



December 27, 1999

Honorable Members of the General Assembly:

Pursuant to the Fiscal Responsibility Report Card Act (35 ILCS 200/30-30 and 200/30-31) enclosed are a FY 98 summary analysis of Illinois local government finances and Fiscal Responsibility Report Cards for counties, municipalities, townships, and special purpose governments.

There are more than 8,800 units of local government in Illinois. During FY 98, more than 5,800 were required to submit an Annual Financial Report (AFR) to the Office of the Comptroller. State statutes mandate that each unit of local government required to file an AFR must do so within 180 days of the end of its fiscal year. These AFRs provide the financial data summarized and analyzed in this report.

The FY 98 Fiscal Responsibility Report Cards provide summary and individual data on revenues, expenditures, fund balances and debt for reporting units of government. More detailed financial information for each unit of government that filed an AFR with my office is available on the Comptroller's web site at www.ioc.state.il.us.

My office will continue to assist local governments in complying with their statutory reporting obligations and ensure that the information submitted is as accurate and efficiently processed as possible. I am committed to providing you and the taxpayers of Illinois with a comprehensive annual assessment of how local governments raise and spend money. I hope you find this information useful in future deliberation on issues that affect local governments.

Sincerely,

A handwritten signature in black ink that reads "Daniel W. Hynes". The signature is written in a cursive style.

Daniel W. Hynes
Comptroller

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Introduction

Pursuant to the Illinois Governmental Account Audit Act, Counties Code, Municipal Code, Township Code and Fire Protection District Act, the Comptroller collected financial information from more than 5,400 local governments representing more than 7,000 primary and component units of government for FY 98.¹ The Fiscal Responsibility Report Card Act² requires the Office of the Comptroller to provide a report to the General Assembly and County Clerks regarding the revenues and expenditures of local governments, excluding school districts. The enclosed Fiscal Responsibility Report Cards are being distributed to the General Assembly and County Clerks in fulfillment of this requirement.

For the first time since the enactment of the Fiscal Responsibility Report Card Act, the Office of the Comptroller is providing Report Cards for all types of local governments in accordance with the statutory deadlines. These Report Cards provide comparative data of similar units of government as well as summary analyses of total revenues, expenditures, fund balances and debt.

The Fiscal Responsibility Report Card Act was intended to provide the General Assembly, County Clerks and Illinois taxpayers a fiscal analysis of the annual revenues and expenditures for all units of local government. While the Act calls for an annual report detailing the financial activity of local governments, it also serves as a vehicle for assessing the fiscal health of Illinois local governments as well as holding local officials accountable for their financial decisions. All data collected by the Office of the Comptroller is available in a standardized format and made accessible to policy makers and the public, as called for in the Freedom of Information Act³ and the Public Records Act⁴. Upon submission of this report to the members of the General Assembly and County Clerks, it will be made available to the public.

As the Office of the Comptroller continues to develop procedures to improve the overall accuracy of local government financial reporting, the Fiscal Responsibility Report Card will become a more accurate gauge of the fiscal health of Illinois local governments. This year the Local Government Division implemented new editing procedures, which permitted more careful examination of financial data submitted for FY 98. As a result, we identified errors made by local governments in 15%, or one out of every six, Annual Financial Reports submitted.

We also observed that the accuracy in reporting deteriorated for those units of government with appropriations under \$200,000. As the Governmental Account Auditing Act⁵ describes, units of government with appropriations under \$200,000 are not required to submit an annual audit to the Office of the Comptroller, which contributes to decreased accuracy in financial reporting. This observation confirms that educational training for local officials to improve the accuracy in small government reporting is necessary. In addition, the large number of local governments in Illinois, high levels of turnover among local officials, diverse demographics and varied levels of financial support must be addressed to maintain accurate levels of reporting for local governments in Illinois.

To improve accuracy in financial reporting, the Local Government Division will be holding biannual training conferences to provide educational training on a variety of subjects. Training conferences will include: understanding and correctly filling out Annual Financial Reports, filing financial data electronically, understanding the Fiscal Responsibility Report Card and a variety of other local government topics.

¹For an explanation of primary and component units of government, see in "Methodology".

²35 ILCS 200/30 - 30 and 200/30/31.

³5 ILCS 140/3.

⁴15 ILCS 405/16.1.

⁵50 ILCS 310/1 through 310/9.

The Report Cards

Financial summaries contained on each Report Card are derived from the financial data reported on the FY 98 Annual Financial Reports submitted by local governments. All summaries and accompanying analyses are based on data received directly from local governments, and therefore, limited in their utility by the integrity of that data.

How To Read a Local Government Data Summary (see Appendix I) explains each field and category on the summary.

The Revenue and Expenditure Glossary should also be referenced when reviewing the summary descriptions and tables.

Financial Summary

ALL LOCAL GOVERNMENTS

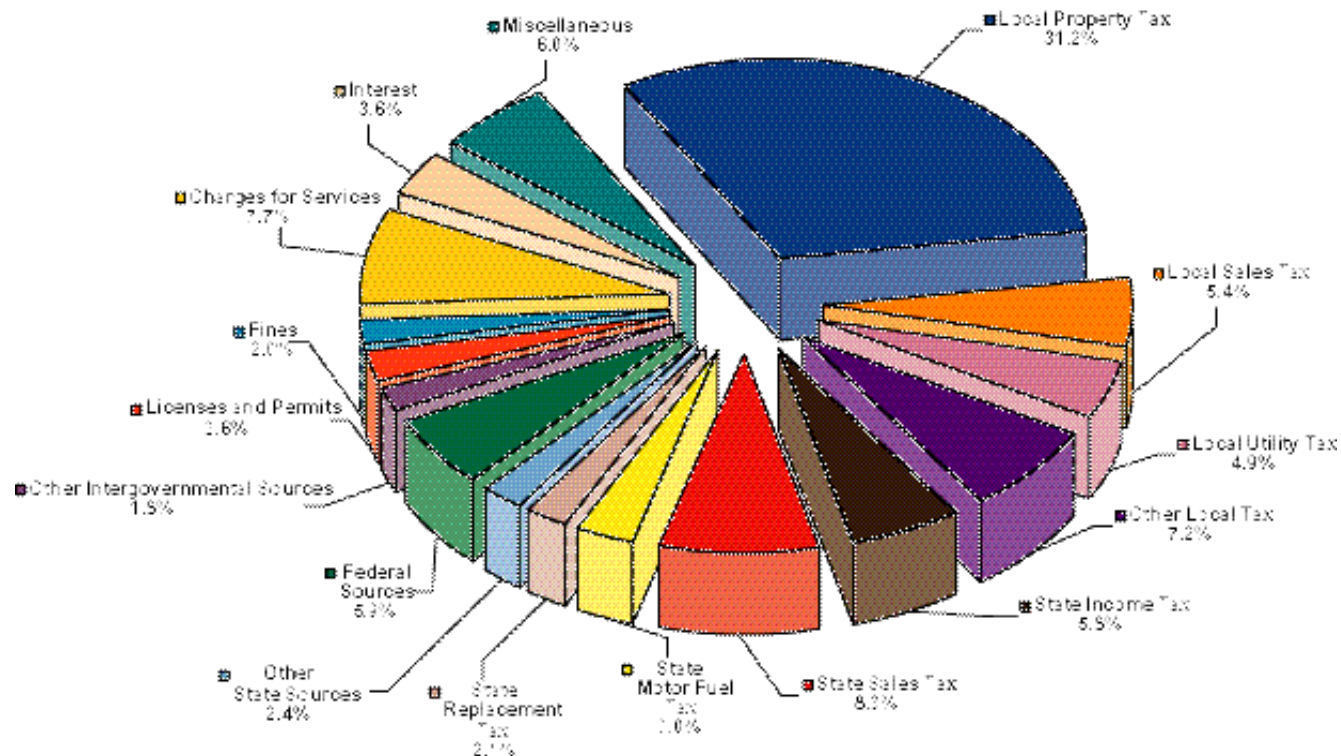
This report contains data for 5,235 local government units that have provided financial information to the Comptroller's Office. Overall, 94% of governments are in compliance with statutory financial reporting requirements. One year ago, comparatively, only 66% of governments were in compliance with FY 97 reporting requirements. The dramatic improvement in the rate of compliance is a result of the Comptroller's increased assistance to local governments and emphasis on the enforcement of reporting requirements.

Financial Report Cards for the governments that reported FY 98 data represent 97.2% of the total local government revenue collected.

GOVERNMENTAL REVENUES

During FY 98, \$14.4 billion in governmental revenues were collected from all units of government reporting to the Comptroller. Based on total revenues reported, Illinois taxpayers paid \$1,215 per person to support local government in FY 98. Property Taxes accounted for \$4.5 billion, or 31% of total revenues collected.

**Local Government
FY 98 Revenue By Source
All Units (including Cook County and the City of Chicago)**



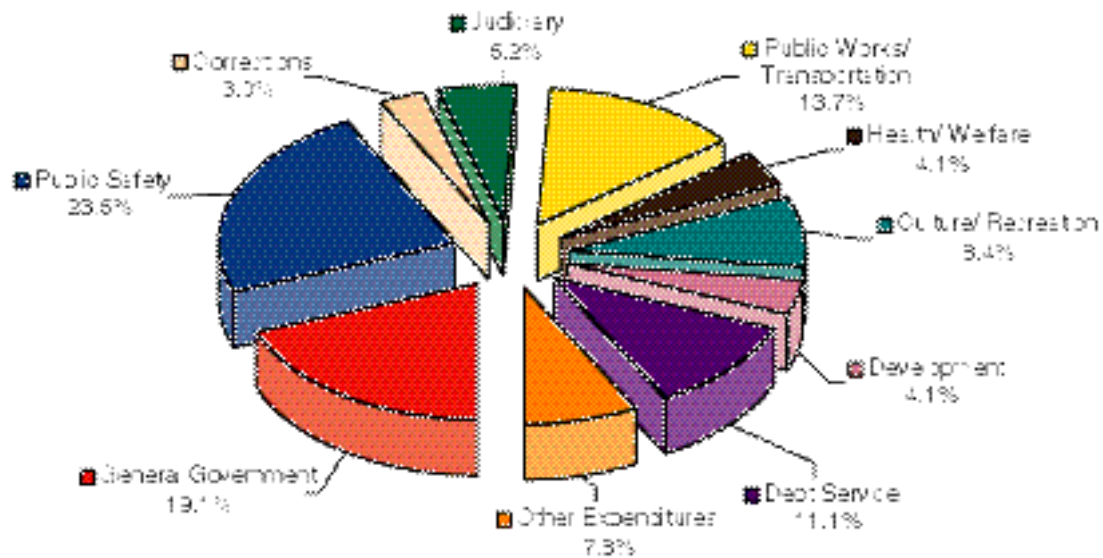
\$ = Thousands							
Local Property Tax	Local Sales Tax	Local Utility Tax	Other Local Tax	State Income Tax	State Sales Tax	State Motor Fuel Tax	State Replacement Tax
\$4,517,210	\$782,430	\$709,749	\$1,040,992	\$833,558	\$1,203,884	\$441,556	\$310,128

\$ = Thousands							
Other State Sources	Federal Sources	Other Inter-governmental Sources	Licenses and Permits	Fines	Charges for Services	Interest	Miscellaneous
\$345,408	\$858,109	\$260,428	\$377,973	\$289,274	\$1,114,607	\$525,298	\$875,182

GOVERNMENTAL EXPENDITURES

Local governments reported \$14 billion in governmental expenditures for FY 98. Statewide per capita expenditures were approximately \$1,179. The largest program expenditure was for Public Safety, which accounted for 23.5% of total expenditures.

**Local Government
FY 98 Expenditures By Function
All Units (including Cook County and the City of Chicago)**



\$ = Thousands									
General Government	Public Safety	Corrections	Judiciary	Public Works/Transportation	Health/Welfare	Culture/Recreation	Development	Debt Service	Other Expenditures
\$2,681,804	\$3,298,314	\$425,860	\$728,828	\$1,923,293	\$570,116	\$1,176,405	\$574,077	\$1,558,975	\$1,089,612

FY 98 GOVERNMENTAL FUND BALANCE

The sum of local government ending fund balances for FY 98, was \$9.4 billion, a \$698 million or 7.9% increase over the beginning year fund balance. The ratio of fund balance to expenditures for FY 98 was 68%, representing an eight-month reserve of funds. Upon closer examination of the ratio for less volatile general funds, the ratio of fund balance to expenditures is only 38%, or a three-month reserve. It is recommended that units of government primarily dependent on property tax have a three to six month reserve. This data reveals that most units of local government are collecting taxes and retaining fund balances in a healthy manner.

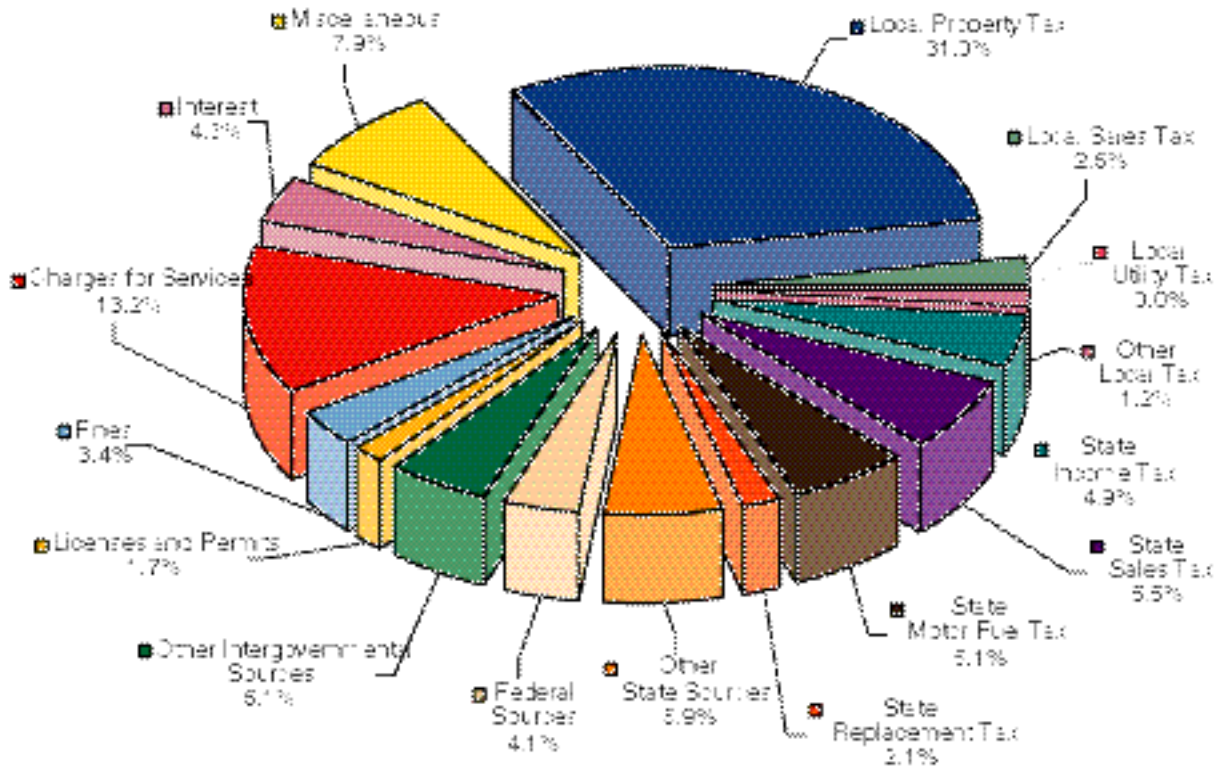
GOVERNMENTAL AND PROPRIETARY DEBT

Local Governments ended FY 98 with \$19.3 billion in debt, an increase of \$1.3 billion, or 7.5% over the FY 98 beginning year debt. This represents \$1,622 in debt for every Illinois resident.

