84,936	60,890	24,046	2,755	3,720	6,475	3.71
2013	81,249	57,399	23,850	14,590	4,285	18,875	1.26
2012	87,124	64,890	22,234	6,190	3,758	9,948	2.24
2011	83,258	61,508	21,750	6,280	3,839	10,119	2.15
2010	82,139	64,864	17,275	5,380	3,894	9,274	1.86
<b>Northern Illinois University - Pledged revenue of usage fees and rental income</b>							
2019	\$ 66,996	\$ 43,232	\$ 23,764	\$ 4,265	\$ 12,926	\$ 17,191	1.38
2018	77,925	63,413	14,512	4,065	13,129	17,194	0.84
2017	72,399	47,647	24,752	3,905	13,288	17,193	1.44
2016	78,223	58,971	19,252	3,899	13,295	17,194	1.12
2015	80,768	64,079	16,689	3,890	13,300	17,190	0.97
2014	80,797	67,566	13,231	3,729	13,301	17,030	0.78
2013	85,191	83,957	1,234	6,295	13,403	19,698	0.06
2012	86,240	71,704	14,536	6,930	14,296	21,226	0.68
2011	78,426	67,201	11,225	6,300	3,857	10,157	1.11
2010	77,446	58,863	18,583	6,175	3,977	10,152	1.83

(d) The Illinois State Toll Highway Authority fiscal year is from January 1 to December 31.

**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**  
**(Amounts in Thousands)**

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
<b>Southern Illinois University - Pledged revenue of usage fees, rental income, and medical fees</b>							
2019	\$ 128,766	\$ 98,740	\$ 30,026	\$ 19,075	\$ 7,457	\$ 26,532	1.13
2018	134,362	104,105	30,257	22,205	8,049	30,254	1.00
2017	143,911	111,434	32,477	19,595	8,520	28,115	1.16
2016	155,471	116,393	39,078	20,160	8,706	28,866	1.35
2015	162,707	120,094	42,613	18,645	10,061	28,706	1.48
2014	155,028	117,631	37,397	17,805	10,495	28,300	1.32
2013	151,239	115,212	36,027	18,100	10,415	28,515	1.26
2012	153,006	118,090	34,916	19,790	10,536	30,326	1.15
2011	146,101	110,760	35,341	16,120	10,661	26,781	1.32
2010	141,220	105,452	35,768	13,190	10,693	23,883	1.50
<b>University of Illinois - Pledged revenue of usage fees, rental income, and medical fees</b>							
2019	\$ 1,463,431	\$ 1,356,937	\$ 106,494	\$ 62,600	\$ 53,129	\$ 115,729	0.92
2018	1,547,298	1,455,077	92,221	58,710	51,415	110,125	0.84
2017	1,469,247	1,387,068	82,179	57,765	52,558	110,323	0.74
2016	1,334,514	1,231,585	102,929	60,320	51,479	111,799	0.92
2015	1,243,699	1,158,801	84,898	46,870	53,236	100,106	0.85
2014	1,196,041	1,117,078	78,963	46,130	46,754	92,884	0.85
2013	1,195,843	1,100,918	94,925	42,100	46,821	88,921	1.07
2012	1,115,945	1,023,263	92,682	38,895	47,070	85,965	1.08
2011	1,013,468	937,189	76,279	35,425	45,781	81,206	0.94
2010	1,021,060	894,862	126,198	34,200	44,880	79,080	1.60

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**State of Illinois****Demographic and Economic Statistics****Last Ten Calendar Years****(Amounts in Thousands)**

	<b>For the Calendar</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Population</b>					
State	12,741	12,786	12,827	12,864	12,889
Percentage change	-0.35%	-0.32%	-0.29%	-0.19%	-0.01%
National	327,167	325,147	323,071	320,743	318,386
Percentage change	0.62%	0.64%	0.73%	0.74%	0.68%
<b>Total Personal Income</b>					
State	\$ 724,189,100	\$ 689,723,800	\$ 670,504,200	\$ 662,760,800	\$ 637,279,300
Percentage change	5.00%	2.87%	1.17%	4.00%	4.83%
National	\$ 17,813,035,000	\$ 16,870,106,000	\$ 16,111,636,000	\$ 15,709,242,000	\$ 14,982,715,000
Percentage change	5.59%	4.71%	2.56%	4.85%	5.69%
<b>Per Capita Personal Income</b>					
State	\$ 56,839	\$ 53,943	\$ 52,273	\$ 51,519	\$ 49,444
Percentage change	5.37%	3.19%	1.46%	4.20%	4.84%
National	\$ 54,446	\$ 51,885	\$ 49,870	\$ 48,978	\$ 47,058
Percentage change	4.94%	4.04%	1.82%	4.08%	4.98%
<b>Labor Force</b>					
State labor force	6,469	6,490	6,550	6,511	6,514
Employed	6,191	6,171	6,170	6,123	6,052
Unemployed	278	319	380	388	462
Unemployment rate	4.3%	4.9%	5.8%	6.0%	7.1%

