

STATE OF ILLINOIS -

Interim Comprehensive Annual Financial Report Highlights

For the Fiscal Year Ended June 30, 2019

January 2020

The Illinois Office of Comptroller (IOC) is required by statute (15 ILCS 405/19.5) to publish the State of Illinois Comprehensive Annual Financial Report (CAFR) each December 31 for the fiscal year ended June 30. The CAFR is Illinois' official annual report which provides the readers with the State's financial position and results of operations during the fiscal year. The IOC is responsible for the compilation of the financial information, as well as the completeness of presentation of the report. The information is based on audited reports from state agency management; however, the audit process for certain state agencies was not able to be completed by the Illinois Auditor General by December 31. Until the Auditor General is able to complete the financial audits, the CAFR cannot be completed. Therefore, the IOC is exercising its statutory authority to issue an interim CAFR report. The information in the summary is subject to change.

Net Position

Net position is reported as the difference between the State's non-fiduciary assets plus deferred outflows of resources less liabilities and deferred inflows of resources. When examined over time, increases or decreases in net position measure whether the State's financial position is improving (increases) or getting worse (decreases). Illinois reported a negative net position of \$187.7 billion at June 30, 2019. This is a \$3.7 billion or a 2% decrease from last year's position of \$184.0 billion.

- **Assets:** The State's total assets were approximately \$53.0 billion on June 30, 2019, a decrease of \$857 million from June 30, 2018. Capital assets, which include items such as land, buildings, equipment, and infrastructure, were more than \$22.3 billion of the State's total assets. The State's total deferred outflows of resources were approximately \$19.0 billion on June 30, 2019, a decrease of \$963 million from June 30, 2018. A deferred outflow of resources is a consumption of net assets by the government that is applicable to a future reporting period. Pension and other post-employment benefits-related deferred outflows of resources totaled \$17.8 and \$1.2 billion, respectively.
- **Liabilities:** The State's total liabilities were approximately \$248.7 billion on June 30, 2019, an increase of \$603 million from June 30, 2018. The State's largest liability balances are the net pension liability of \$138.6 billion and the other post-employment benefits liability of \$54.5 billion. The State's total deferred inflows of resources were approximately \$11.1 billion on June 30, 2019, an increase of \$1.3 billion from June 30, 2018. A deferred inflow of resources is an acquisition of net assets by the government that is applicable to a future reporting period. Pension and other post-employment benefits-related deferred inflows of resources totaled \$4.3 and \$6.7 billion, respectively.

Statement of Net Position

as of June 30
(Amounts in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Assets						
Cash and cash equivalents	\$ 11,427	\$ 10,834	\$ 348	\$ 462	\$ 11,775	\$ 11,296
Deposits held by federal government	-	-	2,118	1,939	2,118	1,939
Receivables	6,613	6,955	606	604	7,219	7,559
Loans and notes receivable	51	56	4,759	4,421	4,810	4,477
Other current and non-current assets	3,703	4,909	1,039	1,177	4,742	6,086
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
Liabilities						
Accounts payable and accrued liabilities	9,665	9,696	213	274	9,878	9,970
Intergovernmental payables	4,215	4,582	6	10	4,221	4,592
Other liabilities	5,687	6,453	1,336	1,199	7,023	7,652
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)
Total net position	\$ (193,080)	\$ (189,069)	\$ 5,388	\$ 5,055	\$ (187,692)	\$ (184,014)