Counties

County governments (excluding Cook County) reported revenues of \$2.1 billion in FY 98. The largest revenue source reported was Property Tax, accounting for \$671.3 million, or 31% of total revenues.

**Counties
All Units (excluding Cook)
FY 98 Revenue By Source**

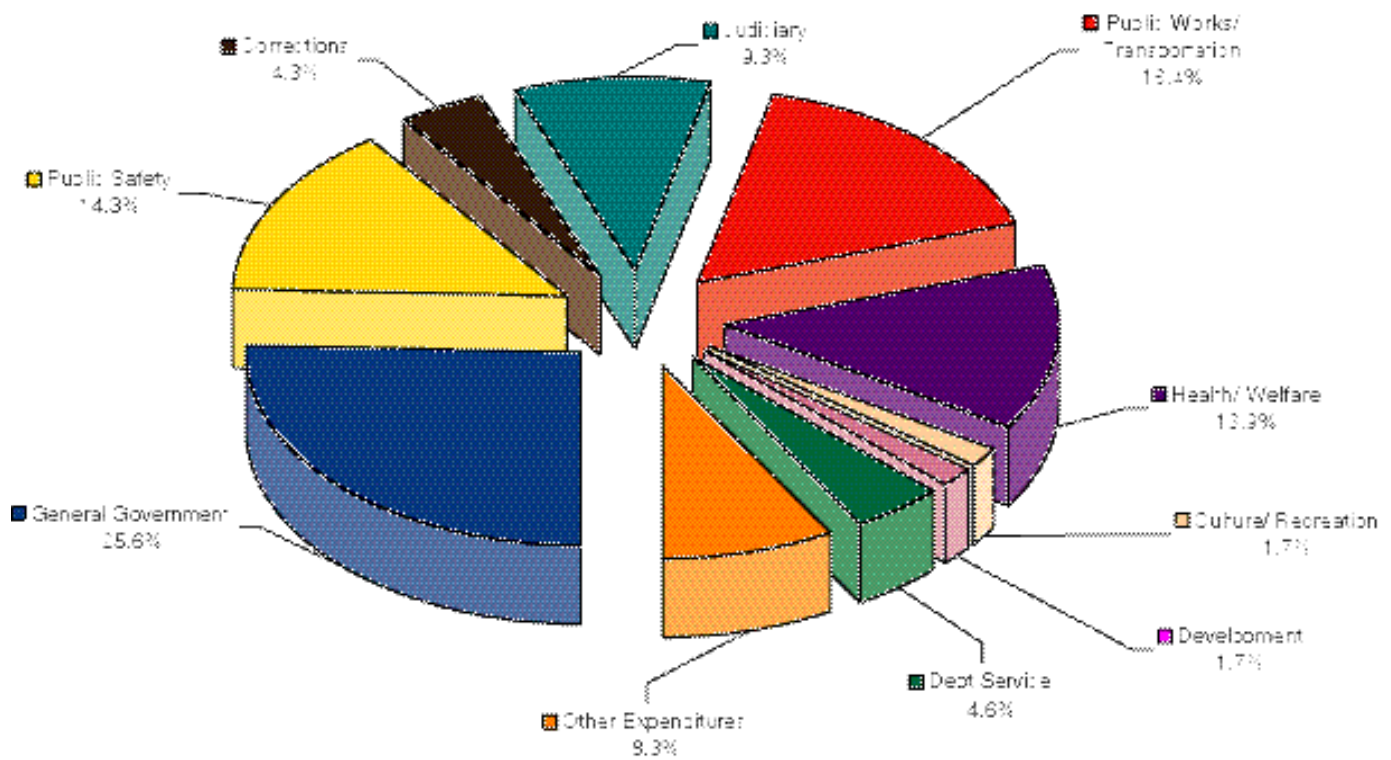


\$ = Thousands							
Local Property Tax	Local Sales Tax	Local Utility Tax	Other Local Tax	State Income Tax	State Sales Tax	State Motor Fuel Tax	State Replacement Tax
\$671,368	\$53,205	\$279	\$25,405	\$105,364	\$142,227	\$132,964	\$44,555

\$ = Thousands							
Other State Sources	Federal Sources	Other Intergovernmental Sources	Licenses and Permits	Fines	Charges for Services	Interest	Miscellaneous
\$128,724	\$89,551	\$111,361	\$37,880	\$73,442	\$285,743	\$93,877	\$172,014

County governments (excluding Cook County) reported program expenditures of \$2.1 billion. The largest program expenditure reported was General Government (administration), which accounted for \$540 million, or 25.6% of total expenditures.

**Counties
All Units (excluding Cook)
FY 98 Expenditures By Function**



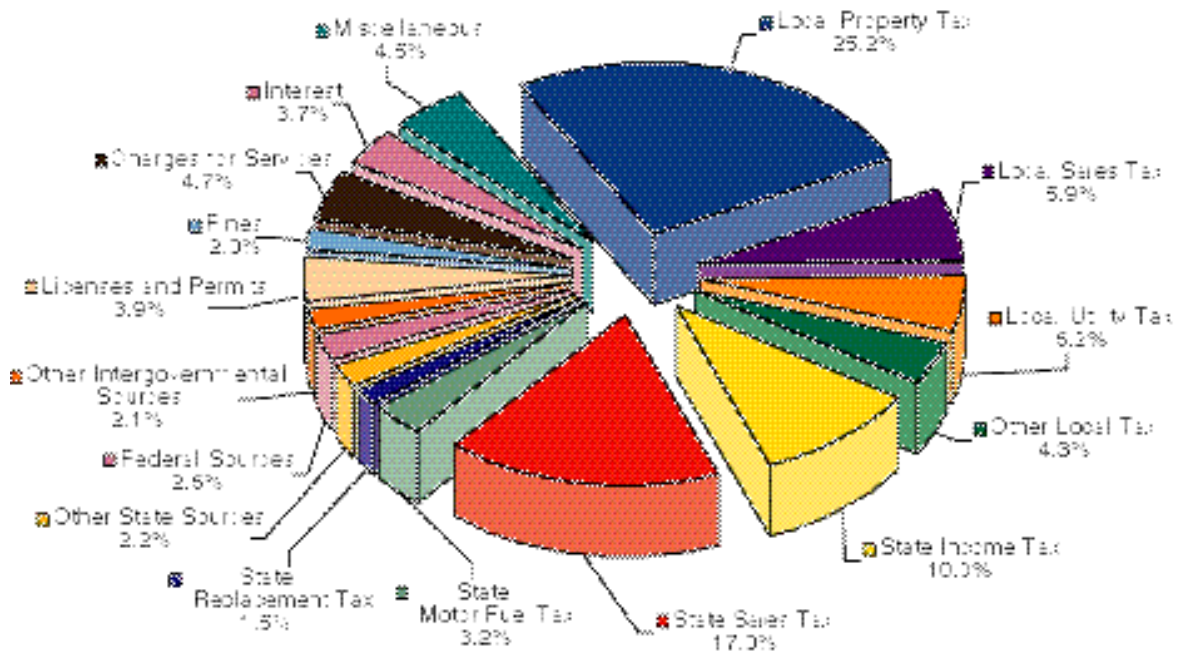
\$ = Thousands									
General Government	Public Safety	Corrections	Judiciary	Public Works/Transportation	Health/Welfare	Culture/Recreation	Development	Debt Service	Other Expenditures
\$540,462	\$301,087	\$90,991	\$196,282	\$345,281	\$292,741	\$36,129	\$35,407	\$96,335	\$174,939

Data Summaries (see Appendix I) have been produced for all county governments.

Municipalities

Municipal governments (excluding Chicago) reported revenues of \$4.8 billion in FY 98. The largest revenue source reported was Property Tax, accounting for \$1.2 billion, or 26.2% of total revenues. In FY 98, the second largest revenue reported was State Sales Tax, representing \$824 million, or 17% of total revenues collected.

**Municipalities
All Units (excluding Chicago)
FY 98 Revenue By Source**

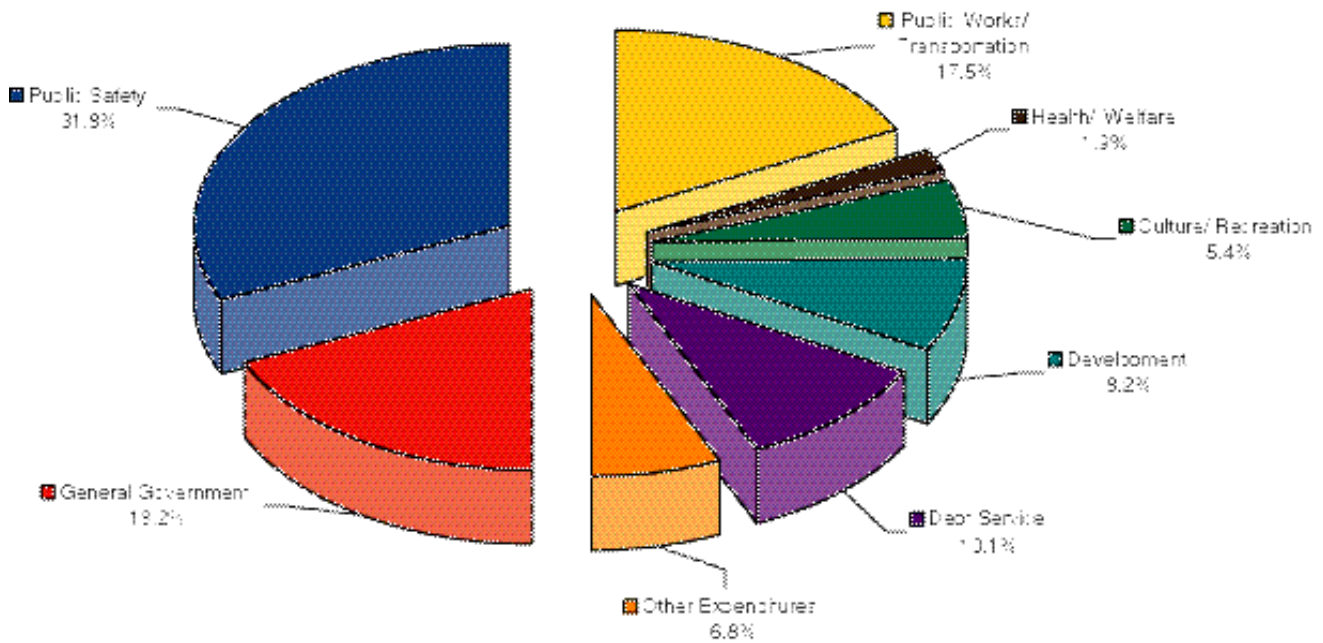


\$ = Thousands							
Local Property Tax	Local Sales Tax	Local Utility Tax	Other Local Tax	State Income Tax	State Sales Tax	State Motor Fuel Tax	State Replacement Tax
\$1,268,518	\$332,510	\$252,591	\$207,645	\$483,204	\$824,501	\$153,140	\$75,666

\$ = Thousands							
Other State Sources	Federal Sources	Other Intergovernmental Sources	Licenses and Permits	Fines	Charges for Services	Interest	Miscellaneous
\$104,827	\$120,268	\$102,719	\$188,930	\$97,999	\$229,685	\$181,383	\$224,760

Municipal governments (excluding Chicago) reported program expenditures of \$4.8 billion in FY 98. The largest program expenditure reported was Public Safety, which accounted for \$1.5 billion, or 31.8% of total expenditures. The next biggest program was General Government, which accounted for \$906 million or 18.2% of total expenditures.

**Municipalities
All Units (excluding Chicago)
FY 98 Expenditures By Function**



\$ = Thousands							
General Government	Public Safety	Public Works/Transportation	Health/Welfare	Culture/Recreation	Development	Debt Service	Other Expenditures
\$906,206	\$1,582,170	\$872,039	\$95,450	\$266,844	\$410,090	\$504,728	\$337,696

Townships and Road and Bridge Districts

Townships are administered under the Township Code (60 ILCS; 1-155). Presently, there are 1,432 townships in Illinois.

The two primary functions of townships are to provide General Assistance (GA) and maintain roads and bridges. GA programs assist needy individuals on a short-term basis until the Illinois Department of Public Aid intervenes or the individual becomes self-supporting. All but 35 Illinois townships have road and bridge districts. These districts are solely responsible for the construction and maintenance of roads and bridges within that specified area.

Any township with a population under 1,000 must be part of a Multi-Township Tax Assessing District (MTTAD). Currently, Illinois has 346 MTTADs, ranging from two to six townships within each tax-assessed district. Most townships provide property tax assessment services, regardless of size. In addition, the Personal Property Tax Replacement Fund (PPTR) and Motor Fuel Tax Fund (MFT) are two unique sources of state revenue townships receive.

Data Summaries have been produced for all Townships and Road and Bridge Districts that have appropriations over \$200,000.

FISCAL YEAR 98 DATASET

The following table contains summary data for 1,320 townships of the 1,432 that submitted an Annual Financial Report to the Office of the Comptroller for FY 98.