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



Year Ended,		2012		2011		2010		2009	
2013									
	12,890		12,871		12,862		12,840		12,797
	0.15%		0.07%		0.17%		0.34%		0.39%
	316,235		313,998		311,719		309,347		306,772
	0.71%		0.73%		0.77%		0.84%		0.88%
\$	607,909,671	\$	587,601,163	\$	562,292,466	\$	541,261,128	\$	531,645,236
	3.46%		4.50%		3.89%		1.81%		-3.76%
\$	14,175,503,000	\$	13,904,485,000	\$	13,233,436,000	\$	12,459,613,000	\$	12,079,444,000
	1.95%		5.07%		6.21%		3.15%		-3.31%
\$	47,160	\$	45,654	\$	43,718	\$	42,154	\$	41,529
	3.30%		4.43%		3.71%		1.50%		-4.79%
\$	44,826	\$	44,282	\$	42,453	\$	40,277	\$	39,376
	1.23%		4.31%		5.40%		2.29%		-4.15%
	6,549		6,582		6,587		6,625		6,619
	5,957		5,991		5,948		5,937		5,943
	592		591		639		688		676
	9.0%		9.0%		9.7%		10.4%		10.2%

## Principal Employers

Fiscal Years 2019 and 2010

Employer	2019	
	Employees	Percentage of Total State Employment
State of Illinois	64,303	1.04%
U.S. Government	51,200	0.83%
Walmart	45,896	0.74%
Albertson's Companies	41,511	0.67%
Chicago School Board	37,495	0.61%
City of Chicago	35,397	0.57%
University of Illinois	30,437	0.49%
U.S. Postal Service	27,800	0.45%
AMITA Health	27,276	0.44%
Northwestern Memorial Healthcare	23,894	0.39%
Total	385,209	6.23%

Employer	2010	
	Employees	Percentage of Total State Employment
State of Illinois	67,742	1.14%
U.S. Government	59,700	1.00%
Chicago School Board	42,942	0.72%
City of Chicago	37,419	0.63%
U.S. Postal Service	32,000	0.54%
University of Illinois	29,589	0.50%
Cook County	24,454	0.41%
Total	293,846	4.94%

Note: Information for the top 10 principal employers was not available for fiscal year 2010. The principal governmental employers have been presented above for this period.

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

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**State of Illinois**  
**Employees by Function**  
**Last Ten Fiscal Years**

	<b>Employees as of</b>				
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Health and social services	20,429	20,121	20,013	20,550	20,939
Education	709	683	653	671	696
General government	11,133	10,920	10,665	10,777	11,233
Employment and economic development	1,939	2,039	2,118	2,084	2,204
Transportation	6,808	6,874	6,745	6,715	7,122
Public protection and justice	19,758	18,749	18,313	18,233	18,313
Environment and business regulation	3,527	3,641	3,574	3,689	3,963
<b>Total</b>	<b>64,303</b>	<b>63,027</b>	<b>62,081</b>	<b>62,719</b>	<b>64,470</b>

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**Schedule 14**

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<b>June 30,</b>				
<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
20,466	19,275	19,976	21,519	21,258
724	723	713	727	778
11,476	11,396	11,286	11,905	11,534
2,305	2,466	2,990	3,119	3,303
7,351	7,475	7,386	7,529	7,662
17,675	17,642	18,013	19,134	18,903
4,058	3,859	3,964	4,213	4,304
<b>64,055</b>	<b>62,836</b>	<b>64,328</b>	<b>68,146</b>	<b>67,742</b>