Statement of Changes in Net Position

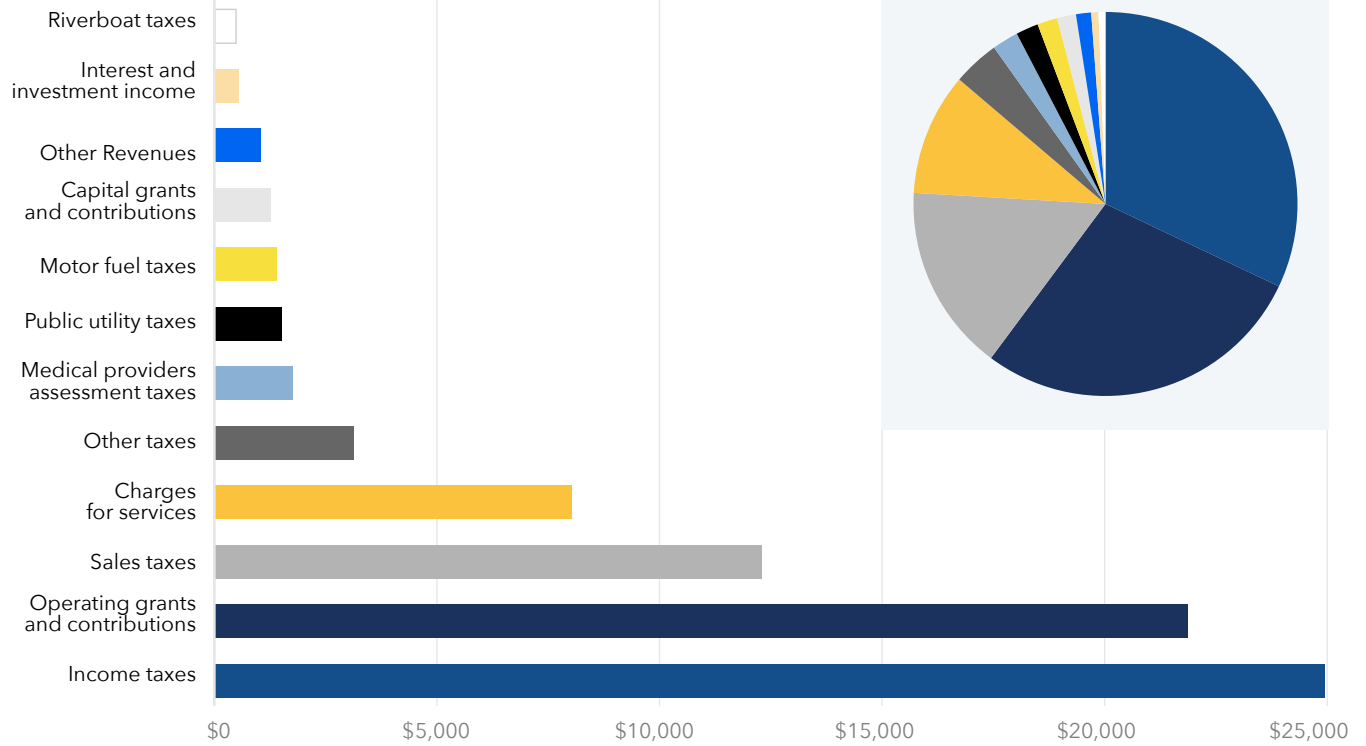
For Fiscal Year Ending June 30

(Amounts in millions)