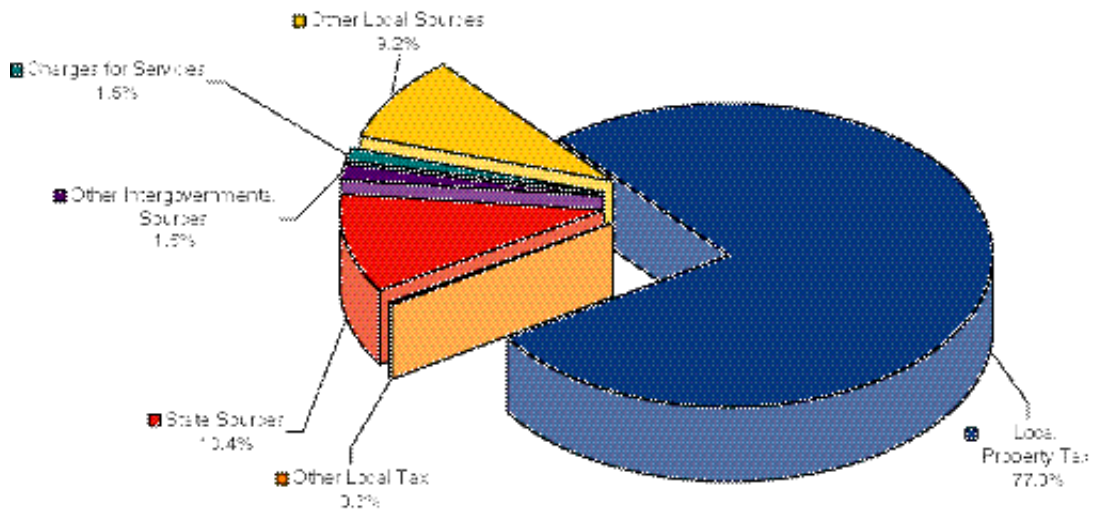
Of the 1,320 reporting townships, 587 had appropriations over \$200,000 and 733 had appropriations under \$200,00.

Fund Type	Amount
Total Governmental Revenues	\$411.4 million
Total Governmental Expenditures	\$375.8 million
FY 98 Governmental fund Balance	\$446.5 million
Governmental & Proprietary Debt	\$52.9 million

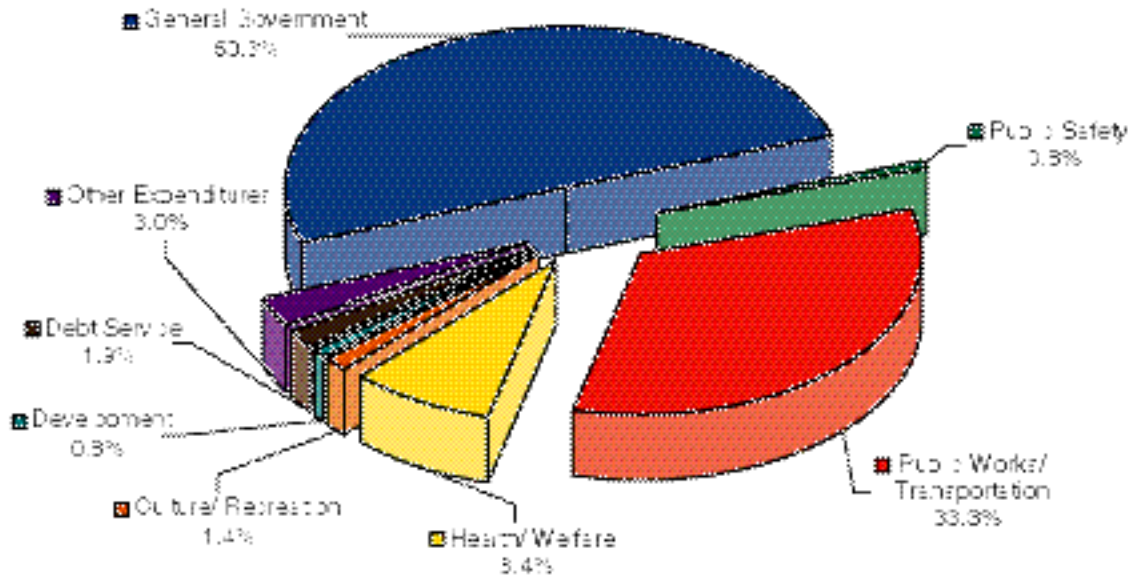
The following charts illustration total revenues and expenditures reported by townships.

\$ = Thousands					
Local Property Tax	Other Local Tax	State Sources	Other Intergovernmental Sources	Charges for Services	Other Local Sources
\$316,720	\$1,402	\$42,744	\$6,612	\$6,235	\$37,697

**Townships
All Units
FY 98 Revenue By Source**



**Townships
All Units
FY98 Expenditures By Function**



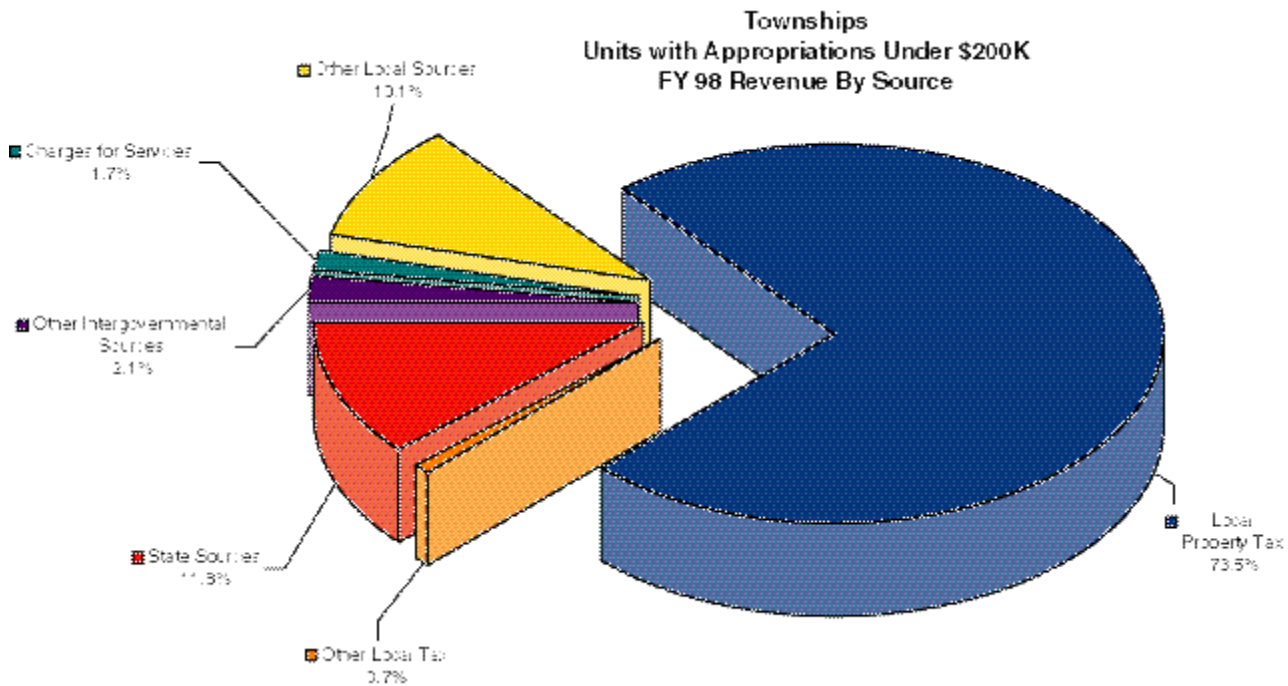
\$ = Thousands							
General Government	Public Safety	Public Works/Transportation	Health/Welfare	Culture/Recreation	Development	Debt Service	Other Expenditures
\$189,276	\$3,013	\$125,335	\$31,665	\$5,372	\$2,913	\$7,315	\$11,252

Small I Township Summary

(Units with appropriations under \$200,000)

TOTAL GOVERNMENTAL REVENUES

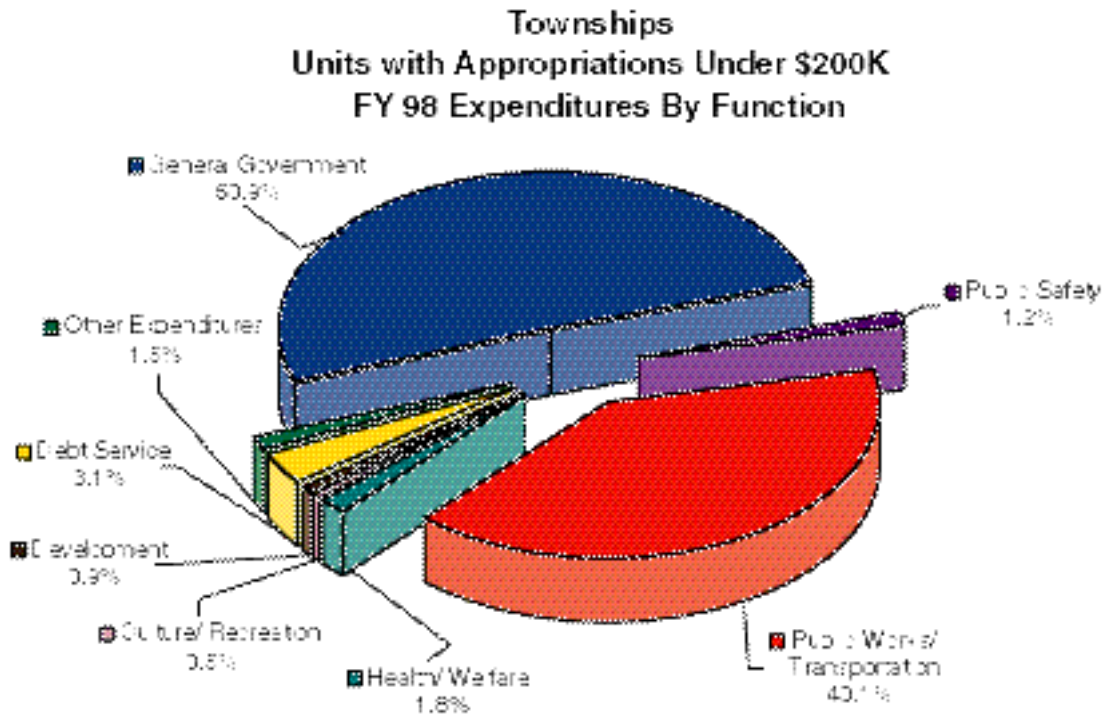
FY 98 revenues for townships with appropriations under \$200,000 totaled \$87.6 million. Property tax was the largest source of revenue, contributing \$64.5 million, or 73.6% of total revenue. Local taxpayers accounted for 86%, or \$75.4 million of total revenue generated. State Sources, which includes state income, motor fuel, state replacement tax and other state sources, accumulated \$10.3 million, or 11.8% of total revenue. This was the second largest source of revenue for townships within the under \$200,000 appropriation category. See the following chart for an illustration of total revenues reported by townships.



\$ = Thousands					
Local Property Tax	Other Local Tax	State Sources	Other Intergovernmental Sources	Charges for Services	Other Local Sources
\$64,566	\$591	\$10,333	\$1,879	\$1,494	\$8,813

TOTAL GOVERNMENTAL EXPENDITURES

FY 98 expenditures for townships with appropriations under \$200,000 totaled \$74.8 million. General Government was the largest source of spending with \$38.1 million or 50.9% of total expenditures. Townships have two primary functions: public works and public assistance. Public works accounted for 40.1%, or \$30 million of total expenditures. Health and welfare totaled \$1.3 million, or 1.8% of expenditures. See the following chart for an illustration of expenditures, reported by townships.



\$ = Thousands							
General Government	Public Safety	Public Works/Transportation	Health/Welfare	Culture/Recreation	Development	Debt Service	Other Expenditures
\$38,108	\$913	\$30,004	\$1,354	\$397	\$647	\$2,340	\$1,130

FY 98 GOVERNMENTAL FUND BALANCE

The FY 98 ending fund balance for townships with appropriations under \$200,000 was \$99.2 million, an increase of \$6.5 million, or 7.11% over the beginning fund balance.

GOVERNMENTAL & PROPRIETARY DEBT

Outstanding debt for townships with appropriations under \$200,000 at the end of FY 98 was \$3.6 million, an increase in debt of \$714,000, or 24.57% from the beginning of FY 98. Twenty-six townships, which had no debt in FY 97, incurred debt in FY 98. Although total debt increased significantly, the largest amount of debt held by a single government was \$325,000.

Fire Protection Districts

Fire protection districts were created in Illinois in 1927 under the Illinois Fire Protection District Act⁶. They were created to promote and protect the health, safety, welfare and convenience of the public. Fire protection districts promote fire prevention, protection, and control services for the people residing within its boundaries. In addition, the district may be called upon to assist with underwater recovery of drowning victims or provide ambulance services.

Fire protection districts may levy taxes and issue bonds. Districts are allowed a total debt limit of only 5.75% of their Equalized Assessed Valuation (EAV).

Data Summaries have been produced for all fire protection districts that have an appropriation over \$200,000.