**State of Illinois**

**Operating Indicators by Function/Program  
Last Ten Fiscal Years**

<b>Function/Program</b>	<b>For the Fiscal Year</b>				
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Health and Social Services</b>					
Child abuse and neglect					
Calls to abuse/neglect hotline	268,406	276,538	252,388	245,388	222,719
Children investigated	143,042	133,564	120,815	127,249	110,079
Medical programs					
Number of children enrolled in medical programs	1,376,539	1,447,134	1,473,581	1,490,290	1,504,802
Number of non-senior adults enrolled in medical programs*	1,353,782	1,485,564	1,236,537	1,244,883	1,247,553
Child support					
Number of child support cases with orders	373,371	387,653	392,473	392,500	392,331
Persons with disabilities receiving in-home services to prevent institutionalization	23,336	29,057	29,379	29,325	29,595
Immunization rates of children under age two	51%	56%	54%	51%	45%
<b>General government</b>					
Taxes					
Number of individual income tax returns processed	6,382,045	6,237,589	6,253,542	6,143,475	6,185,708
Percent of individual income tax returns filed electronically	85%	85%	84%	82%	81%
Total number of payments processed through State Treasury	14,562,306	14,827,574	14,482,761	14,085,085	14,992,358
<b>Education</b>					
Elementary and secondary education					
Public school enrollment	2,070,434	2,005,153	2,028,162	2,041,779	2,054,556
Graduation rate	85.9%	87.6%	87.0%	85.5%	85.6%
Dropout rate	4.2%	2.1%	2.1%	2.0%	2.3%
Higher education					
Enrollment	Not available	744,161	764,502	751,942	771,886
<b>Transportation</b>					
Miles of pavement maintained/improved	469	577	513	674	1,379
Number of bridges maintained/improved	78	92	88	66	188
<b>Employment and economic development</b>					
Unemployment insurance **					
Number of claims	500,233	532,495	585,207	607,139	630,594
Average duration (weeks)	16.52	17.25	17.06	16.72	17.99
State Fair					
State Fair attendees	508,901	369,144	401,648	357,409	411,547
DuQuoin State Fair attendees	123,562	100,800	109,305	105,622	315,808
Tourism					
Historic site attendance (in thousands)	1,669	1,835	1,886	1,671	2,100
<b>Public protection and justice</b>					
Crime Rates					
Violent crime rates per 100,000 in population **	404	439	436	383	370
Property crime rates per 100,000 in population **	1,933	2,011	2,049	1,989	2,076
Total crime rates per 100,000 in population	2,337	2,450	2,485	2,372	2,446
Forensic services					
Number of original crime scenes processed	3,616	3,849	3,961	3,930	3,630
Number of Deoxyribonucleic Acid (DNA) cases worked	10,801	6,394	4,322	5,450	5,704
Total number of forensic cases worked	63,074	66,126	67,049	83,157	83,594
Number of DNA offender samples worked	21,110	26,445	19,978	28,993	31,992
<b>Environment and business regulation</b>					
Professional Regulation					
Professional complaints received	11,574	12,080	11,358	9,214	8,893
Licenses placed on probation	370	1,839	346	418	440

\* Fluctuation due to the implementation of the Affordable Care Act in fiscal year 2014.

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

**Schedule 15**

<b>Ended or as of June 30,</b>				
<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
231,536	236,589	253,444	258,999	256,492
109,769	108,594	106,220	101,508	109,186
1,546,091	1,635,686	1,685,822	1,663,260	1,628,782
1,027,702	663,844	635,262	621,851	606,680
404,918	406,748	404,752	410,433	404,800
30,357	31,406	32,820	38,682	39,165
76%	83%	77%	83%	81%
6,143,408	5,946,121	5,961,003	5,961,385	5,946,127
79%	79%	78%	71%	60%
15,209,821	15,357,708	15,337,111	16,143,902	16,050,005
2,073,480	2,081,731	2,087,628	2,087,762	2,112,132
86.0%	83.2%	82.3%	83.8%	87.8%
2.2%	2.4%	2.5%	2.7%	3.8%
806,467	863,542	884,053	924,749	914,763
894	661	921	931	2,620
222	183	262	263	292
725,979	781,394	763,319	863,328	1,221,195
17.92	17.97	19.01	21.34	20.63
847,690	961,063	918,534	817,393	673,223
350,000	258,000	285,100	351,000	353,100
1,915	1,935	1,990	1,940	2,200
373	415	429	435	509
2,274	2,579	2,689	2,681	2,790
2,647	2,994	3,118	3,116	3,299
3,736	2,337	2,328	2,529	2,594
6,086	4,790	4,982	5,225	5,284
91,878	94,550	101,076	104,043	111,669
33,901	31,766	29,589	30,736	33,025
10,875	11,765	12,466	10,634	11,159
446	527	470	431	603

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

	For the fiscal year ended				
	2019	2018	2017	2016	2015
Health and social services					
Mental health facilities	14	14	14	14	14
Veterans homes	4	4	4	4	4
Transportation					
Highway miles	15,911	15,908	15,919	15,969	17,085
Bridges	7,856	7,852	7,835	7,847	7,823
Public protection and justice					
Adult correctional facilities	25	25	25	25	25
Juvenile correctional facilities	5	5	5	6	6
Environment and business regulation					
State park acreage	491,508	484,688	479,115	478,832	475,304
Protected natural area acreage	113,710	112,809	110,766	108,880	108,343

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



**Schedule 16**

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**Ended or as of June 30,**

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
14	14	17	17	18
4	4	4	4	4
15,989	15,994	16,000	16,018	16,057
7,770	7,770	7,734	7,726	7,708
25	25	27	27	27
6	6	8	8	10
469,870	474,813	473,761	473,500	470,649
106,741	104,815	99,866	96,255	93,662