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

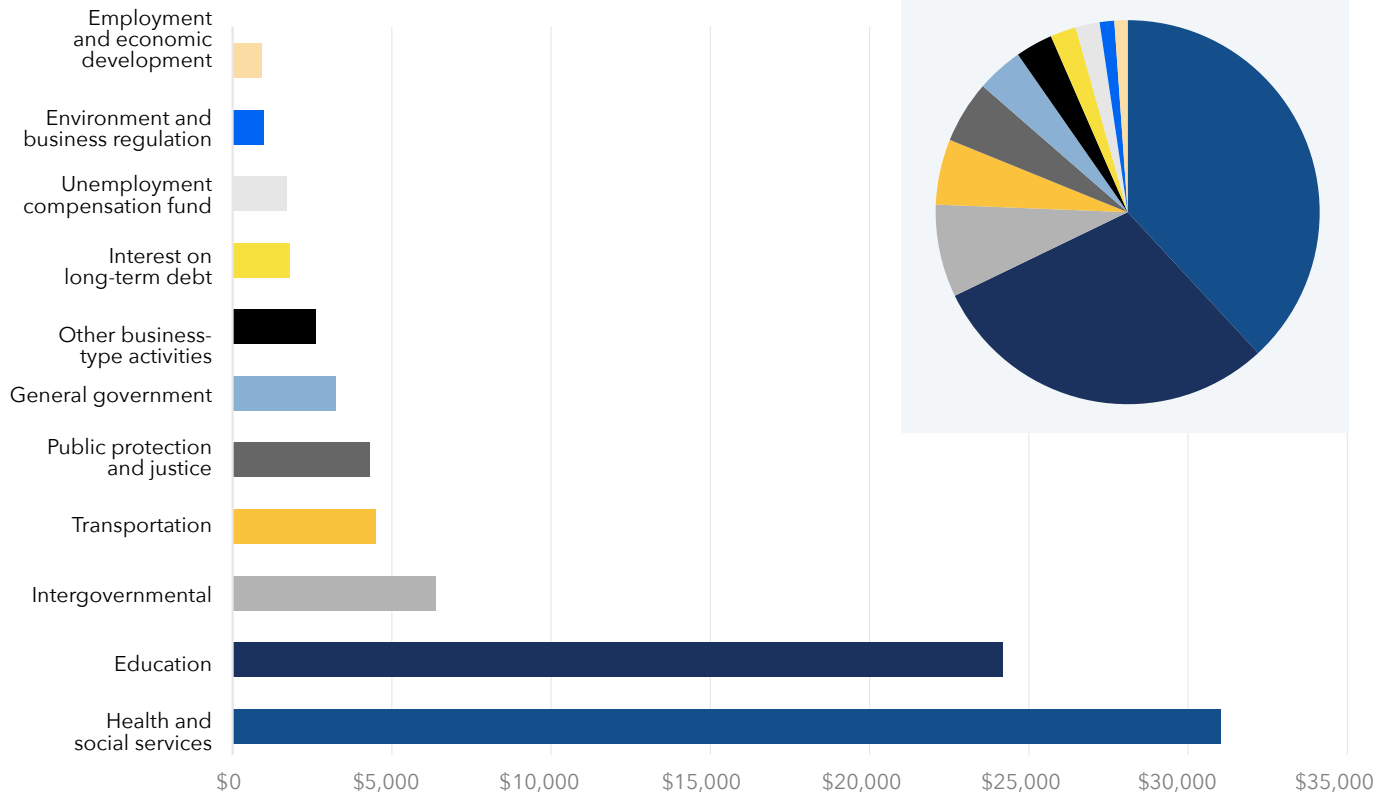
Revenues Fiscal Year 2019

(Amounts in millions)



Expenses Fiscal Year 2019

(Amounts in millions)



Long-Term Obligations

as of June 30

(Amounts in millions)

Primary Government	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 27,765	\$ 29,998	\$ -	\$ -	\$ 27,765	\$ 29,998
Special obligation bonds	2,327	2,304	-	-	2,327	2,304
Revenue bonds	873	967	143	167	1,016	1,134
Net pension liability	138,334	133,282	258	288	138,592	133,570
Other post-employment benefits liability	54,379	54,995	143	183	54,522	55,178
Other long-term obligations	2,038	2,284	1,290	1,387	3,328	3,671
	<u>\$ 225,716</u>	<u>\$ 223,830</u>	<u>\$ 1,834</u>	<u>\$ 2,025</u>	<u>\$ 227,550</u>	<u>\$ 225,855</u>

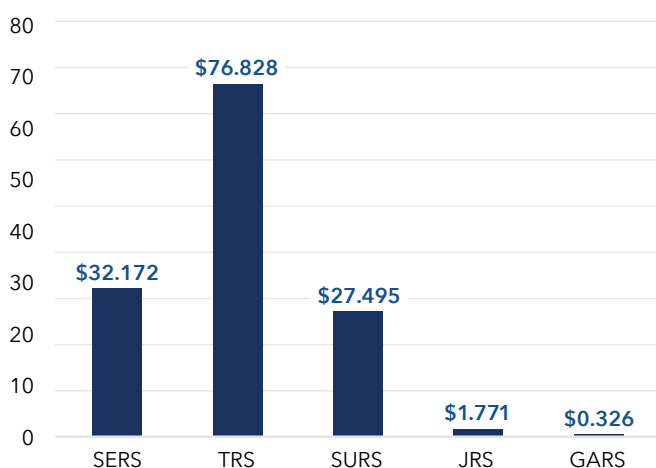
Pensions and other Post-Employment Benefits

The State sponsors five public employee retirement systems: State Employees' Retirement System (SERS), Teachers' Retirement System (TRS), State Universities Retirement System (SURS), Judges' Retirement System (JRS), and General Assembly Retirement System (GARS). The net pension liability recorded on June 30, 2019 was \$138.6 billion, which represents the State's proportionate share of the net pension liability related to the five pension trust funds, which excludes the net pension liability allocated to the State's component units under the SERS plan as well as employers under the TRS plan. Net pension liabilities increased \$5.0 billion or 3.8% over fiscal year 2018 liabilities.

The State Employees Group Insurance Program (SEGIP) provides other post-employment benefits (OPEB) to substantially all State and university retirees and their dependents. In addition, the Teachers' Retirement Insurance Program (TRIP) provides OPEB to certain members covered under the TRS pension while the College Insurance Program (CIP) provides OPEB to retired employees and their dependents of Illinois community college districts throughout the state, excluding Chicago. The OPEB liability on June 30, 2019 was \$54.5 billion, which represents the State's proportionate share of the OPEB liability related to the three OPEB plans. This is a decrease of \$656 million as compared to last fiscal year.

Net Pension Liability Year 2019

(Amounts in billions)



OPEB Year 2019

(Amounts in billions)