FISCAL YEAR 98 DATASET

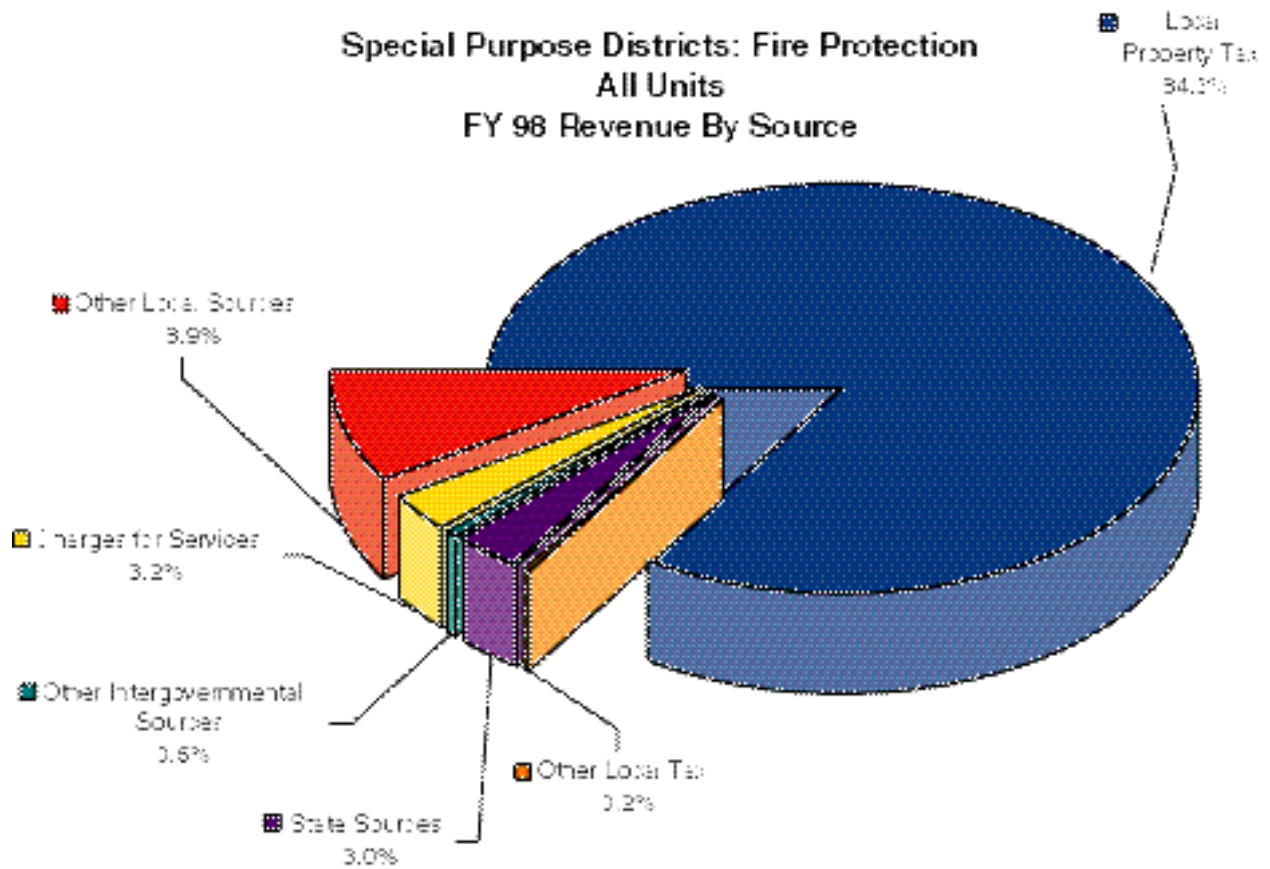
The following data analysis contains summary data for 732 fire protection districts of the 808 that submitted an Annual Financial Report to the Comptroller for FY 98.

Of the 732 reporting fire protection districts, 201 had an appropriation over \$200,000 and 534 had an appropriation under \$200,000.

Fund Type	Amount
Total Governmental Revenues	\$244.8 million
Total Governmental Expenditures	\$247.2 million
FY 98 Governmental fund Balance	\$168.6 million
Governmental & Proprietary Debt	\$107.5 million

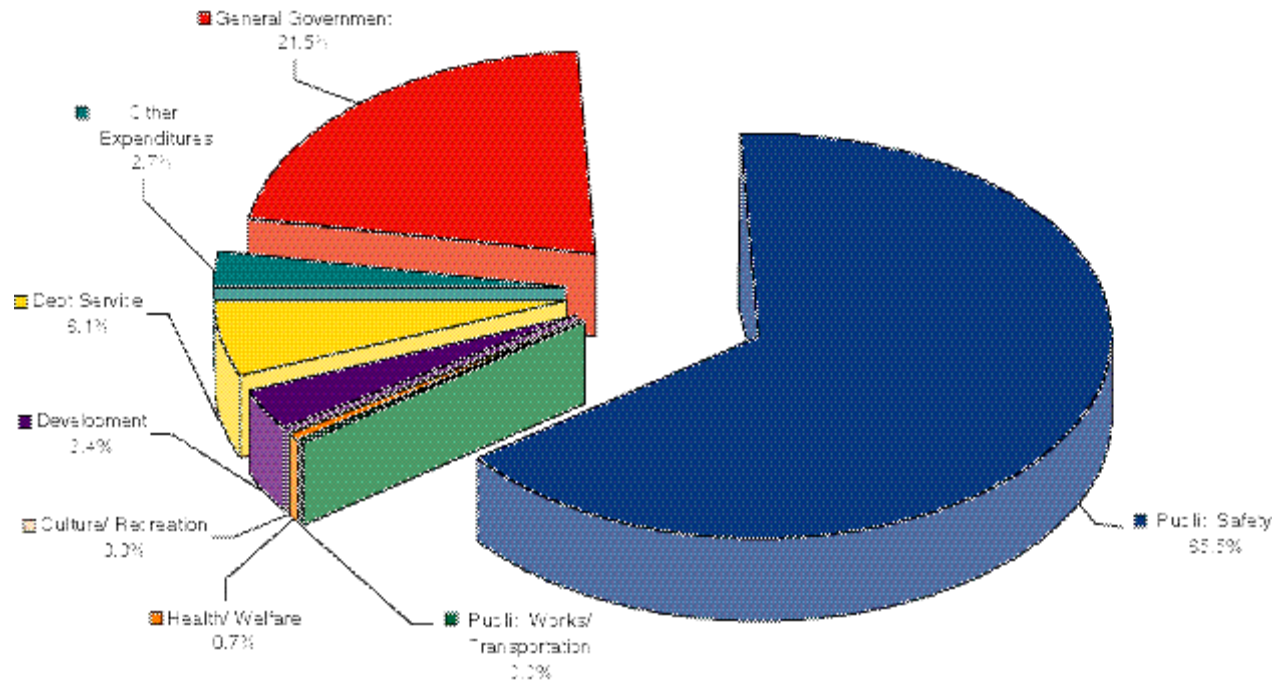
See the following charts for illustration of total revenues and expenditures reported by fire protection districts.

**Special Purpose Districts: Fire Protection
All Units
FY 98 Revenue By Source**



\$ = Thousands					
Local Property Tax	Other Local Tax	State Sources	Other Intergovernmental Sources	Charges for Services	Other Local Sources
\$206,368	\$486	\$7,357	\$1,116	\$7,848	\$21,676

**Special Purpose Districts: Fire Protection
All Units
FY 98 Expenditures By Function**



\$ = Thousands							
General Government	Public Safety	Public Works/ Transportation	Health/ Welfare	Culture/ Recreation	Development	Debt Service	Other Expenditures
\$53,215	\$162,067	\$77	\$1,821	\$2	\$8,448	\$15,045	\$6,610

Small Fire Protection District Summary

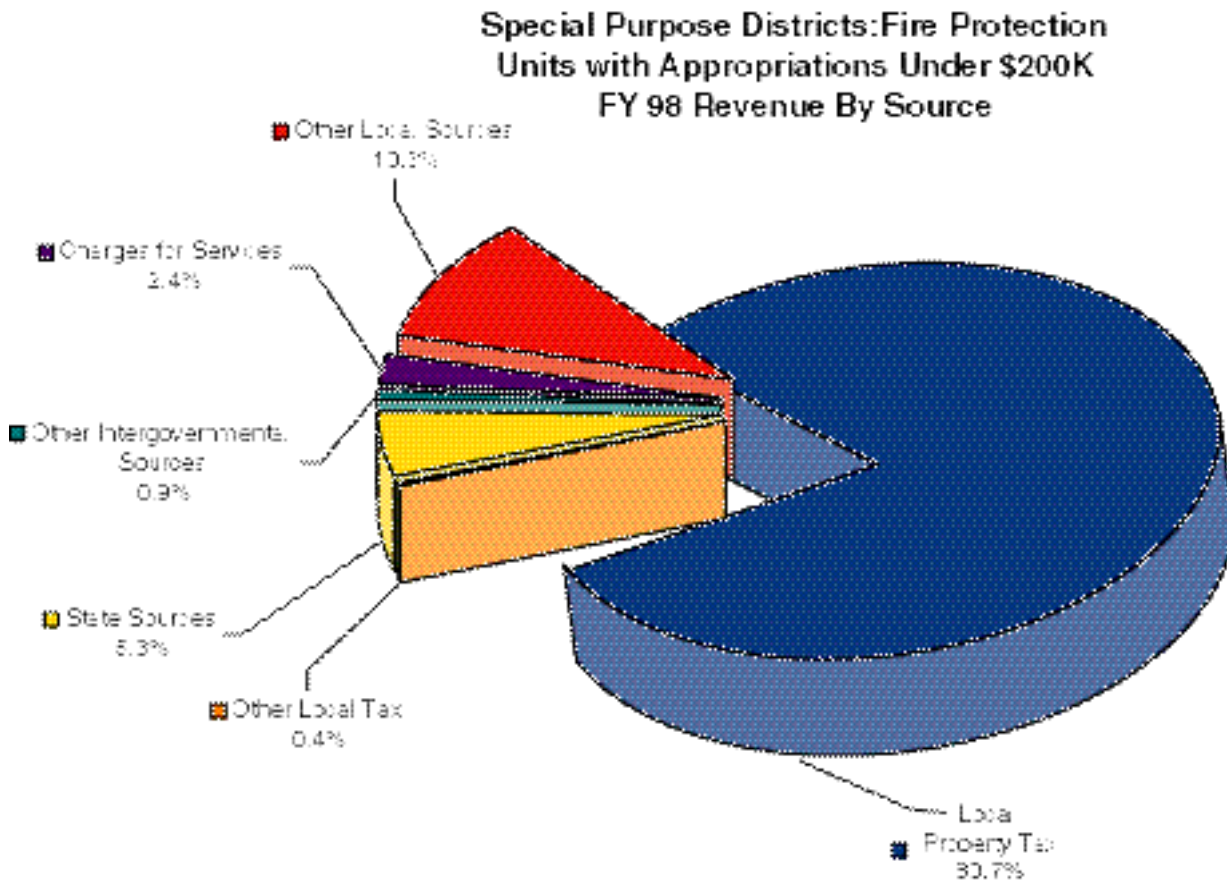
(Units with appropriations under \$200,000)

TOTAL GOVERNMENTAL REVENUES

FY 98 revenues for fire protection districts with appropriations under \$200,000 totaled \$41.5 million. Fire protection districts were heavily dependent on property tax and received minimal revenues from other sources. Revenues from local taxpayers comprised 94%, or \$37.8 million of total revenues. Of that, 80.7%, or \$33.5 million was generated from property taxes. The remaining 6% of total revenue came from state sources, primarily replacement taxes.

Fire protection districts are also dependent on revenues generated through charges for services, which include but are not limited to, ambulance and paramedic services.

See the following chart for an illustration of total revenues reported by fire protection districts.



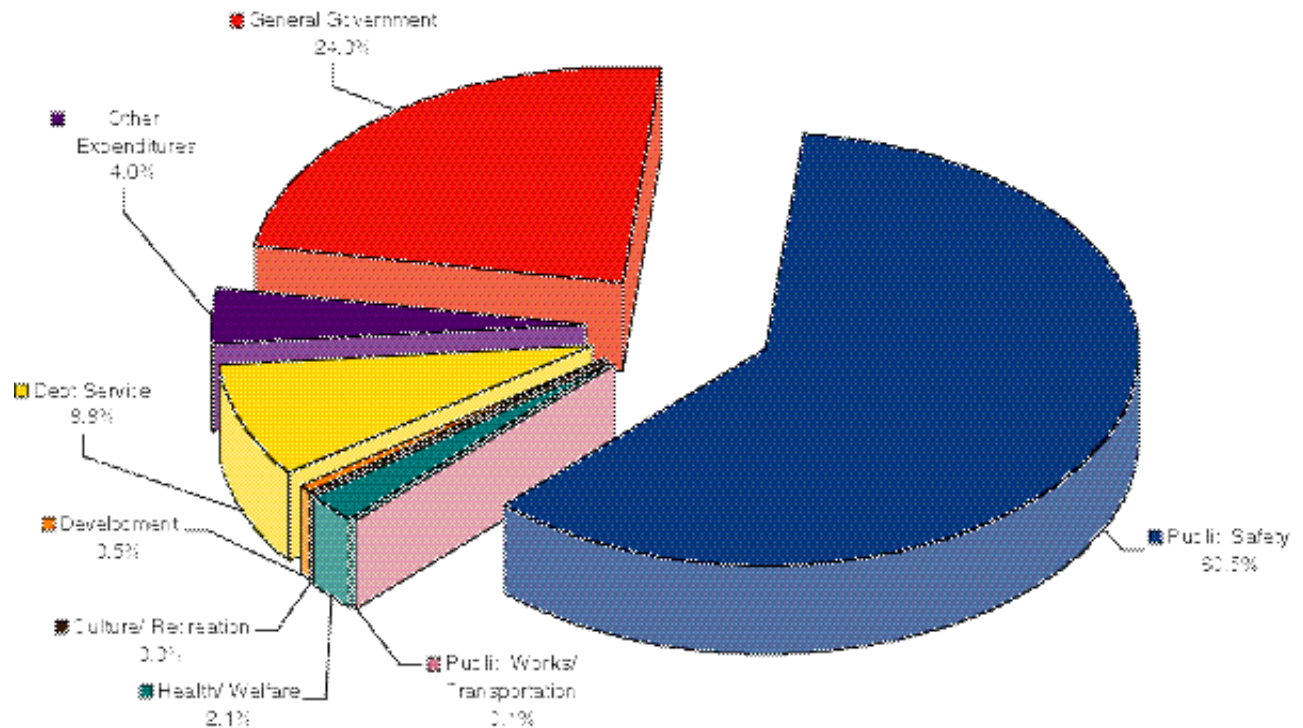
\$ = Thousands					
Local Property Tax	Other Local Tax	State Sources	Other Intergovernmental Sources	Charges for Services	Other Local Sources
\$33,543	\$162	\$2,193	\$371	\$984	\$4,286

TOTAL GOVERNMENTAL EXPENDITURES

FY 98 expenditures for fire protections districts with appropriations under \$200,000 totaled \$39.1 million. Public safety comprised 60% or \$23.6 million of total expenditures; \$9.3 million, or 24% was spent on General Government. Of the 533 fire protection districts with appropriations under \$200,000, fewer than 70, or only 13%, reported expenditures for more than one function.

See the following chart for an illustration of total expenditures reported by fire protections districts.

Special Purpose Districts: Fire Protection Units with Appropriations Under \$200K FY 98 Expenditures By Function



\$ = Thousands							
General Government	Public Safety	Public Works/Transportation	Health/Welfare	Culture/Recreation	Development	Debt Service	Other Expenditures
\$9,392	\$23,652	\$31	\$817	\$2	\$210	\$3,442	\$1,577

FY 98 GOVERNMENTAL FUND BALANCE

The FY 98 ending fund balance for fire protection districts with appropriations under \$200,000 was \$29.9 million, an increase of \$5 million, or 20% over the beginning fund balance.

Despite this large overall increase, 21 of 64 units that have negative fund balances are fire protection districts. A negative fund balance generally indicates fiscal stress. Many of these fire protection districts, however, have negative fund balances due to extremely high capital costs for fire trucks and other expensive equipment.

GOVERNMENTAL & PROPRIETARY DEBT

Outstanding debt for fire protection districts with appropriations under \$200,000 at the end of FY 98 was \$21.7 million, a decrease of \$1.8 million, or 7.8% from the beginning of FY 98.

Park Districts

Illinois park districts were designed to provide a wide range of recreational programs and facilities including: athletic fields, aquariums, elevated pleasure highways, golf courses, harbor facilities, historical museums and libraries, playgrounds, skating rinks, swimming pools, tennis courts and zoos.⁷

Park districts are organized in any territory with a population under 500,000. Stipulations apply to territories whose boundaries supersede municipal boundaries. Municipalities and townships that have authority to create legislative bodies may create park districts.

Data Summaries have been produced for all Park Districts that have an appropriation over \$200,000.

FISCAL YEAR 98 DATASET

The following data analysis contains summary data for 295 park districts of the 314 that submitted an Annual Financial Report to the Office of the Comptroller for FY 98.

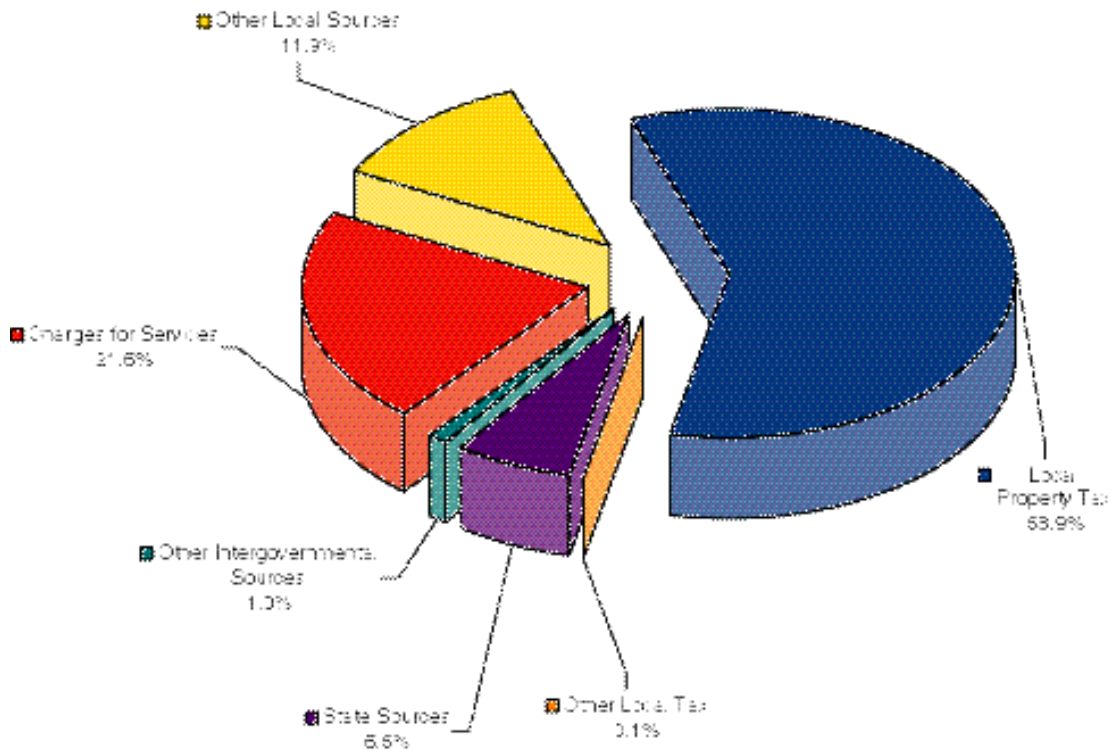
Of the 294 reporting park districts, 201 had an appropriation over \$200,000 and 93 had an appropriation under \$200,000.

Fund Type	Amount
Total Governmental Revenues	\$990 million
Total Governmental Expenditures	\$1.2 billion
FY 98 Governmental Fund Balance	\$789 million
Governmental & Proprietary Debt	\$1.4 billion

See the following charts for an illustration of total revenues and expenditures reported by park districts.

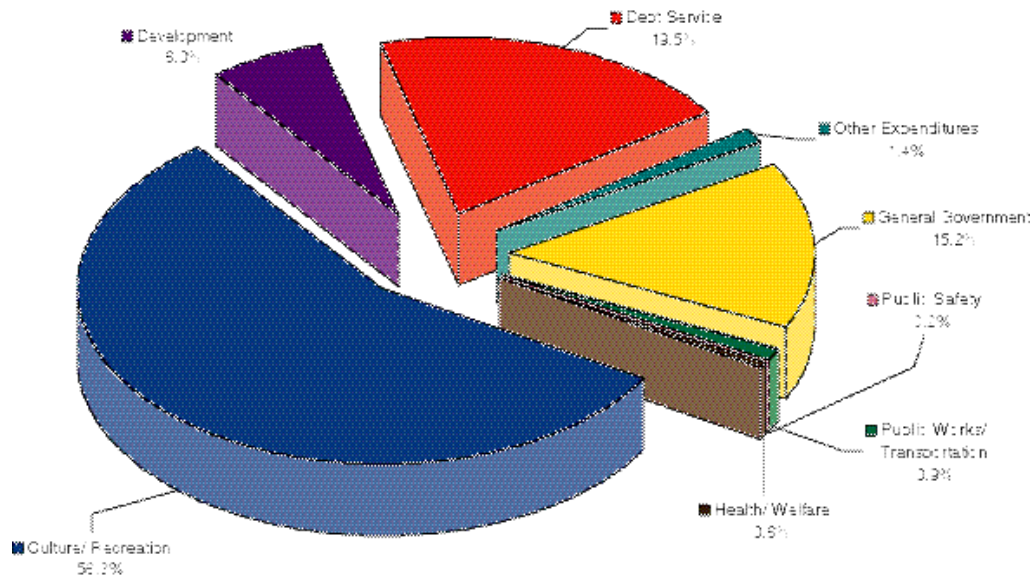
⁷As defined in the Park District Code, 70 ILCS 1205/8 through 11.1.

**Special Purpose Districts: Park
All Units
FY 98 Revenue By Source**



\$ = Thousands					
Local Property Tax	Other Local Tax	State Sources	Other Intergovernmental Sources	Charges for Services	Other Local Sources
\$583,048	\$1,164	\$64,702	\$10,178	\$213,661	\$117,520

**Special Purpose Districts: Park
All Units
FY 98 Expenditures By Function**



\$ = Thousands							
General Government	Public Safety	Public Works/ Transportation	Health/ Welfare	Culture/ Recreation	Development	Debt Service	Other Expenditures
\$181,412	\$2,762	\$11,264	\$6,807	\$673,481	\$71,731	\$233,287	\$16,514

Small Park District Summary

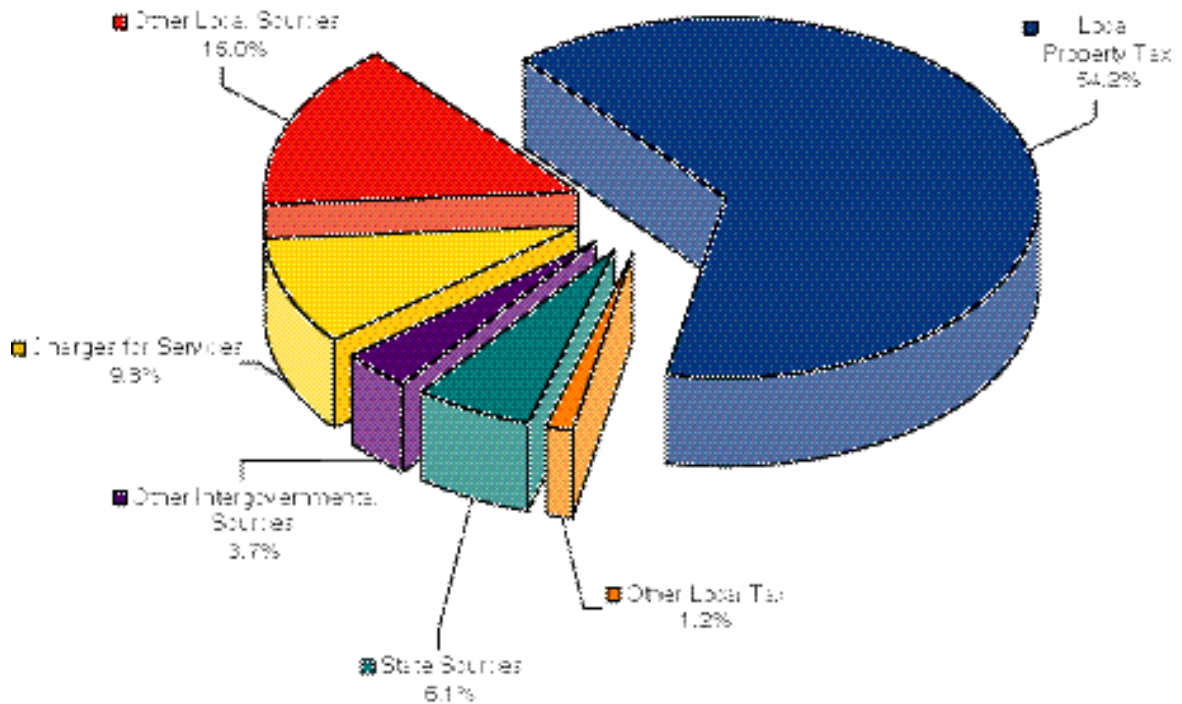
(Units with appropriations under \$200,000)

TOTAL GOVERNMENTAL REVENUES

FY 98 revenues for park districts with an appropriation under \$200,000 totaled \$7.5 million. Nearly 80% of park district revenues were collected from local sources. The majority of the revenues collected came from property taxes. Park Districts collected over \$4.8 million in property taxes during FY 98, accounting for 64% of total revenues. The second highest source of revenue was Other Local Sources, accounting for 15% of revenues collected. The \$1.1 million collected from other local sources included sales, utility, replacement, income, and replacement taxes.

See the following chart for an illustration of total revenues reported by park districts.

**Special Purpose Districts: Park
Units with Appropriations Under \$200K
FY 98 Revenue By Source**

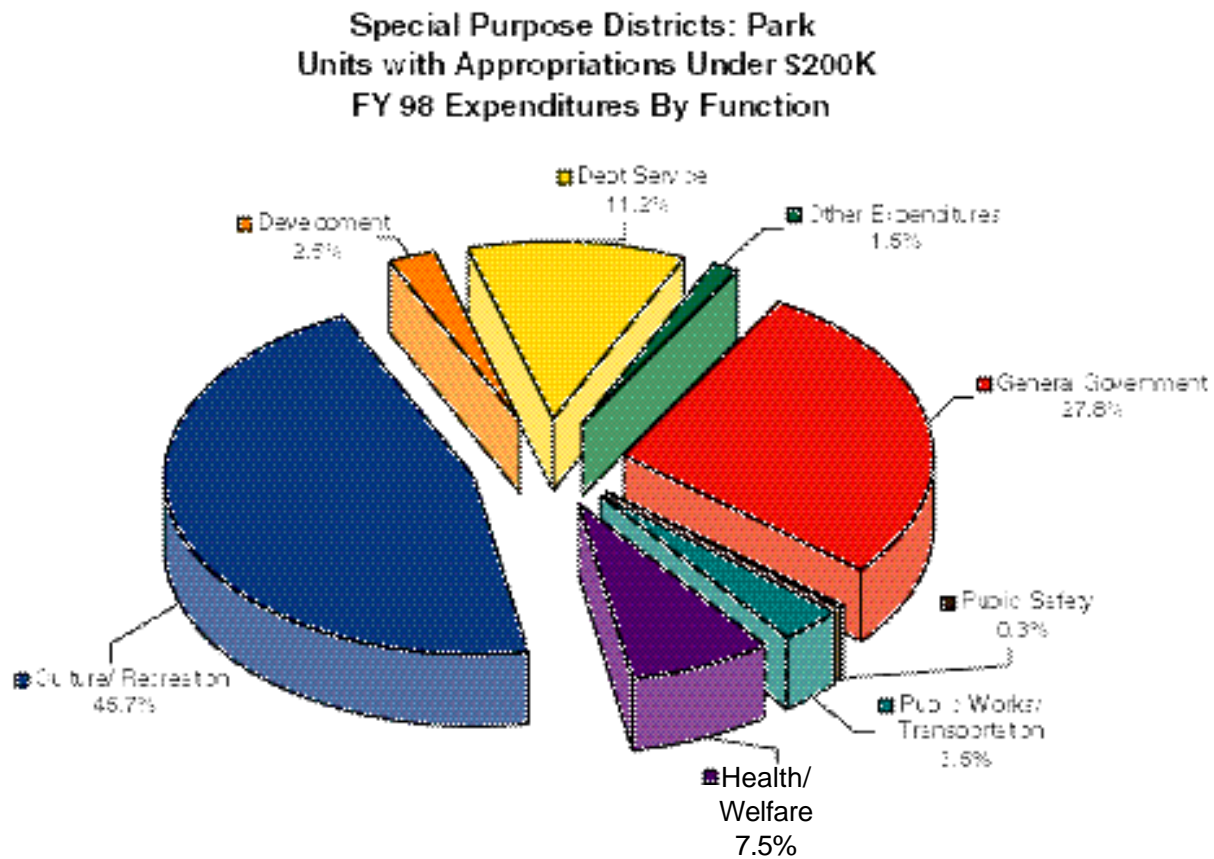


\$ = Thousands					
Local Property Tax	Other Local Tax	State Sources	Other Intergovernmental Sources	Charges for Services	Other Local Sources
\$4,822	\$92	\$461	\$276	\$733	\$1,126

TOTAL GOVERNMENTAL EXPENDITURES

During FY 98, park districts spent \$7.4 million. The largest area of programmatic spending was Culture and Recreation, accounting for 45.7% of park district expenditures. The \$3.3 million expended among culture and recreation includes activities maintained for the benefit of residents and visitors of park districts. More than \$2 million went to general government or expenses for the legislative branch of government. Debt Service accounted for 11% of park district expenditures.

See the following chart for an illustration of expenditures reported by park districts.



\$ = Thousands							
General Government	Public Safety	Public Works/Transportation	Health/Welfare	Culture/Recreation	Development	Debt Service	Other Expenditures
\$2,067	\$21	\$257	\$556	\$3,398	\$192	\$835	\$111

TOTAL GOVERNMENTAL FUND BALANCE

At the end of FY 98, park districts reported an ending fund balance of \$6.7 million, a 5.3% increase from the fund balance reported at the beginning of the year.

GOVERNMENTAL & PROPRIETARY DEBT

FY 98 ended with park districts reporting \$2.5 million in governmental and proprietary debt. Total park district debt increased more than 9% during FY 98.

Public Library Districts

Public libraries were created to provide general education in public institutions throughout the state of Illinois. Library districts can be created if 100 or more of the voters in an area without a local library petition the circuit court of the county, or if 100 voters within a municipality, township or county petition to cause a popular vote by the residents of the named area.

A seven-member board of trustees governs each public library district. Trustees are elected unless a referendum is passed, allowing for their appointment by the presiding county officer.

Public library districts have the power of eminent domain and the authority to levy taxes and issue bonds. Taxes may be levied for the establishment, maintenance, and support of a public library within its district, or for the purpose of contracting library services.

A substantial number of library districts are components of municipal, county, or township governments. The financial data for component library districts is included in the Annual Financial Report submitted to the Comptroller by the primary unit of government. Statutory and general accounting standards greatly affect the total number of reporting libraries.

Data Summaries have been produced for all Library Districts that have an appropriation over \$200,000.

FISCAL YEAR 98 DATASET

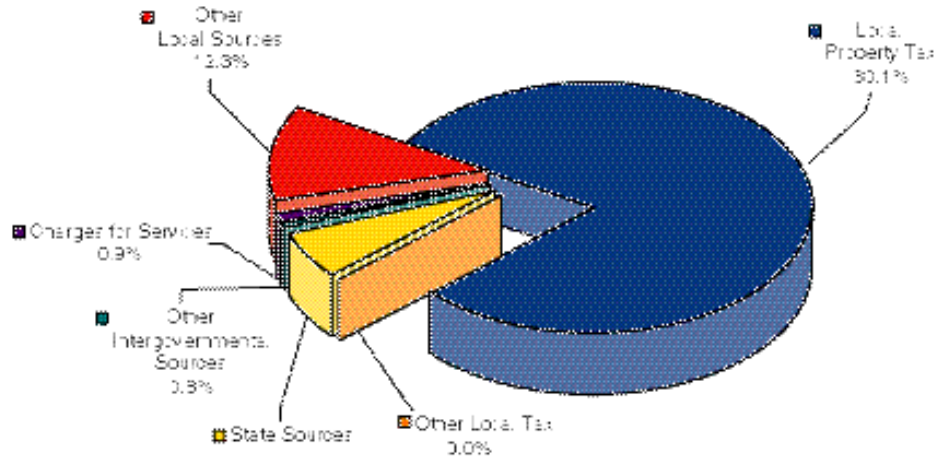
The following analysis contains summary data for 284 public library districts of the 293 that submitted an FY 98 Annual Financial Report to the Comptroller.

Of the 284 reporting public library districts, 142 had an appropriation over \$200,000 and 142 had an appropriation under \$200,000.

Fund Type	Amount
Total Governmental Revenues	\$174.9 million
Total Governmental Expenditures	\$198.7 million
FY 98 Governmental fund Balance	\$151.7 million
Governmental & Proprietary Debt	\$155.0 million

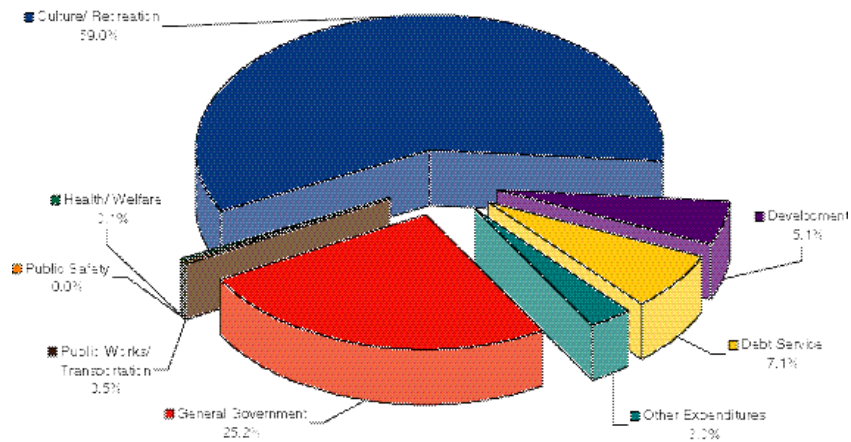
See following charts for illustration of total revenues and expenditures reported by public library districts.

**Special Purpose Districts: Library
All Units
FY 98 Revenue By Source**



\$ = Thousands					
Local Property Tax	Other Local Tax	State Sources	Other Intergovernmental Sources	Charges for Services	Other Local Sources
\$140,133	\$3	\$10,326	\$1,366	\$1,516	\$21,572

**Special Purpose Districts: Library
All Units
FY 98 Expenditures By Function**



\$ = Thousands							
General Government	Public Safety	Public Works/Transportation	Health/Welfare	Culture/Recreation	Development	Debt Service	Other Expenditures
\$50,055	\$0	\$997	\$229	\$117,219	\$10,097	\$14,098	\$6,037

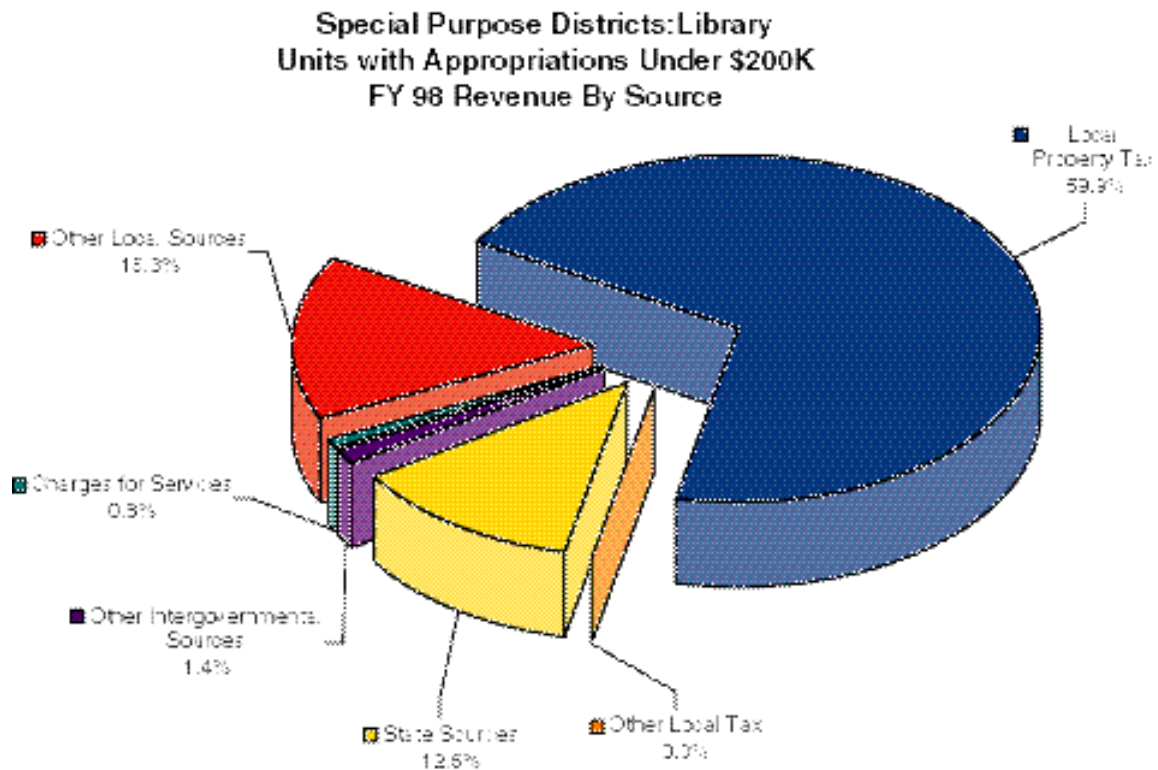
Small Public Library District Summary

(Units with appropriations under \$200,000)

TOTAL GOVERNMENTAL REVENUES

The total revenue for public library districts, with appropriations under \$200,000 in FY 98, was \$14.2 million. \$9.9 million or 69.9% of the total revenues collected by public library districts came from property taxes. Other local sources, including licenses, permits, fines, interest, and miscellaneous, comprised 15.3%, or \$2.2 million of governmental revenues collected. State Sources, totaling more than \$1.7 million of total revenues, also served as a significant source of public library revenues.

See the following chart for an illustration of total revenues reported by library districts.

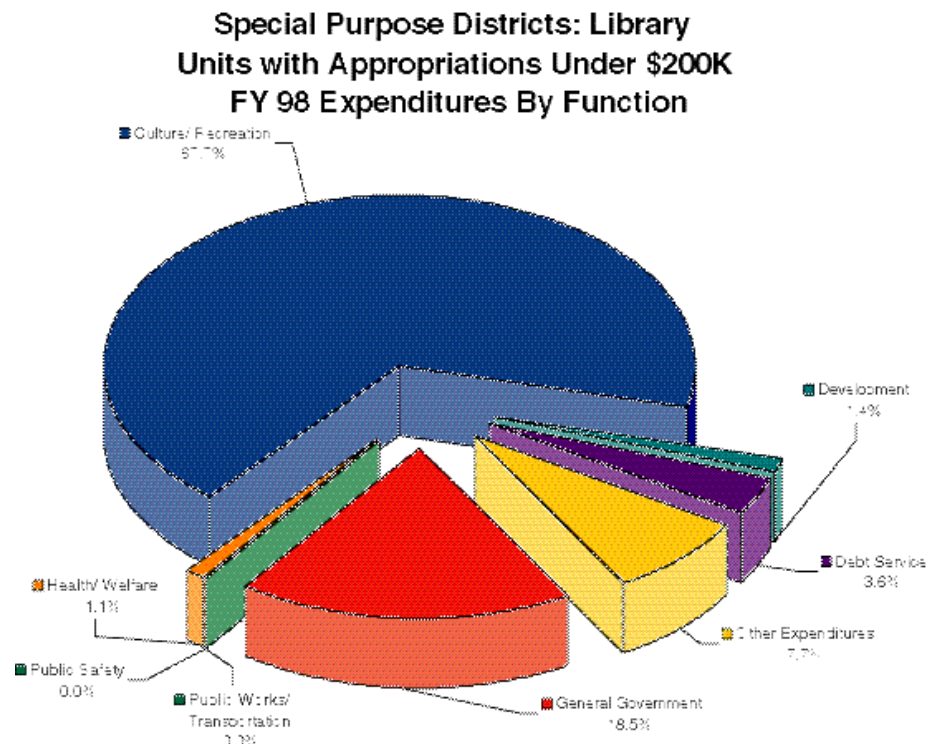


\$ = Thousands					
Local Property Tax	Other Local Tax	State Sources	Other Intergovernmental Sources	Charges for Services	Other Local Sources
\$9,973	\$3	\$1,782	\$204	\$109	\$2,189

TOTAL GOVERNMENTAL EXPENDITURES

The total expenditures for public library districts with appropriations under \$200,000 in FY 98 was \$13.2 million. The largest function of expenditures included Culture and Recreation, which accounted for 67.7% of expenditures, totaling \$8.9 million. General Government expenditures totaled \$2.4 million or 18.5% for administrative maintenance and library support services. Of the 143 libraries with appropriations under \$200,000, only 6% reported expenditure amounts for more than one function.

See the following chart for an illustration of total expenditures reported by library districts.



\$ = Thousands							
General Government	Public Safety	Public Works/Transportation	Health/Welfare	Culture/Recreation	Development	Debt Service	Other Expenditures
\$2,441	\$0	\$0	\$148	\$8,955	\$183	\$481	\$1,019

TOTAL GOVERNMENTAL FUND BALANCE

The FY 98 ending fund balance for public library districts with appropriations under \$200,000 was \$10.3 million, an increase of 5.6% from the beginning fund balance. This represents a healthy growth in fund balance for FY 98.

GOVERNMENTAL & PROPRIETARY DEBT

Outstanding debt for public library districts with appropriations under \$200,000 at the end of FY 98 was \$2.1 million, a slight decrease of less than 1% from the beginning of FY 98.

Special Purpose Districts

Illinois has more units of local government and special purpose districts than any other state. The Comptroller’s Local Government Database contains 3,655 special purpose districts. The wide range of definitions relating to special purpose governments causes some difficulty in obtaining an accurate account of the number of units within the state of Illinois.

Currently, special purpose districts serve a variety of functions for the public. These units of government differ from municipalities, townships, and counties because they provide a single service or group of specific services. They are often created to provide services which municipalities, townships and counties are unable to provide due to financial constraints. Conservation, public health, mass transit, and forest protection are several of the special purpose districts in the Local Government Database.

Special purpose districts are the most unreliable types of government for financial reporting and administrative recording. Many units have annual appropriations of less than \$200,000, resulting in decreased levels of accuracy in financial reporting. Factors such as obtaining the correct number of districts, names of government officials and financial data make efficient collection and analyses of such special purpose districts challenging.

Several larger special purpose governments have been analyzed separate from this report, including fire protection, public library, and park districts. In addition, the Fiscal Responsibility Report Card will not address more than 800 drainage districts due to specific language in the Fiscal Responsibility Report Card Act that requires Report Cards for units of government that collect property tax. Drainage districts receive their revenues from assessments instead of a levy on property. This summary provides information on the remaining 740 special purpose governments.

Data Summaries have been produced for all special purpose districts that have an appropriation over \$200,00.

Description	Total # of Units	# in Summary
Airport Authority	28	28
Cemetery District	20	18
Conservation District	5	5
Exposition and Auditorium	2	2
Forest Preserve District	12	11
Home Equity Program	3	3
Hospital District	23	20
Mass Transit District	10	9
Mosquito Abatement District	17	16
Multi-Township Assessment District	340	293
Port District	7	6
Public Health District	6	4
Rescue Squad District	2	2
River Conservancy District	13	13
Soil and water Conservation	98	98
Special Recreation	1	1
Street Lighting District	23	20
Surface Water District	2	2
T.B. Sanitarium District	2	1
Water Authority District	38	37
Total	740	589

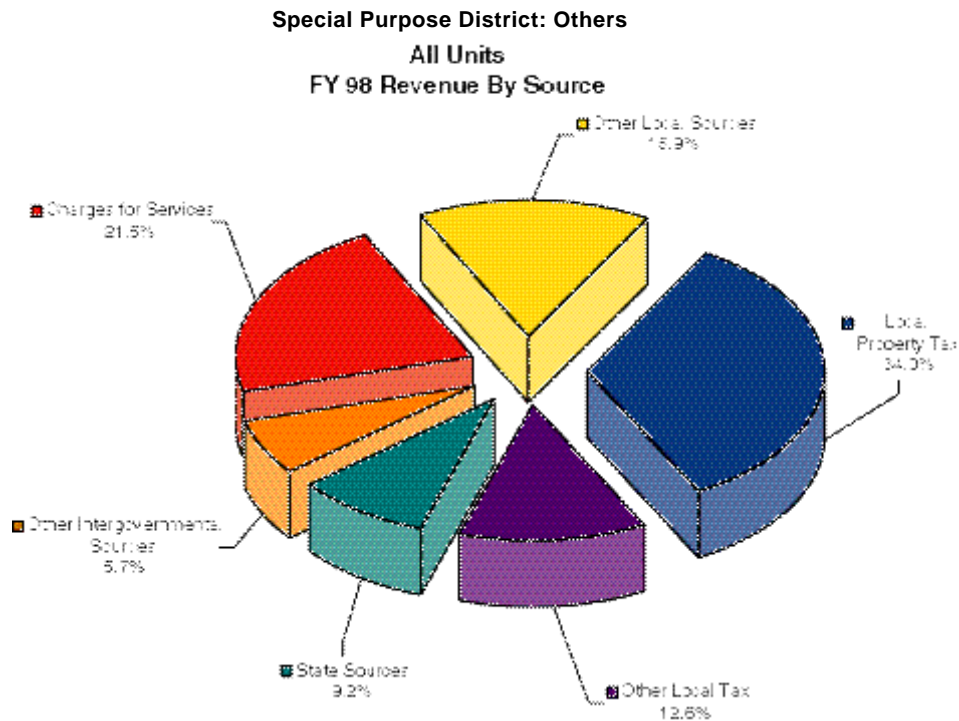
FISCAL YEAR 98 DATASET

The following data analysis contains summary data for 589 special purpose districts of the 740 that submitted an Annual Financial Report to the Comptroller for FY 98.

Of the 589 reporting special purpose districts, 147 had an appropriation over \$200,000 and 577 had an appropriation under \$200,000.

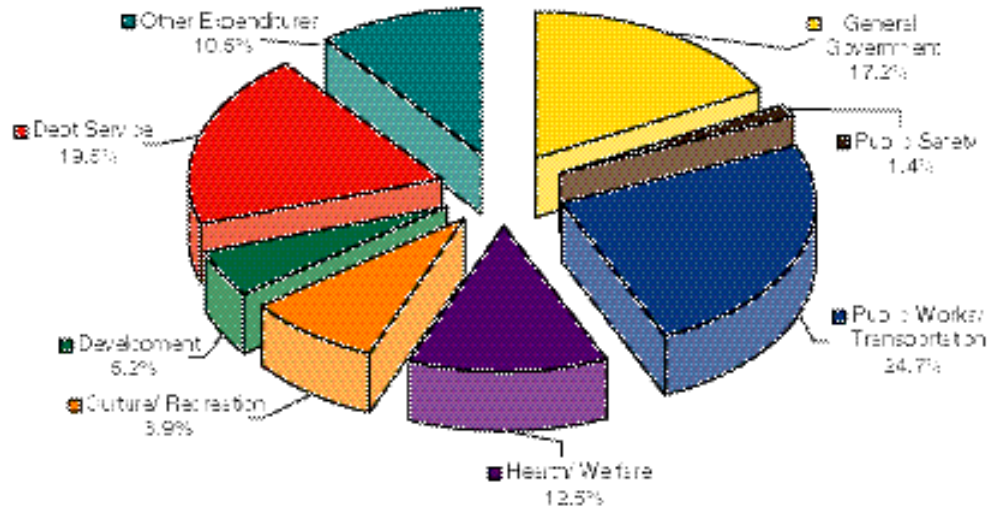
Fund Type	Amount
Total Governmental Revenues	\$393 million
Total Governmental Expenditures	\$360 million
FY 98 Governmental fund Balance	\$636 million
Governmental & Proprietary Debt	\$1.4 billion

See the following charts for illustration of total revenues and expenditures reported by special purpose districts.



\$ = Thousands					
Local Property Tax	Other Local Tax	State Sources	Other Intergovernmental Sources	Charges for Services	Other Local Sources
\$133,846	\$49,671	\$36,014	\$26,290	\$84,997	\$62,540

**Special Purpose Districts: Others
All Units
FY 98 Expenditures By Function**



\$ = Thousands							
General Government	Public Safety	Public Works/Transportation	Health/Welfare	Culture/Recreation	Development	Debt Service	Other Expenditures
\$62,083	\$5,201	\$89,082	\$45,504	\$31,927	\$18,609	\$70,432	\$37,764

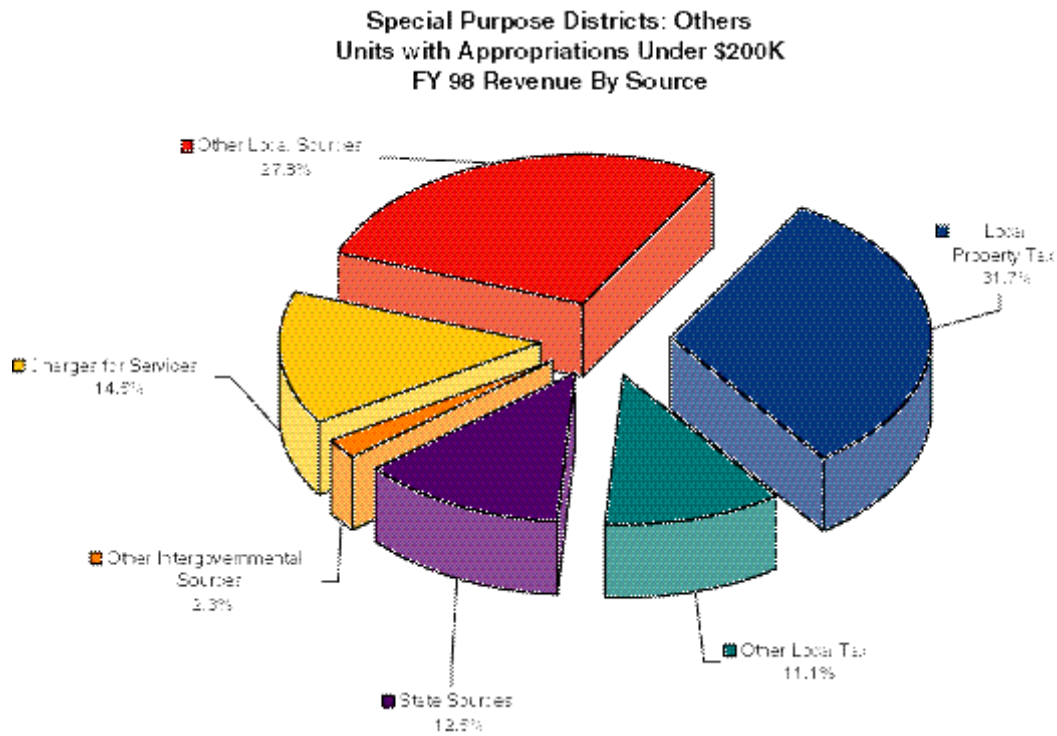
Small Special Purpose Districts

(Units with appropriations under \$200,000)

TOTAL GOVERNMENTAL REVENUES

FY 98 revenues for special purpose districts with appropriations under \$200,000 were \$129 million. Property Taxes accounted for 31.7% of all revenues collected by special purpose districts, totaling more than \$41 million. Local sources, such as sales and utility taxes comprised 27.8% of revenues collected by special purpose districts.

See the following chart for an illustration of total revenues reported by special districts (excluding drainage districts).



\$ = Thousands					
Local Property Tax	Other Local Tax	State Sources	Other Intergovernmental Sources	Charges for Services	Other Local Sources
\$41,066	\$14,420	\$16,307	\$2,917	\$18,861	\$35,951

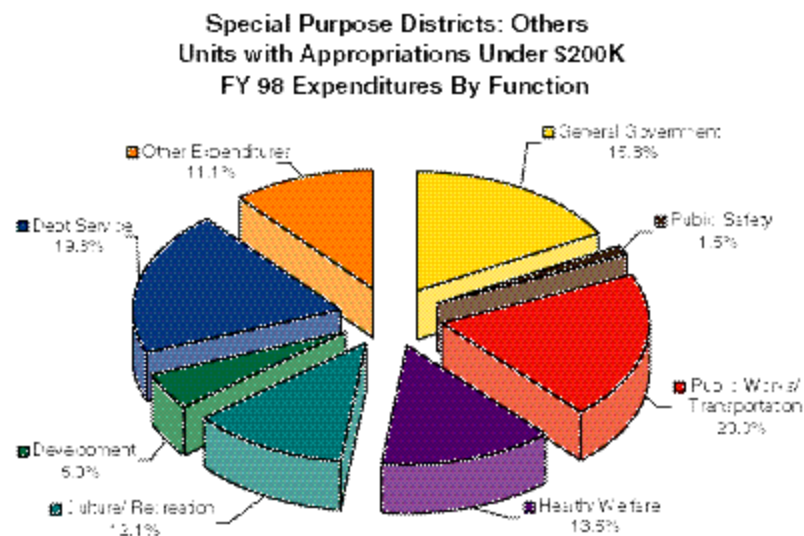
TOTAL GOVERNMENTAL EXPENDITURES

Specified special purpose districts expended \$98 million during FY 98. The myriad of district types and purposes they serve resulted in an even distribution of programmatic spending.

Public works expenditures, which includes street lighting districts, mass transit districts, surface water districts, and airport authorities accounted for over 20% of total expenditures during FY 98. Special purpose districts expended \$19.4 million in debt services, accounting for 19.8% of total expenditures reported for FY 98.

Operational, administrative and legislative costs or General Government, accounted for 16.8%, or \$16.5 million of special purpose expenditures. Public health districts, TB sanitarium districts, hospital districts, and mosquito abatement districts contributed to the \$13.3 million in health and welfare expenditures reported in FY 98. Districts with the function of providing cultural and recreational programs accounted for 12%, or \$11.9 million of special purpose expenditures.

See the following chart for an illustration of total expenditures reported by drainage districts (excluding drainage district:¹)



\$ = Thousands							
General Government	Public Safety	Public Works/Transportation	Health/Welfare	Culture/Recreation	Development	Debt Service	Other Expenditures
\$16,536	\$1,600	\$19,614	\$13,361	\$11,915	\$4,962	\$19,438	\$10,889

TOTAL GOVERNMENTAL FUND BALANCE

FY 98 ending fund balance for special purpose districts with appropriations under \$200,000 totaled \$348 million, an increase of 35% from the beginning of the fiscal year.

GOVERNMENTAL AND PROPRIETARY DEBT

The amount of debt incurred during FY 98 nearly doubled from FY 97, with an increase of 47%, or \$271 million.

Methodology

Financial data included on the Fiscal Responsibility Report Cards have been generated from the Local Government Database, which is comprised of information received by the Comptroller from local governments' Annual Financial Reports (AFRs).

The Local Government Division determines which local government units are required to file AFRs based on applicable state statutes and the Governmental Accounting Standards Board (GASB) standards. GASB accounting rules require primary governments to report financial data for all component units (or dependent governments) within its own report.⁸ Based on those rules and laws and the information contained in the Local Government Database, it was determined that more than 5,800 primary governments were required to file AFRs with the Comptroller for FY 98.

All units of local government in Illinois are required to register with the Comptroller, including legally separate component units of government.⁹ Annual financial reporting is required of all primary units of government, with the financial data for all component units included in the primary government's AFR.

The City of Chicago and Cook County have been included in the total financial summary, but have been excluded from the average and medians on the Data Summaries. The City of Chicago and Cook County account for 25-40% of all taxes and expenditures for Illinois local governments. The inclusion of these two governments in the financial data summary would skew statewide summaries of revenues and expenditures. These two units have also been excluded for the municipal and county summaries.

The Data Summaries combine general and special revenue funds in the Fiscal Indicators section. We have excluded other fund categories (Capital Project Funds, Debt Service Funds, Discrete Components, and Expendable Trusts) because comparisons including these other sources may be distorted by timing differences in capital spending and debt financing activity, which may result in large temporary fund balances. Also, borrowing from capital projects and debt funds may be restricted by bond covenants. Discretely presented component units have been excluded to provide a clear picture of a primary government's financial standing.

In the debt section of the Data Summaries, the entire debt amount in both the governmental fund types and the proprietary fund types have been combined to provide a comprehensive view of total debt.

In the summary report, all governmental fund types have been combined to indicate the total revenues and expenditures reported for FY 98. All data by fund type and government is also available on the Comptroller's Web site at www.ioc.state.il.us.

The analysis for counties, municipalities and townships includes reported population, allowing for per capita comparison. The reported population for counties and municipalities is more reliable than townships because the figures can be checked against U.S. Census Bureau data. The self-reported population figures are less reliable for townships and highly unreliable for special purpose districts. The improvement of the Local Government Registry¹⁰ will allow for more accurate data collection and analysis of the number special purpose districts in Illinois.

⁸For example, many townships, which are primary governments, report financial information on their AFRs for their road and bridge districts, which are component units of the township government.
⁹15 ILCS 495/23.7.
¹⁰ 15 ILCS 495/23.7

It should be noted again that the financial information used to compile this report is self-reported by individual local governments. In addition to delinquent units of local government, our review of the Annual Financial Reports submitted indicates that many local government officials or their accountants made calculation errors, or misclassified financial data.

The Local Government Division staff has identified many of the common mistakes made by local governments and is working with local officials and their accountants to ensure that they complete their reports correctly in the future.

Revenue and Expenditure Glossary

Following are descriptions of all revenue and expenditure categories in which local governments report. The descriptions correspond to all tables and charts in this report.

REVENUE

LOCAL TAXES

Local taxes account for the majority of local government revenue. Local taxes consist of revenues received through locally imposed taxes, including property, sales, utility and others. The primary taxing source in this sub group is property tax. Where non-property-taxing sources (local sales, utility, and other local taxes) are not significant (i.e., small compared to other sources) they have been merged into the Other Local Taxes category.

PROPERTY TAX

The Property Tax is an (ad valorem) tax levied on an assessed valuation of real property by the legislative body of a local government. The tax is used primarily to fund basic governmental operations and services, such as infrastructure improvement, maintenance and pensions.

Non-home rule municipalities must have explicit statutory authority to impose property taxes for anything except the general corporate fund. Revenues from this fund are used primarily for general operational purposes.

Property taxes are the major source of income for local governments. It accounts for \$4.5 billion or 31.2% of revenues for local governments. Governments with the fewest taxing tools and programs are more dependent on property taxes than larger governments that provide more services. Aggregate county and municipal revenue charts show both of those governments relying on property taxes for approximately 30% of revenues. Special purpose districts such as Fire Protection Districts and Libraries rely on property taxes to provide approximately 80% of total revenues.

LOCAL SALES AND USE TAXES

Sales and use taxes are imposed on the sale or consumption of goods. Home rule municipalities can levy a rate in addition to the state-ordered sales tax rate without limitations.¹² If a local government unit does not have home rule powers, an additional local sales tax can be imposed by referendum. Municipalities with large central business districts or regional shopping centers may receive sufficient revenues from local sales to completely eliminate or substantially reduce property tax levies. Other municipalities may receive limited revenues from the sales tax.

Where this category is not present on a table or chart, it has been merged into the category called Other Local Taxes. The locally imposed sales tax accounts for \$782 million or 5.4% of total revenues.

UTILITY TAX¹³

Utility taxes are levied on gross receipts of public or privately owned utilities that provide electric, gas, water or telephone service to residents. Municipalities are authorized without referendum to impose a utility tax of up to 5% of a utility's gross sales within the municipality. This tax is collected locally through the utility company.

¹²35 ILCS 105/1 ff. (Use Tax); 120/1 ff. (Retailers' Occupation Tax); 110/1 ff. (Service Use Tax); and 115/1 ff. (Service Occupation Tax).

¹³65 ILCS 5/8-11-1 (HR Municipal Service Occupation Tax); 65 ILCS 5/8-1006 (HR Municipal Service)

¹⁴65 ILCS 5/8-11-1.7 (Taxation of occupations or privileges).

More than 400 municipalities have opted to impose the utility tax. For those that impose the tax, it is a substantial source of revenue. There are no restrictions on the use of this revenue. Two counties impose this tax. Fewer than 10 special purpose governments reported a utility tax on their FY 98 Annual Financial Reports. Utility tax represented \$709 million, or 4.9% of total FY 98 revenues. Where this category is not present on a table or chart, it has been merged into Other Local Taxes category.

OTHER LOCAL TAXES¹⁴

This source consists of local taxes imposed on the sale or consumption of selected goods and services, such as motor fuel and alcohol and tobacco products, and business taxes on entities other than public utilities.

Approximately 25% of municipal governments receive revenues from this source. In addition, 200 non-municipal local governments receive revenues from this source.

Other local taxes accounted for \$1 billion or 7.2% of all FY 98 revenue. Where this category is not present on a table or chart, it has been merged into the category called Other Local Taxes.

STATE REVENUE SOURCES

Funding shared with local governments from state revenue sources is reported on the Annual Financial Report as State Income Tax, State Sales Tax, State Motor Fuel Tax, State Replacement Tax, and Other State Sources. Almost all-intergovernmental state funds are deposited by local governments into their general funds.

INCOME TAX¹⁵

Income taxes are revenues shared with the state. The tax was enacted in 1969, and the current rate is 3.0% for individuals and 4.8% for corporations. The statutes direct an amount equal to 1/10 of the net revenue realized from the State Income Tax to be shared with local units of government. This “sharing” of the state’s income tax revenue takes the form of monthly transfers to counties and municipalities through the state’s Local Government Distributive Fund.

County and municipal governments are the only types of local governments that receive money from this fund. More than 20 governments, however, incorrectly reported that they collected revenues from this source during FY 98.

State Income Tax represented \$833 million, or 5.8% of FY 98 local government revenues. This source of income is available to municipal and counties governments only and is distributed proportionately by population. Municipal governments receive 10% and counties receive 4.9% of total income (excluding Chicago and Cook) from this source. Where this category is not represented in a specific table or chart, it has been merged into a category called Other State Sources.

¹⁴Other common local government taxes include: Amusement Tax, Hotel/Motel Tax, Motor Vehicle Leasing Tax, Replacement Vehicle Tax, Motor Home Tax, and Coin-Operated Devices Tax.
¹⁵35 ILCS 5/101 ff. (Illinois Income Tax Act).

STATE SALES TAX¹⁶

Sales and use taxes are imposed on the sale or consumption of goods. The state sales tax was first enacted at a rate of 2.0% in 1933. Since then, the rate and base (taxable items) have changed numerous times, with the last change occurring as part of sales tax reform measures adopted in January, 1990.

The current state sales tax rate is 6.25% applied against a uniform tax base with the state retaining 80% and returning the remaining 20% to point-of-sale municipal and county governments. Home rule units can impose an additional sales tax rate without limitation. (See “Sales Tax” under “Local Taxes” for more information on home rule collected Sales Tax).

The Illinois Sales Tax actually consists of two pairs of taxes that have two subparts: the retailer’s occupation tax and use tax (ROT); and the service occupation tax and service use tax. The ROT is imposed on retailers’ gross receipts from the sale of tangible personal property, while the use tax is imposed on persons using tangible personal property. The service occupation tax and service use tax are similar to the ROT and use tax but apply to tangible property received incident to buying a service.

In addition to municipalities and counties (see “Local Sales and Use Taxes”), mass transit districts and some water reclamation districts also can impose an additional sales tax. The sales tax rate is higher in the Chicago and East St. Louis metropolitan areas due to the additional collection of sales taxes for mass transit services.¹⁷

This revenue source represented \$1.2 billion, or 8.3% of the total FY 98 revenue collected by local governments. It represented 17% of total revenue for municipalities, and 6.6% for counties. Ten local governments incorrectly reported on their FY 98 Annual Financial Reports that they collected local sales tax revenue. Where this category is not represented in a specific table or chart, it has been merged into a category called Other State Sources.

MOTOR FUEL TAX¹⁸

The Motor Fuel Tax is distributed to local governments in the form of shared revenues, grants, entitlements or payments in lieu of taxes. The tax is imposed on the privilege of operating motor vehicles on public highways or waterways in Illinois. The State imposes a 19-cent tax on each gallon of gas sold at retail. It is paid by distributors and suppliers, who pass it on to consumers as part of the pump price.

All revenue from this tax is deposited into the motor fuel tax fund from which 41.6% of collections are returned to local governments, after deductions for associated costs. The funds that are distributed back to the local governments units are apportioned as follows:

- . Municipalities receive 49%, distributed by population
- . Cook County receives 16% directly
- . Other 101 counties receive 18% based on motor vehicle license fees collected
- . Townships and road districts receive 15% in proportion to mileage

¹⁶35 ILCS 105/1 ff. (use Tax); 120/1 ff. (Retailers Occupation Tax); 110/1 ff. (Service Use Tax); and 115/1 ff. (Service Occupation Tax.)

¹⁷70 ILCS 3615/4.03 (Regional Transportation authority (RTA) Retailers’ Occupation Tax, RTA Service Occupation Tax and RTA Use Tax) 70 ILCS 36105/01 Metro-East Mass Transit District (MED) Retailers’ Occupation Tax, MED Service Occupation Tax, and MED Use Tax.

¹⁸35 ILCS 505/1 ff. (Motor Fuel Tax Law)

The use of motor fuel tax funds is statutorily restricted to purposes relating to maintenance and construction of transportation and related facilities.

Motor Fuel Tax accounted for \$441 million or 3% of all FY 98 revenues. Where this category is not represented in a specific table or chart, it has been merged into a category called Other State Sources.

PERSONAL PROPERTY REPLACEMENT TAX¹⁹

Prior to 1970, property taxes were levied on personal property (cars, furniture, etc.) and real property (land and buildings) for both individuals and businesses. The 1970 Illinois Constitution abolished the individual personal property tax and gave the legislature until 1979 to abolish the business personal property tax and replace the revenues lost by units of local government with a new tax or set of taxes. In 1979, the General Assembly replaced the personal property tax on businesses with an income tax on corporations and an invested capital tax on public utilities. These funds are distributed based on shares of personal property tax collections in 1976, for units in Cook County, and on the 1977 share for the remaining counties.

Personal Property Replacement Taxes are received by most governments that collect property taxes. It accounts for \$310 million, or 2.1% of local government revenues in FY 98. Where this category is not represented in a specific table or chart, it has been merged into a category called Other State Sources.

OTHER STATE SOURCES

Funds from the state, other than the statutorily mandated taxes, should be reported as Other State Sources. Generally, funds reported in this category represent grants received from the state.

Other State Sources accounted for \$345 million, or 2.1% of all FY local governments revenues. Where this category is not represented in a specific table or chart, it has been merged into a category called Other State Sources.

INTERGOVERNMENTAL FUNDS FROM FEDERAL AND OTHER LOCAL GOVERNMENTS

Local governments can receive revenue from the federal government or from other local governments. Federal sources accounted for \$858 million, or 5.9% of total FY 98 local government revenue. Approximately 600 governments received federal funds, although half of all federal funds were given to Chicago and Cook County. Federal funds reported as revenue usually represent grants.

Approximately 800 governments received funds from other local governments in FY 98. Intergovernmental revenues represent \$260 million, or 1.8% of all receipts. A jointly funded program generally provides intergovernmental funds. These two categories have been merged into one category on all charts and tables called Intergovernmental Sources.

OTHER LOCAL SOURCES

Other Local Sources include all other revenue sources not derived from a tax including permits, fees, fines, charges for services, interest, and other revenues.

Other Local Sources accounted for \$3.2 billion or 21.9% of all FY 98 revenues. Charges for Services were the largest portion of Other Local Sources, representing \$1.1 billion or 7.7% of all revenues.

¹⁹35 ILCS 610/2a. 1 (telephone and telegraph companies); 615/2a. 1 (gas distribution companies); 620/2a. 1 (electric companies); and 625/3 (water companies).

Where any of these fund categories are not represented in a table or chart, they have been merged into the Other Local Sources category.

EXPENDITURES

Expenditures are depicted by program. Each government should have expenditures for at least two different programs, including General Government and the specific purpose or program that the government provides. However, many small governments have combined all expenditures into either the General Government category or the Special Purpose category, which skews the programmatic data. Following is a list of all programmatic expenditures.

GENERAL GOVERNMENT

General Government expenditures finance the administrative costs of operating the local government. Included in these costs are expenditures made by the legislative and judicial branches of government and those of the Chief Executive Officer and other top level auxiliary and staff agencies in the administrative branch. For most units, the amount of funding involved, population served, or personnel required will drive administrative needs and costs. For instance, a unit with a large population will require a large number of employees to deliver services, thus increasing General Government expenditures.

General Government was the second largest spending category in FY 98, accounting for \$2.6 billion or 19.1% of all local government expenditures.

PUBLIC SAFETY

This category includes expenditures for the protection of persons and property, primarily police and fire protection services. Statewide, Public Safety was the largest expenditure, accounting for \$3.3 billion, or 23.5% of all FY 98 spending.

CORRECTIONS

This category includes costs related to the confinement and correction of adults and minors convicted of offenses against the law. Associated costs also include pardon, probation and parole activities. County governments are generally charged with responsibility for this expenditure. Some municipal governments may provide data for this type of program, but the annual proportion generally has been less than 1%. Expenditures for corrections represented \$425 million or 3.0% of total FY 98 spending. Where this category is not represented on a table or chart, it has been merged with the Public Safety category.

JUDICIARY

Expenditures for the judicial activities of local governments include costs of the criminal courts, grand jury, public defender, civil courts, and law library. County governments are usually charged with responsibility for these programs. Expenditures for Judiciary represented \$728 million, or 5.2% of total FY 98 spending. Where this category is not represented on a table or chart, it has been merged with the Public Safety category.

PUBLIC WORKS AND TRANSPORTATION

Public Works and Transportation expenditures generally fall into three categories: Highways, Streets and Roadways (non-park road and walkways); Bridges, Viaducts and Grade Separations (construction, maintenance

and repair of bridges, viaducts, grade separations, trestles and railroad crossings); and Sanitation (removal and disposal of sewage and other types of waste matter). Public works was the third largest expenditure in FY 98, totaling \$1.9 billion, or 13.7% of all local government spending.

HEALTH AND WELFARE

Health and Welfare expenditures are related to the preservation and improvement of public health and public assistance and institutional care for economically disadvantaged individuals. Total spending for Health and Welfare in FY 98 was \$570 million, or 4.1% of local government expenditures.

CULTURE AND RECREATION

This category comprises expenditures for cultural and recreational activities maintained for the benefit of residents and visitors. These activities may include administration, operation and maintenance costs associated with the parks, libraries, museums, civic centers, swimming pools, and other cultural and recreational entities. Special purpose governments such as libraries and parks list the majority of their spending in this category. Local governments spent \$1.1 billion, or 8.4% of their funds on Culture and Recreation in FY 98.

DEVELOPMENT

This category represents expenditures for various programs designed to spur economic growth and eliminate poverty for its residents. Economic development and assistance includes activities directed toward the economic development of the area encompassed by the government and the provision of assistance and opportunity for economically disadvantaged persons and businesses. Development represented \$574 million or 4.1% of total FY 98 spending.

DEBT SERVICE

Debt service includes interest and principal payments on general long-term obligations and interest amounts applicable to other debt instruments. Total spending for Debt Service was \$1.5 billion or 11.1% in FY 98.

PROPRIETARY FUND TYPES

Proprietary Fund Types include enterprise, internal service, non-expendable trust, fiduciary and pension trust funds. These funds account for local government activities similar to those in the private sector. For example, a sewer program that pays for itself by charging a fee for services has Proprietary Funds. Other examples of a Proprietary Fund Type program would include garbage pick-up, water systems, or a fee operated park district.

Enterprise funds are listed on the Data Summary for all counties and municipalities. Because other government types rarely use enterprise funding, it has been omitted from the Data Summaries for other types of local governments.